

Supporting Statement A

ONSHORE OIL AND GAS LEASING AND DRAINAGE PROTECTION (43 CFR PARTS 3100, 3120, AND 3150, AND SUBPART 3162)

OMB Control Number 1004-0185

Terms of Clearance: None.

General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question “Does this ICR contain surveys, censuses, or employ statistical methods?” is checked "Yes," then a Supporting Statement B must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

In accordance with the following statutes and regulations, the Bureau of Land Management (BLM) collects information to monitor and enforce compliance with drainage protection and other requirements pertaining to Federal and Indian oil and gas leasing and operations (except on the Osage Reservation).

- (a) Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 *et seq.*);
- (b) Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359);
- (c) Various Indian leasing acts;
- (d) Section 1008 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148);
- (e) National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 *et seq.*);
- (f) Federal Oil and Gas Royalty Management Act (30 U.S.C. 1701-1758); and
- (g) Regulations under 43 CFR parts 3100, 3120, and 3150, and subpart 3162.

The statutes of primary importance to this request are the Mineral Leasing Act (MLA) of 1920 (30 U.S.C. 181 *et seq.*) and the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701 *et seq.*). The MLA gives the Secretary of the Interior responsibility for oil and gas leasing on approximately 570 million acres of public lands and national forests, and private lands where the mineral rights are reserved by the United States. In order to fulfill the Secretary's responsibilities under the MLA, the BLM collects certain information from onshore Federal and Indian oil and gas lessees (except on the Osage Reservation), operators, and operating rights owners. The information covered by this request enables the BLM to monitor and enforce compliance with requirements pertaining to various aspects of Federal and Indian oil and gas leasing and operations (except on the Osage Reservation).

The FOGRMA requires the Secretary to implement and maintain a royalty management system for oil and gas leases on Federal lands, Indian lands, and the Outer Continental Shelf. Information collections covered in this request enable the BLM to prevent drainage that could result in reduced Federal royalties from onshore Federal and Indian oil and gas lessees (except on the Osage Reservation),

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 BLM uses the information in this request to monitor and enforce compliance with requirements pertaining to the following aspects of Federal and Indian leases (except on the Osage Reservation):

- Statutory acreage limitations;
- Acreage chargeability in the event of a lessee's change of name or corporate merger;
- Relinquishment of a lease; and
- Drainage protection.

The BLM also uses the information in this request to decide whether or not to approve proposals to:

- Waive, suspend, or reduce rental or royalty payments;
- Enter into various types of agreements, contracts, consolidations, and combinations;
- Store oil and gas underground on Federal lands;
- Transfer a lease interest to an heir or devisee;
- Renew a lease;
- Reinstate a lease;
- Obtain an oil and gas lease under railroads and certain other rights-of-way;

- Make lands available for competitive leasing; and
- Protest or appeal a BLM decision to offer lands for competitive leasing.

The information collection activities in this request are as follows:

43 CFR Subpart 3100 — Oil and Gas Leasing: General

With some exceptions, the MLA, at 30 U.S.C. 184(d), limits the aggregate number of acres of Federal oil or gas leases any person, association, or corporation may take, hold, own, or control in any one State. This provision imposes similar limits on options to acquire interests in Federal oil or gas leases. The MLA provides for two collection activities in association with the acreage limitations for options. Regulations of the BLM add detail to these two collections at 43 CFR Subpart 3100, in accordance with the MLA.

A. 3100.3-1(b) — Option Enforceability

The MLA provides that no option or option renewal is enforceable until a notice of option holdings has been filed with the BLM. The BLM uses the information in the notice to determine whether or not an option is chargeable to the option holder's acreage limitation.

Each such notice must include:

- The names and addresses of the parties to the option;
- The serial number of the lease or application for a lease to which the option is applicable;
- A statement of the number of acres covered and of the interests and obligations of the parties; and
- The interest to be conveyed and retained in exercise of the option.

The notice must be signed by all parties to the option or their duly authorized agents. The signed notice shall contain or be accompanied by a signed statement by the holder of the option that he/she is the sole party in interest in the option; if not, he/she shall set forth the names and provide a description of the interest of the other parties, and provide a description of the agreement between them, if oral, and a copy of such agreement, if written.

B. 3100.3-3 — Option Statement

Each holder of an option must file an option statement within 90 days after June 30 of each year, and again within 90 days after December 31 of each year. The MLA provides that the failure of the holder of an option to file an option statement renders the option unenforceable by him. The BLM uses the information to certify compliance with the regulations with respect to chargeability of acreage within options.

Each option statement must include:

- The option holder's name;
- The name and address of each grantor of an option held by the option holder;
- The serial number of every lease or application for a lease to which such an option is applicable;
- Any changes to the statement submitted under 43 CFR 3100.3-1(b)
- The number of acres covered by each such option;
- The total acreage in each State to which such options are applicable; and
- The option holders' interest and obligation under each such option.

43 CFR Subpart 3101 — Issuance of Leases

This subpart includes four collections.

The first three pertain to the general acreage limitations discussed above (including, but not limited to, options):

A. 3101.2-4(a) — Proof of Acreage Reduction

This collection is associated with situations in which a party holds excess accountable acreage as a result of:

1. The termination or contraction of a unit or cooperative plan;
2. The elimination of a lease from an operating, drilling, or development plan; or
3. A merger or the purchase of the controlling interest in a corporation.

Within 90 days of acquiring excess accountable acreage under the first or second scenario, the acquiring party must reduce the holdings to the prescribed limitation and must file proof of the reduction with the BLM. The deadline for reducing excess acreage and filing proof is 180 days under the third scenario.

B. 3101.2-4(a) — Excess Acreage Petition

A party faced with the third scenario listed above may file a petition with the BLM for extra time to comply with the 180-day deadline. The BLM uses the information to determine whether or not to grant the party additional time to come into compliance with State acreage limitations.

C. 3101.2-6 - Ad Hoc Acreage Statement

At any time the BLM may require a lessee or operator to file a statement showing as of the specified date, the serial number and the date of each lease in which he/she has any interest, in the the particular State, setting forth the acreage covered thereby. The BLM uses the information to determine whether or not a lessee is in compliance with the law with respect to statutory acreage limitations.

The fourth collection in this subpart pertains to leases for applications for leases for lands within an approved unit:

3101.3-1 - Joinder Evidence Required

When a lease or a portion of a lease cannot be independently developed and operated in conformity with an established well-spacing or well-development program, the BLM may approve a communitization or drilling agreement for such lands with other lands, whether or not owned by the United States, upon a determination that such an agreement is in the public

interest. Before issuance of a lease for land within an approved unit, the BLM requires a statement as to whether or not a prospective oil and gas lessee has joined in a unit agreement and unit operating agreement or a statement giving satisfactory reasons for the failure to enter into such agreement.

Note: As discussed below, the BLM collects communitization and drilling agreements under 43 CFR Subpart 3105.

43 CFR Subpart 3103 — Fees, Rentals, and Royalty

3103.4-1 - Waiver, Suspension, or Reduction of Rental or Royalty

The BLM may waive, suspend, or reduce the rental or minimum royalty, or reduce the royalty, on a leasehold or portion thereof if an operator/payor files an application that enables the BLM to determine that: (1) such action is necessary to promote development of oil or gas resources, or (2) the relevant lease or leases cannot be successfully operated under the terms provided therein.

Each application must include:

- The serial number of the leases;
- The names of the record title holders, operating rights owners (sublessees), and operators;
- The description of lands by legal subdivision;
- A description of the relief requested;
- The number, location, and status of each well drilled;
- A tabulated statement for each month, covering a period of not less than 6 months prior to the date of filing the application, showing the aggregate amount of oil or gas subject to royalty, the number of wells counted as producing each month, and the average production per well per day;
- A detailed statement of expenses and costs of operating the entire lease, the income from the sale of any production, and all facts tending to show whether the wells can be successfully operated upon the fixed royalty or rental;

Where the application is for a reduction in royalty, the applicant must also furnish:

- Full information as to whether overriding royalty payments out of production, or similar interests, are paid to payees other than the United States; the amounts so paid; and efforts that have been made to reduce them; and
- Agreements of the holders to a reduction of all non-Federal royalties or similar payments from the leasehold to an aggregate not in excess of one-half the royalties due to the United States.

43 CFR Subpart 3105 — Cooperative Conservation

A. 3105.2 - Communitization or Drilling Agreements

These types of agreements must be submitted to and approved by the BLM before they may be effective as to Federal leases. The BLM uses the information to determine whether or not the lease may be subject to drainage by an off-lease well, and whether or not it is in the public interest to combine operation efforts.

Each agreement must include the following:

- A description of the separate tracts comprising the drilling or spacing unit;
- The apportionment of the production or royalties to the several parties;
- The name of the operator;
- Adequate provisions for the protection of the interests of the United States;
- Signatures by or on behalf of all necessary parties.

B. 3105.3 - Operating, Drilling or Development Contracts

The BLM requires a statement showing any interest held by a contractor, and a copy of the contract. Operators must submit copies of contracts to obtain approval to enter into contracts with a number of lessees sufficient to justify operations on a large scale.

The BLM uses the information to determine whether or not the contracts involve a number of lessees sufficient to justify operations on a scale large enough to justify the discovery, development, production, or transportation of oil or gas and to finance the same.

C. 3105.4 - Application to Combine Interests for Joint Refining or Transportation of Oil

Lessees or operators must file an application in order to seek approval to combine their interests in leases for the purpose of:

- Constructing and carrying on the business of a refinery; or
- Establishing and constructing as a common carrier a pipeline or railroad to be operated and used by them jointly in the transportation of oil or gas from their wells or from the wells of other lessees.

The BLM uses the information to determine whether or not:

- There is a reasonable need for the combination;
- The combination will result in any concentration of control over the production or sale of oil and gas which would be inconsistent with the anti-monopoly provisions of law.

D. 3105.5 - Subsurface Storage of Oil and Gas

Any interested party who wants to obtain authorization to store oil and gas underground on Federal lands must file an application for a gas storage agreement. The BLM uses the

information to authorize subsurface storage that will avoid waste and promote conservation of the natural resources.

E. 3105.6 – Consolidation of Leases

Each application for a consolidation of leases must include sufficient justification and a showing that consolidation is in the public interest.

43 CFR Subpart 3106 — Transfers by Assignment, Sublease, or Otherwise

A. 3106.8-1 - Heirs and Devisees Statement

In case of the death of an offeror, applicant, lessee, or transferee, the BLM requires a statement that heirs and devisees are qualified to hold a lease interest before transferring the affected lease interest.

B. 3106.8-2 - Change of Name Report

A change of name of the lessee must be reported to the BLM. The notice of name change must include a list of serial numbers of the affected leases. This information is necessary for acreage chargeability purposes in accordance with 30 U.S.C. 184(d).

C. 3106.8-3 - Corporate Merger Notice

Where a corporate merger affects leases situated in a State where the transfer of property of the dissolving corporation to the surviving corporation is accomplished by operation of law, no transfer of any affected lease interest is required. However, the BLM requires a notification of such merger, along with a list, by serial number, of all lease interests affected. The BLM uses the list to determine acreage chargeability in accordance with 30 U.S.C. 184(d).

43 CFR Subpart 3107 — Continuation, Extension, or Renewal

3107.8 – Lease Renewal Application

An application from the lessee is required before the BLM will consider renewing an expiring lease. The operator may join in or consent to the application.

The application must show whether all monies due the United States have been paid, and whether operations under the lease have been conducted in compliance with the applicable regulations. If the applicant has not already done so, the applicant must also furnish three copies of each agreement providing for overriding royalties or other payments out of production from the lease.

43 CFR Subpart 3108 — Relinquishment, Termination, or Cancellation

There are four collections in this subpart:

A. 3108.1 – Relinquishment

A lessee may relinquish a lease only after filing a written relinquishment of a lease or subdivision. All lessees holding record title interests in the lease must sign the relinquishment.

B. 3108.2-2 Class I Reinstatement Petition

In accordance with the MLA, at 30 U.S.C. 188, and 43 CFR 3108.2-2, the BLM may reinstate a lease at existing rental and royalty rates (i.e., grant a Class I Reinstatement), provided that the lessee:

- Has paid the full amount of rental due within 20 days after the anniversary date;
- Shows to the BLM's satisfaction that the failure to timely submit the full amount of the rental due was either justified or not due to a lack of reasonable diligence on the part of the lessee (e.g., a rental payment was postmarked by the U.S. Postal Service on or before the lease anniversary date); and
- Submits to the BLM a petition for reinstatement, together with a nonrefundable filing fee (specified in 43 CFR 3000.12) and the required rental within 60 days after receipt of Notice of Termination of lease due to late payment of rental.

The BLM uses the information in the petition to determine whether or not to grant a Class I Reinstatement.

C. 3108.2-3 Class II Reinstatement Petition

In accordance with the MLA, at 30 U.S.C. 188, and 43 CFR 3108.2-3, the BLM may reinstate a lease at higher rental and royalty rates (i.e., grant a Class II Reinstatement), when the holder of a terminated lease:

- Has not paid or tendered back rental within 20 days of the termination date; and
- Has shown to the BLM's satisfaction that such failure was justified, was not due to a lack of reasonable diligence, or was inadvertent.

Leases terminated on or before August 8, 2005 may be reinstated if the required back rental and royalty at the increased rates accruing from the date of termination, together with a petition for reinstatement, are submitted on or before the earlier of 60 days after the receipt of the Notice of Termination, or 15 months after termination of the lease.

Leases terminated after August 8, 2005 may be reinstated if the required back rental and royalty at the increased rates accruing from the date of termination, together with a petition for

reinstatement, are submitted on or before the earlier of 60 days after the last date that any lessee of record received the Notice of Termination by certified mail, or 24 months after termination.

D. 3108.2-4 Class III Reinstatement Petition

In accordance with the MLA (at 30 U.S.C. 188) and 43 CFR 3108.2-4, the BLM may issue a noncompetitive oil and gas lease (i.e., grant a Class III reinstatement petition) where an unpatented oil placer mining claim:

- Has been validly located before February 24, 1920;
- Has been abandoned (or has been deemed abandoned) for failure to file timely the required instruments required by Section 314 of the Federal Land Policy and Management Act (43 U.S.C. 1744); and
- The respondent has shown to the satisfaction of the BLM that such failure was inadvertent, justifiable, or not due to lack of reasonable diligence on the part of the owner.

43 CFR Subpart 3109 — Leasing under Rights-of-Way

3109.1 – Application for Lease under Right-of-Way. We require an application, but no specific form, to lease certain lands within of rights-of-way for the underlying oil and gas. The BLM needs the information under the Act of May 21, 1930, which authorizes the leasing of, or the entering into a compensatory royalty agreement for, oil and gas deposits under railroads and certain other types of rights-of-way.

43 CFR Subpart 3120 — Competitive Leases

3120.1-1(e) - Lands Available for Competitive Leasing. We collect information from parties that ask the BLM to offer specific lands for competitive oil and gas lease sale. Such a request must describe the lands with enough specificity so that the BLM can determine what the entity is requesting.

3120.1-3 - Protests and Appeals. If a party disagrees with a BLM decision to offer certain lands for competitive oil and gas lease sale, it must provide the BLM with justification.

43 CFR Subpart 3162 — Drainage

3162.2-9 — Drainage Protection Reports — Preliminary, Detailed, and Additional. Drainage occurs when a well is drilled close enough to the boundary of an adjacent parcel that oil or gas migrates from that parcel to the well. These information collections enable the BLM in meeting its responsibility to prevent drainage that could result in reduced royalties for their oil and gas resources.

While the lessee has the primary responsibility to protect lessors from drainage, the BLM routinely monitors drilling activities to determine whether appropriate steps are being taken to

ensure that Federal and Indian leases are not being drained. Based on knowledge of reservoir conditions that vary from basin to basin, the BLM has determined that approximately 1,000 of the leases it administers are located close enough to other wells to warrant further inquiries to determine if drainage is occurring. The BLM requires holders of those leases to submit a preliminary drainage protection report each year. That report is based on publicly available information such as well completion reports, sundry notices, and production reports.

In addition to reviewing preliminary drainage protection reports, the BLM also conducts an administrative review of those 1,000 leases each year. Approximately 100 are determined annually to have the potential for creating drainage situations. The BLM sends the affected lessees/operating rights owners an initial contact letter, and in response, they are required to submit a detailed drainage protection report. The content of the report varies depending on the circumstances. The usual response indicates that a review of each drainage situation has been completed, and action is being taken that will sufficiently protect the BLM-administered lease from drainage.

In a typical year, the BLM sends a demand letter that requires an additional drainage protection report from about 10 of the 100 lessees/operating rights owners. Demand letters are sent when the BLM believes that lessees and operating rights owners did not gather sufficient data to determine whether drainage is occurring or has not occurred, or did not analyze the data properly to determine that a protective well would be uneconomic. In the response, the lessee or operating rights owner notifies the BLM of plans for drainage protection and analysis and, if requested by the BLM, discloses the drainage area of the ultimate recovery of the offending well, the amount of oil and gas resources drained from the lease, and whether a protective well would be economic to drill.

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.

No forms are associated with this control number. Respondents may compile the required nonform data, and may choose to submit the information electronically by emailing it to the appropriate BLM office. However, virtually all respondents prepare petitions, requests, applications, etc., in letter form on official company letterhead, and choose to send them by regular mail; this facilitates BLM review and collection of fees and publication costs. Also, drainage determination information correspondence has no official or legal standing unless it is transmitted by mail or by certified mail.

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

No duplication of information occurs on the information we collect. The requested information is nonrecurring, occasional, and unique to each applicant/operator and to each specific oil and gas activity and is not available from any other data source. No similar information is available or able to be modified. The information is supplied by the respondents, which are entities conducting oil and gas exploration and leasing activities. The information is required to receive a benefit. Each BLM State Office has jurisdiction over specific lands, so no duplication occurs with respect to processing a respondent's application or information.

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

There is not a significant impact on small businesses or other small entities from the information we request. The required information is the minimum necessary to allow the BLM to process an applicant's information about oil and gas activities and drainage protection and to comply with provisions of the applicable laws and regulations.

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.

A respondent uses applications and statements to submit information regarding oil and gas offers and leases on public domain and acquired lands. If the information is not provided, lands cannot be leased, explored or developed, which would prevent the individual or entity from obtaining the benefit of an oil and gas lease.

Failure to collect the requested information would mean that the BLM would lack the information necessary to:

- Approve proposed oil and gas leasing and operations;
- Monitor compliance with the terms and conditions of Federal oil and gas leases and with applicable laws; and
- Determine whether or not lessees/operating rights owners are fulfilling their obligation to protect their Federal oil and gas leases from drainage.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- * **requiring respondents to report information to the agency more often than quarterly;**
- * **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- * **requiring respondents to submit more than an original and two copies of any**

document;

- * requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- * in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- * requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- * that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- * requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 43 CFR 1320.5.

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

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

On June 27, 2012, the BLM published the required 60-day notice in the Federal Register (77 FR 38319), and the comment period ended August 27, 2012. The BLM received no comments.

The BLM has consulted with the following respondents to obtain their views on the availability of data; frequency of collection; the clarity of instructions; the recordkeeping, disclosure, and reporting formats; and on the data elements to be recorded, disclosed, or reported. There were no reports or complaints of problems or difficulties. As a result of these consultations, we made

an upward adjustment in the estimated time per response for the activity titled, “Class I reinstatement petition (43 CFR 3108.2-2),” from 30 minutes to 1 hour.

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

We do not provide payments or gifts to respondents.

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

We protect the respondent’s confidentiality to the extent consistent with the Freedom of Information Act (5 U.S.C. 552).

Under the privacy provisions of the E-Government Act of 2002, individuals/respondents are informed as to whether or not providing the information is mandatory to obtain a benefit. The

BLM has firewalls to protect web site access, strong security and password protection, and other security measures to protect electronic information.

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

We do not ask respondents questions of a sensitive nature.

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

- * **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- * **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
- * **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

Table 12-1, below, shows our estimate of the hourly cost burdens for respondents. The mean hourly wages for Table 12-1 were determined using national Bureau of Labor Statistics data at: http://www.bls.gov/oes/current/oes_nat.htm.

The benefits multiplier of 1.4 is supported by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

Table 12-1 Hourly Cost Calculation

A. Occupational Category	B. Mean Hourly Wage	C. Total Mean Hourly Wage (B x 1.4)
Mining and Geological	\$41.99	\$58.79

Engineers, Including Mining Safety Engineers 17-2151		
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The estimated annual reporting burdens for this collection are shown below in Table 12-2. The estimated hourly wage is shown at Table 12-1, above.

Table 12-2 Estimates of Hour and Hour-Related Cost Burdens

A. Type of Response	B. Number of Responses	C. Hours Per Response	D. Total Hours (Column B x Column C)	E. Annual Cost (Column D x \$58.79)
Notice of option holdings 43 CFR 3100.3-1(b)	30	1	30	\$1,764
Option statement 43 CFR 3100.3-3	50	1	50	\$2,940
Proof of acreage reduction 43 CFR 3101.2-4(a)	10	1	10	\$588
Excess acreage petition 43 CFR 3101.2-4(a)	10	1	10	\$588
Ad hoc acreage statement 43 CFR 3101.2-6	10	1	10	\$588
Joinder evidence statement 43 CFR 3101.3-1	50	1	50	\$2,940
Waiver, suspension, or reduction of rental or royalty 43 CFR 3103.4-1	20	2	40	\$2,352
Communitization or drilling agreements 43 CFR 3105.2	150	2	300	\$17,637
Operating, drilling, or development contracts interest statement 43 CFR 3105.3	50	2	100	\$5,879

Application to combine interests for joint refining or transportation of oil 43 CFR 3105.4	20	1	20	\$1,176
Subsurface storage application 43 CFR 3105.5	50	1	50	\$2,940
Consolidation of leases 43 CFR 3105.6	1	1	1	\$58.79
Heirs and devisees statement 43 CFR 3106.8-1	40	1	40	\$2,352
Change of name report 43 CFR 3106.8-2	60	1	60	\$3,527
Corporate merger notice 43 CFR 3106.8-3	100	2	200	\$11,758
Lease renewal application 43 CFR 3107.8	30	1	30	\$1,764
Relinquishment 43 CFR 3108.1	150	0.5	75	\$4,409
Class I reinstatement petition 43 CFR 3108.2-2	87	1	87	\$5,115
Class II reinstatement petition 43 CFR 3108.2-3	59	1	59	\$3,469
Class III reinstatement petition 43 CFR 3108.2-4	7	1	7	\$412
Application for lease under right-of-way 43 CFR 3109.1	20	1	20	\$1,176
Lands available for leasing 43 CFR 3120.1-1(e)	280	2.5	700	\$41,153

Protests and appeals 43 CFR 3120.1-3	90	1.5	135	\$7,937
Preliminary drainage protection report 43 CFR 3162.2-9	1,000	2	2,000	\$117,580
Detailed drainage protection report 43 CFR 3162.2-9	100	24	2,400	\$141,096
Additional drainage protection report 43 CFR 3162.2-9	10	20	200	\$11,758
Totals	2,484		6,684	\$392,957

The frequency of response for each of the information collections is “on occasion.” Responses are necessary to obtain or retain a benefit. Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information.

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)

- * The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.
- * If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- * Generally, estimates should not include purchases of equipment or services, or

portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no capital or startup costs involved because the information requested is either available in the BLM public reading rooms or maintained by the lessees, applicants, and operators for their own use (for example, maps, reports, and lease files). Respondents are businesses which are familiar with oil and gas regulatory requirements.

Various fees are associated with this collection. Except for Class II and III petitions for reinstatement, the fees are listed at 43 CFR 3000.12, and are updated annually. The fees based on section 3000.12 are shown in Table 13-1, and are for Fiscal Year 2012.

Class II and III petitions for reinstatement are subject to an administrative fee of \$500 per response. This fee is in accordance with, respectively, 43 CFR 3108.2-3(b)(3)(vi) and 3108.2-4(h).

In addition, petitioners for Class II and Class III reinstatements are required to reimburse the BLM for the cost of publishing a notice of reinstatement in the Federal Register. 43 CFR 3108.2-3(b)(v) and 3108.2-4(g). At present, the Office of the Federal Register charges \$159 per column, which is the length of almost all reinstatement notices. The annual publication cost burdens are shown in Table 13-2.

The estimated non-hour costs total \$109,439 annually — \$98.945 in processing fees, plus \$10,494 in publication costs.

Table 13-1 Estimated Annual Non-Hour Costs: Fixed Processing Fees

A. Type of Response	B. Number of Responses	C. Fixed Processing Fee	D. Annual Cost Burden of Fixed Processing Fees (Column B x Column C)
Notice of option holdings 43 CFR 3100.3-1(b)	30	N/A	N/A
Option statement 43 CFR 3100.3-3	50	N/A	N/A
Proof of acreage reduction 43 CFR 3101.2-4(a)	10	N/A	N/A

Excess acreage petition 43 CFR 3101.2-4(a)	10	N/A	N/A
Ad hoc acreage statement 43 CFR 3101.2-6	10	N/A	N/A
Joinder evidence statement 43 CFR 3101.3-1	50	N/A	N/A
Waiver, suspension, or reduction of rental or royalty 43 CFR 3103.4-1	20	N/A	N/A
Communitization or drilling agreement 43 CFR 3105.2	150	N/A	N/A
Operating, drilling, or development contracts interest statement 43 CFR 3105.3	50	N/A	N/A
Application to combine interests for joint refining or transportation of oil 43 CFR 3105.4	20	N/A	N/A
Subsurface storage application 43 CFR 3105.5	50	N/A	N/A
Consolidation of leases 43 CFR 3105.6	1	\$420	\$420
Heirs and devisees statement 43 CFR 3106.8-1	40	\$200	\$8,000
Change of name report 43 CFR 3106.8-2	60	\$200	\$12,000
Corporate merger notice 43 CFR 3106.8-3	100	\$200	\$20,000
Lease renewal application 43 CFR 3107.8	30	\$380	\$11,400

Relinquishment 43 CFR 3108.1	150	N/A	N/A
Class I reinstatement petition 43 CFR 3108.2-2	87	\$75	\$6,525
Class II reinstatement petition 43 CFR 3108.2-3	59	\$500	\$29,500
Class III reinstatement petition 43 CFR 3108.2-4	7	\$500	\$3,500
Application for lease under right-of-way 43 CFR 3109.1	20	\$380	\$7,600
Lands available for leasing 43 CFR 3120.1-1(e)	280	N/A	N/A
Protests and appeals 43 CFR 3120.1-3	90	N/A	N/A
Preliminary drainage protection report 43 CFR 3162.2-9	1,000	N/A	N/A
Detailed drainage protection report 43 CFR 3162.2-9	100	N/A	N/A
Additional drainage protection report 43 CFR 3162.2-9	10	N/A	N/A
Totals	2,484		\$98,945

Table 13-1 Estimated Annual Non-Hour Costs: Publication

A. Type of Response	B. Number of Responses	C. Publication Cost for Each Federal Register Notice	D. Annual Publication Cost Burden (Column B x Column C)
Class II reinstatement petition 43 CFR 3108.2-3	59	\$159	\$9,381
Class III reinstatement petition 43 CFR 3108.2-4	7	\$159	\$1,113
Totals	153		\$10,494

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

The hourly cost to the Federal Government is based on the U.S. Office of Personnel Management Salary Table 2012-RUS at http://www.opm.gov/oca/12tables/html/RUS_h.asp. The benefits multiplier of 1.5 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

Table 14 -1 Hourly Cost Calculation

A. Position	B. Pay Grade	C. Hourly Pay Rate (\$/hour)	D. Hourly Rate with Benefits (Column C x 1.5)	E. Percent of the Information Collection Completed by Each Occupation	F. Weighted Avg. (\$/hour) (Column D x Column E)
Supervisor, Petroleum Engineer, and / or Geologist	GS-13, Step 1	\$34.34	\$51.51	50	\$25.76
Clerical	GS-9,	\$19.92	\$29.88	50	\$14.94

	Step 1			
Total Weighted Average: \$40.70				

The Table below shows the estimated annual Federal costs for each aspect of the collection. The weighted average hourly wage is shown at Table 14-1, above.

Table 14-2 Estimated Annual Cost to the Government

A. Type of Response	B. Number of Responses	C. Time Per Response	D. Total Hours (Column B x Column C)	E. Total Wage Cost (Column D x \$40.70)
Notice of option holdings 43 CFR 3100.3-1(b)	30	1	30	\$1,221
Option statement 43 CFR 3100.3-3	50	1	50	\$2,035
Proof of acreage reduction 43 CFR 3101.2-4(a)	10	1	10	\$407
Excess acreage petition 43 CFR 3101.2-4(a)	10	1	10	\$407
Ad hoc acreage statement 43 CFR 3101.2-6	10	1	10	\$407
Joinder evidence statement 43 CFR 3101.3-1	50	1	50	\$2,035
Waiver, suspension, or reduction of rental or royalty 43 CFR 3103.4-1	20	1	20	\$814
Communitization or drilling agreement 43 CFR 3105.2	150	1	150	\$6,105
Operating, drilling, or development contracts interest statement	50	1	50	\$2,035

43 CFR 3105.3				
Application to combine interests for joint refining or transportation of oil	20	1	20	\$814
43 CFR 3105.4				
Subsurface storage application	50	1	50	\$2,035
43 CFR 3105.5				
Consolidation of leases	1	1	1	\$40.70
43 CFR 3105.6				
Heirs and devisees statement	40	1	40	\$1,628
43 CFR 3106.8-1				
Change of name report	60	1	60	\$2,442
43 CFR 3106.8-2				
Corporate merger notice	100	1	100	\$4,070
43 CFR 3106.8-3				
Lease renewal application	30	1	30	\$1,221
43 CFR 3107.8				
Relinquishment	150	0.5	75	\$3,152.50
43 CFR 3108.1				
Class I reinstatement petition	87	1	87	\$3,541
43 CFR 3108.2-2				
Class II reinstatement petition	59	18	1,062	\$43,223
43 CFR 3108.2-3				
Class III reinstatement petition	7	1	7	\$285
43 CFR 3108.2-4				
Application for lease under right-of-way	20	1	20	\$814
43 CFR 3109.1				
Lands available for leasing	280	2.5	700	\$28,490
43 CFR 3120.1-1(e)				
Protests and appeals	90	1.5	135	\$5,495.50

43 CFR 3120.1-3				
Preliminary drainage protection report	1,000	2	2,000	\$81,400
43 CFR 3162.2-9				
Detailed drainage protection report	100	8	800	\$32,560
43 CFR 3162.2-9				
Additional drainage protection report	10	8	80	\$3,256
43 CFR 3162.2-9				
Totals	2,484		5,636	\$229,934

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

Program Changes

A. We have added the following requirements because they were erroneously omitted from the previous information collection request:

- Proof of acreage reduction (43 CFR 3101.2-4(a));
- Consolidation of leases (43 CFR 3105.6);
- Class II reinstatement petition (43 CFR 3108.2-3); and
- Class III reinstatement petition (43 CFR 3108.2-4).

B. We have deleted the following requirements for oil and gas geophysical exploration in Alaska, because they are approved under OMB Control No. 1004-0162, Onshore Oil and Gas Geophysical Exploration (43 CFR Part 3150 and 36 CFR Parts 228 and 251), and including them under this control number would be duplicative:

- Application for Oil and Gas Exploration Permit in Alaska (43 CFR 3152.1);
- Collection and Submission of Data (43 CFR 3152.6); and
- Completion of Operations (43 CFR 3152.7).

C. We have added the following processing fees to the non-hour costs for respondents because we erroneously omitted them from the previous request:

- \$420 per response for the activity titled, “Consolidation of leases (43 CFR 3105.6).” We estimate one response per year for this activity, so this fee adds an estimated \$420 to the non-hour burdens for this collection.
- \$200 per response for the activity titled, “Heirs and devisees statement (43 CFR 3106.8-1).” We estimate 40 responses per year for this activity, so this fee adds an estimated

- \$8,000 to the non-hour burdens for this collection.
- \$200 per response for the activity titled, “Change of name report (43 CFR 3106.8-2).” We estimate 60 responses per year for this activity, so this fee adds an estimated \$12,000 to the non-hour burdens for this collection.
- \$200 per response for the activity titled, “Corporate merger notice (43 CFR 3106.8-3).” We estimate 100 responses per year for this activity, so this fee adds an estimated \$20,000 to the non-hour burdens for this collection.
- \$380 per response for the activity titled, “Lease renewal application (43 CFR 3107.8).” We estimate 30 responses per year for this activity, so this fee adds an estimated \$11,400 to the non-hour burdens for this collection.
- \$75 per response for the activity titled, “Class I reinstatement petition (43 CFR 3108.2-2).” We estimate 87 responses per year for this activity, so this fee adds an estimated \$6,525 to the non-hour burdens for this collection.
- \$500 per response for the activity titled, “Class II reinstatement petition (43 CFR 3108.2-3).” We estimate 59 responses per year for this activity, so this fee adds an estimated \$29,500 to the non-hour burdens for this collection.
- \$500 per response for the activity titled, “Class III reinstatement petition (43 CFR 3180.2-4).” We estimate 7 responses per year for this activity, so this fee adds an estimated \$3,500 to the non-hour burdens for this collection.
- \$380 per response for the activity titled, “Application for lease under right-of-way (43 CFR 3109.1).” We estimate 20 responses per year for this activity, so this fee adds an estimated \$7,600 to the non-hour burdens for this collection.

D. We have added the following costs of Federal Register publication to the non-hour costs for respondents because we erroneously omitted them from the previous request:

- \$159 per response for the activity titled, “Class II reinstatement petition (43 CFR 3108.2-3).” We estimate 59 responses per year for this activity, so this fee adds an estimated \$9,381 to the non-hour burdens for this collection.
- \$159 per response for the activity titled, “Class III reinstatement petition (43 CFR 3180.2-4).” We estimate 7 responses per year for this activity, so this fee adds an estimated \$1,113 to the non-hour burdens for this collection.

Adjustments

- A. We have made a downward adjustment in the time burden for the activity titled, “Ad hoc acreage statement (43 CFR 3101.2-6) in light of our consultations with respondents. We estimated 1.5 hours per response previously. Our current estimate is 1 hour per response. We estimate 10 responses per year for this activity, so this adjustment results in 5 fewer burden hours for this collection.
- B. We have made a downward adjustment in the number of responses for the activity titled, “Class I reinstatement petition (43 CFR 3108.2-2)” to reflect the BLM’s recent experience with that activity. We estimated 500 responses per year for that activity previously. Our

current estimate is 87 responses annually, a net decrease of 413 responses.

- C. We have made an upward adjustment in the time burden for the activity titled, "Class I reinstatement petition (43 CFR 3108.2-2)" in light of our consultations with respondents. We estimated 30 minutes per response previously. Our current estimate is 1 hour per response. Together with the decrease in estimated responses, this adjustment has resulted in a net decrease of 163 hours for respondents.

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.

We will not publish results of this information collection.

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

The BLM will display the expiration date of this OMB approval.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

There are no exceptions to the certification statement.