

Supporting Statement A

30 CFR Parts 1202, 1206, 1210, 1212, 1217, and 1218, Solid Minerals and Geothermal Collections

OMB Control Number 1012-0010

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. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

Justification

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

The Secretary of the U.S. Department of the Interior is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands. The Secretary is required by various laws (see below) to manage mineral resources production on Federal and Indian lands, collect the royalties due, and distribute the funds in accordance with those laws. The Secretary also has a trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The Office of Natural Resources Revenue (ONRR) performs the minerals revenue management functions for the Secretary and assists the Secretary in carrying out the Department's trust responsibility for Indian lands.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share (royalty) of the value received from production from the leased lands. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to ensure that royalties are valued correctly and distributed and disbursed appropriately.

Currently, the regulations at 30 CFR 1212.200 require lessees to maintain and provide records for all solid minerals produced, in the manner and form prescribed by ONRR in the *Code of Federal Regulations* (CFR). The regulations at 30 CFR part 1210, subpart E, contain specific reporting requirements for all solid minerals lessees. Under these regulations, the lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners, and the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals generally have that information. The information collected includes data necessary to ensure that the royalties are accurately valued and properly paid.

Under the Mineral Leasing Act of 1920 (MLA), Federal coal leases are subject to conditions of diligent development and continued operation of the mine(s). Section 207(b) of the MLA provides that the Secretary may suspend the condition of continued operation upon determining that the public interest will be served and upon the payment of coal advance royalties. Section 434 of the Energy Policy Act of 2005 (EPAAct, Pub. L. 109-58) amended the valuation methodology for payment of advance royalties under Federal coal leases.

ONRR proposes to redesignate and amend the coal advance royalty valuation regulation currently residing in the Bureau of Land Management's (BLM) regulations at 43 CFR 3483.4(c). The redesignated and amended regulation would establish new methods to determine the value of coal for advance royalty purposes as EPAAct section 434 mandated.

Also, ONRR proposes to revise the information collection for solid minerals, which will aid ONRR in determining the value of coal for advance royalty purposes. The rule proposes to use a standardized form (ONRR-4440, Solid Minerals Sales Summary) under 30 CFR 1210.202 to change the way all solid minerals lessees report sales summary data they already submit and would collect additional required data that ONRR needs to fulfill its mission to collect, account for, and distribute revenues associated with mineral production.

This proposed rulemaking changes the currently approved information collection OMB 1012-0010 by adding new requirements to comply with the EPAAct. Therefore, ONRR is submitting this Information Collection Request (ICR) to OMB for review and approval, as required under section 3507(d) of the Paperwork Reduction Act (PRA). The title of this ICR is "Solid Minerals and Geothermal Resources." This rulemaking also refers to, but does not change, the information collection requirements that OMB already approved under OMB Control Number 1012-0006.

Currently, OMB had approved a total of 3,509 burden hours for OMB Control Number 1012-0010. Of that total, OMB already approved 570 burden hours for existing sales summary reporting. ONRR estimates the total burden hours for the new Form ONRR-4440 would be 900 hours. Thus, the proposed form would result in a net increase of 330 burden hours. Therefore, the total proposed burden hours for OMB Control Number 1012-0010 would be 3,839 hours [3,509 + 330 net hours = 3,839 hours].

Administrative ICR Information

Applicable laws pertaining to mineral leases on Federal and Indian lands are listed below. These citations can be viewed at http://www.onrr.gov/Laws_R_D/PublicLawsAMR.htm.

1. 25 U.S.C. 396d, Chapter 12—Lease, Sale, or Surrender of Allotted or Unallotted Lands;
2. 25 U.S.C. 2103, Chapter 23—Development of Tribal Mineral Resources;
3. 30 U.S.C. 189, Chapter 3A—Leases and Prospecting Permits;
4. 30 U.S.C. 359, Chapter 7—Lease of Mineral Deposits within Acquired Lands;
5. 30 U.S.C. 1001, 1002, Chapter 23—Geothermal Steam and Associated Geothermal Resources;
6. 43 U.S.C. 1334, Chapter 29—Submerged Lands, Subchapter III—Outer Continental Shelf Lands Act;
7. Energy Policy Act of 2005; and
8. Mineral Leasing Act of 1920.

Applicable Code of Federal Regulations (CFR) include 30 CFR part 1202, subpart H; part 1206, subparts F, H, and J; part 1210, subparts E and H; part 1212, subparts E and H; part 1217, subparts E, F, and G; and part 1218, subparts E, F and I.

The information collected (1) enables ONRR to verify that revenue due the Federal Government is accurately reported and correctly paid under applicable laws, regulations, and lease terms; and (2) supports the fulfillment of our trust, financial, and compliance mission requirements. The requirements also enable ONRR to timely disburse mineral revenues to the correct recipients.

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.

ONRR, acting for the Secretary, uses the collected information to support Audit and Compliance Management (ACM) and Financial and Program Management (FPM) divisions, and to assure that royalties are based on correct product valuation, reported in a timely manner, and paid appropriately. ONRR and other Federal Government, State, and Tribal entities use the collected information for audit purposes and for evaluation of the reasonableness of product valuation or allowance claims submitted by lessees. ONRR provides access to this information to the Bureau of Land Management (BLM) and the Bureau of Indian Affairs (BIA). These bureaus use this data to conduct production verification; ensure lease diligence; and monitor plant efficiencies, maximum recovery, and secondary product inventories. The determination of appropriate product value or allowance rate directly affects the royalties due. Failure to collect such data would prevent the Secretary from fulfilling statutory and trust responsibilities.

Some reporting requirements alert ONRR to possible problems at the beginning of the compliance process, thereby allowing the Solid Minerals and Geothermal group under ACM to provide resolution within 3 years, which is part of ONRR's compliance strategy. Other reporting requirements enable ONRR to timely and accurately collect, account for, and disburse mineral revenues.

This information collection request (ICR) provides for the collection of solid minerals royalty and production information on the forms listed below, and other associated data formats, *i.e.*, sales summaries, facility data, sales contracts and amendments, and payment information. This ICR also includes some information collections for geothermal resources, such as the burden hours for valuation requests related to geothermal leases. Geothermal reporters primarily report information on Form ONRR-2014, Report of Sales and Royalty Remittance (Form ONRR-2014), which is covered in OMB Control Number 1012-0004 (formerly 1010-0139).

ONRR proposes implementing a new Form ONRR-4440, Solid Minerals Sales Summary, to collect existing and new data elements in a standardized format to (1) fulfill requirements of EAct regarding valuation of coal for advance royalty purposes and (2) support ONRR's compliance efforts for all solid mineral leases.

A. Solid Minerals

Lessees of coal and other solid minerals from any Federal or Indian leases must submit Form ONRR-4430—Solid Minerals Production and Royalty Report, Form ONRR-4440—Solid Minerals Sales Summary, and other associated data formats. Lessees of coal from any Indian lease must also submit Form ONRR-4292—Coal Washing Allowance Report, and Form ONRR-4293—Coal Transportation Allowance Report, if they wish to claim allowances on Form ONRR-4430. We discuss the forms and associated data formats below.

1) Form ONRR-4430, Solid Minerals Production and Royalty Report—Lessees of coal and other solid minerals from Federal and Indian leases electronically file this form monthly. The form contains basic lease-level volume and valuation information. We use the data collected from this form in the following manner:

ONRR:

- Matches the royalty payment check or electronic funds transfer to Form ONRR-4430;
- Maintains lease accounts of payments; and
- Ensures the distribution of data and disbursement of monies to States, American Indians, and the U.S. Treasury.
- Monitors all lease production from Federal and Indian mines, which is essential for the compliance process. Furthermore, ONRR uses the allocation of production to ensure that commingled mineral production volumes and values summarized under one product category are allocated properly back to the Federal or Indian leases where the raw minerals were mined.
- Makes production quantities, sales quantities, and inventory data available to BLM for production verification and lease diligence requirements.
- Makes production and sales data available to BIA and State and Tribal audit offices

- for their mineral studies and audits.
- Collects basic lease-level volume and valuation information on Form ONRR-4430 to begin compliance review activities. In addition, ONRR compares this reported data against information from the facility data, the contracts and contract amendments, and the sales summaries to identify and resolve value, volume, allowances, and royalty rate compliance issues.

2) Form ONRR-4440, Solid Minerals Sales Summary—ONRR proposes that lessees of coal and other solid minerals from Federal and Indian leases submit required data on the new Form ONRR-4440. The lessees would find the required data elements in the table in the proposed 30 CFR 1210.202. Lessees would submit the new sales summary form after they would submit Form ONRR-4430. The sales summary information would aid ONRR in determining a lessee's compliance with applicable laws, rules, regulations, and sales contracts. ONRR would use data collected from these sales summary forms. ONRR also would:

- Use the purchaser information identified as spot sales to determine a value of coal for advance royalty purposes as mandated by EPOA. In the process, ONRR would look for comparable sales volume and gross proceeds.
- Compare the sales summary information to Form ONRR-4430 sales information in the compliance process.
- Compare the sales summary purchaser information to sales contract terms in the compliance process. This analysis would ensure the lessee's compliance with contract terms, such as price and quality.
- Analyze the sales summary information to ensure lessees are properly applying valuation methodologies.

3) Associated Data Formats—Along with Form ONRR-4430, lessees may also submit the following:

4) Contracts and Contract Amendments—Coal and metal lessees submit sales contracts, agreements, and contract amendments semiannually. Sodium, potassium, phosphate, and other solid mineral lessees with leases containing ad valorem royalty terms submit the required documents only if specifically requested by ONRR. ONRR uses the data collected from these contracts in the following manner:

- Contracts identify issues related to value and may include information on sales to affiliated companies or identify monies or other items considered as payments for production that is royalty bearing.
- ONRR extracts data affecting royalty payments from the contracts and amendments submitted by respondents. ONRR uses contracts to establish sales arrangements and the relationships each contract has to the total mine production, sales, and subsequent royalty payments. From contracts, ONRR obtains purchaser names, volumes, periods, prices,

built-in adjustments or escalation features, quality requirements, related considerations that may be considered a component of gross proceeds, service value in kind, transportation arrangements, measurement points, price components, and other information that may affect value for royalty purposes. Sales arrangements can provide information regarding the interrelationships between companies, that is, whether the lessee's sale is truly at arm's length. ONRR determines value for royalty purposes by methodologies dependent on the arm's-length or non-arm's-length status of the sale.

- An arm's-length contract is a contract or an agreement that has been arrived at in the marketplace between independent, nonaffiliated persons with opposing economic interests regarding that contract. The regulations further provide that we normally accept the gross proceeds accruing to the lessee according to their arm's-length contract as being representative of value for ad valorem leases (see 30 CFR 1206.456(b)(1)).

5) Facility Data—Lessees with wash plants, refining, ore concentration, or other processing facilities for any coal, sodium, potassium, metals, or other solid minerals submit facility data information for the months that they process or carry an inventory. Lessees submit the required data from internally generated documents from their own records. ONRR collects facility data from lessees and uses the data in the following manner:

- Allowance Monitoring—Under certain lease terms, ONRR permits lessees to deduct the costs of processing that enhance the value of the mineral production. ONRR monitors such costs, which are included in the facility data, to ensure that the allowance deductions are reasonable and consistent with regulatory standards.
- Allocation of Production—ONRR monitors raw production input and finished product output to ensure commingled mineral production is allocated properly back to the Federal or Indian leases where the raw minerals were mined.
- BLM Product Verification—BLM uses the facility data to verify production during regular inspections of facilities. They also use the data to ensure lease diligence and to monitor plant efficiencies, maximum recovery, and secondary product inventories. We also make facility data available to BIA and to State and Tribal audit offices for their mineral studies and audits.

6) Additional Documents or Evidence—ONRR requests detailed statements, documents, or other evidence supporting our ACM responsibilities under Federal and Indian lease terms. Spot sale invoices, weigh tickets, laboratory quality reports, transportation contracts, and service contracts are all examples of additional documents that we might request. The information collected might further define a cost or verify a claim that the lessee made.

7) Payment Information—Under 30 CFR 1210.205, ONRR collects payment information data to use in the financial management process in the following manner:

- For each royalty payment document (Electronic Funds Transfer or hard-copy check) associated with Form ONRR-4430, the lessee must annotate with their customer

identification and customer document identification numbers. This requirement helps ONRR link the payment to the appropriate reporting so that ONRR can timely disburse funds to the correct recipients.

- For each rental payment document not reported on Form ONRR-4430, the lessee must include the ONRR Courtesy Notice, when provided, or annotate the payment document with the customer identification number and ONRR-assigned lease number. This requirement helps ONRR link payments with Form ONRR-4430 submittals.

8) **Allowance Reports**—This ICR also provides for the collection of coal washing and transportation information for Indian leases. ONRR uses this collected information for valuing production and for determining that costs taken as allowances are acceptable. The product valuation and allowance determination process is essential to assure that the Indian Tribes receive accurate payment on the full value of the coal removed. Lessees on Indian leases report these allowances, claimed on Form ONRR-4430, on Forms ONRR-4292—Coal Washing Allowance Report and ONRR-4293—Coal Transportation Allowance Report. ONRR may grant an allowance to compensate lessees for the reasonable actual cost of washing the portion of the coal on which royalty is due. Also, when the sales point is not in the immediate vicinity of a lease or mine area, ONRR may grant an allowance to compensate the lessee for the reasonable, actual cost of transporting the royalty portion of the coal to a sales point not on the lease or mine area.

When Indian royalty coal is washed or transported under a non-arm's-length contract, we are required to obtain cost data. ONRR uses this cost data to accurately determine if the lessee correctly computed the coal value and the gross proceeds for royalty calculation purposes.

Lessees complete the following forms when reporting or requesting a washing or transportation allowance:

- a. **Form ONRR-4292, Coal Washing Allowance Report**—Regulations at 30 CFR 1206.457 and 1206.458 provide that, when determining coal value for royalty purposes, a lessee may take a deduction for the reasonable actual costs incurred to wash the coal.
 - For washing costs incurred by a lessee under an arm's-length contract, the allowance is the reasonable costs incurred for washing the coal under that contract. The lessee is not required to obtain ONRR's approval for the allowance. However, the Indian lessee must submit page one of Form ONRR-4292 not later than the same month the washing allowance is first reported on Form ONRR-4430, estimating the tons of coal washed, rate per ton, and allowance to be taken during the allowance period.
 - The coal washing allowance is effective for a 12-month period or until the washing contract terminates, whichever comes first, at which time the lessee must resubmit page one of Form ONRR-4292 and report actual tons washed, rate per ton, and allowance taken during the period. Additional information required

includes the lessee's name and address, customer ID, and product names as reported on Form ONRR-4430, estimated or actual production, and the allowance claimed.

- If the lessee has a non-arm's-length coal washing contract or has no contract, the lessee must base the washing allowance on their reasonable, actual costs. The lessee is not required to obtain ONRR's approval for the allowance. However, the Indian lessee must submit a completed Form ONRR-4292 to provide estimated washing costs the same month the washing allowance is reported on Form ONRR-4430. The allowance is effective for a 12-month period, at the end of which the lessee must resubmit a completed Form ONRR-4292 with actual washing costs. ONRR must receive the form within 90 days after the end of the previous reporting period, unless ONRR approves a longer period. Thus, Form ONRR-4292 is used to report both an estimated allowance to be used for a new 12-month period and an actual allowance rate based on the lessee's portion of the actual plant operating, maintenance, and overhead expenditures for the prior 12-month reporting period.

b. **Form ONRR-4293, Coal Transportation Allowance Report**—Regulations at 30 CFR 1206.460 and 1206.461 provide that, where the royalty value of the coal has been determined at a point remote from the lease or the mine, ONRR will allow a deduction for the reasonable, actual costs incurred to transport the coal to a sales point or to a washing facility remote from the mine area or lease.

- As with the washing allowance, ONRR's approval is not required for the lessee to deduct transportation costs; however, under arm's-length contracts, an Indian lessee must submit page one of Form ONRR-4293 with estimated costs no later than the same month the allowance is reported on Form ONRR-4430. Under non-arm's-length contracts or no contracts, the lessee must submit the completed form providing estimated coal transportation, operating, maintenance, and overhead expenses.
- The coal transportation allowance is effective for a 12-month period or until the transportation contract terminates. After the initial reporting period, the Indian lessee must resubmit Form ONRR-4293 in its entirety for non-arm's-length contracts, or page one of the form for arm's-length contracts, providing actual costs incurred during the previous reporting period. ONRR must receive the form within 90 days after the end of the previous reporting period, unless ONRR approves a longer period.
- Reporting of coal transportation allowances may be straightforward and simple or may be quite complex. In some cases, lessees may transport coal from point-to-point using a single mode of transportation such as truck, rail system, conveyor belt, pipeline, slurry-line, barge, or ship. In other instances, lessees may transport coal over several segments of a route using multiple transport methods during the same trip. Reporting can be further complicated through the use of combinations

of lessee-owned transport systems and other systems under non-arm's-length contracts and/or arm's-length contracts, or both. Lessees must consider each segment separately and evaluate each one for the reasonableness of cost.

B. Geothermal Resources

This ICR also covers some information collections for geothermal resources, which are grouped by usage (electrical generation, direct use, and byproduct recovery), and by disposition of the resources (arm's-length (unaffiliated) contract sales, non-arm's-length contract sales, and no contract sales) within each use group. ONRR primarily relies on data reported by payors on Form ONRR-2014 for the majority of our business processes, including geothermal information. In addition to using the data to account for royalties reported by payors, ONRR uses the data for monthly distribution of mineral revenues and audit and compliance reviews. In a letter (April 28, 2010) to geothermal payors, ONRR clarified the regulatory requirements for geothermal reporting. These clarifications do not add any burden hours to our estimates.

- 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.**

ONRR is moving to fully implement the Government Paperwork Elimination Act with their reengineered business processes.

A. Solid Minerals

ONRR provides software allowing lessees to complete Form ONRR-4430 and submit encrypted and authenticated reports over the Internet. Lessees may submit all other data, including the facility data, and contract and subsequent amendments to ONRR electronically. We encourage electronic submission; however, hard-copy submissions are permitted. We estimate 95 percent of respondents submit Form ONRR-4430 electronically.

Forms ONRR-4292 and ONRR-4293 are not automated because we receive only a few submissions each year. Designing a computer system to process such a limited number of forms is not cost effective for either the respondent or the Federal Government. These forms are available on our website at http://www.onrr.gov/FM/Forms/AFSSol_Min.htm. ONRR accepts submission of allowance forms as an e-mail attachment. We estimate 50 percent of respondents may submit allowance forms electronically (we have only one to three respondents annually).

Currently, lessees are required to submit sales summaries electronically where possible by submitting internally generated information as an attachment to an e-mail message using any format they have available. Over 95 percent of lessees use this submittal method. The ONRR is developing an automated system that would receive and store the sales summary data that lessees submit on the proposed Form ONRR-4440. Lessees would submit, and ONRR would utilize the

submitted data in two phases. Phase 1 would require lessees to submit proposed Form ONRR-4440 using current submittal methodology. Phase 2 would require lessees to submit proposed Form ONRR-4440 electronically. This submittal process would be similar to the current process that ONRR requires lessees to follow to submit Form ONRR-4430, Solid Minerals Production and Royalty Report. The proposed standard collection format using available information technology would greatly reduce the number of ONRR site visits, e-mails, or telephone contacts needed to clarify company-generated sales summary documents.

B. Geothermal Resources

ONRR collects most geothermal information electronically on Form ONRR-2014, and the burden hours are covered under ICR 1012-0004. However, the estimated burden hours for collecting geothermal resources information in this ICR include lessee's written submissions to ONRR requesting approvals or clarifications of valuation reporting specifications. We estimate 50 percent of lessees may submit these requests 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.

ONRR is the Department of the Interior's lead agency in the management and collection of mineral royalties and knows of no other Department of the Interior or other Federal Government agency collecting this type of information for other purposes that could serve our needs. The information collected is unique, and ONRR needs the information to accurately collect and distribute royalties from solid minerals leases. This information is not available from any other source, nor is there any other Federal Government agency currently collecting similar information for other purposes that could serve our needs.

A. Solid Minerals

ONRR is the sole agency that collects the type of information required in this ICR. ONRR shares the information we collect with BLM and BIA offices, as agreed in the Memorandum of Understanding (MOU), which effectively avoids duplication of regulations and reporting requirements. ONRR and BLM coordinate to identify information collected by each agency. We consult with various BLM offices to ensure that the reporter's burden is minimized and not duplicated.

B. Geothermal Resources

In most cases, the geothermal information we collect is unique and site-specific to each operation. ONRR found that no other Federal or state agency collects the same or similar information. In fact, ONRR and BLM make every effort to avoid duplication of information collection. For example, BLM is responsible for collecting geothermal production data and for sharing that data with ONRR. Conversely, ONRR collects geothermal royalty data and shares that information with BLM.

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

ONRR determined that this collection of information has an insignificant economic effect on any small entities. However, this collection of information does impact small entities. ONRR carefully analyzed its requirements to ensure that the information requested is the minimum necessary and places the least possible burden on industry. ONRR has a long-standing policy to restrict the amount of information collected to the minimum necessary to accomplish our mission and fulfill our responsibilities.

Lessees, including small businesses or other small entities, have the flexibility to submit information to us by way of electronic submissions or hard copy. For electronic reporting, ONRR meets with the information technology (IT) staff of the small company to assist in setting up the hardware and software configuration. We provide necessary electronic reporting software interfacing with ONRR financial and production application systems. We also provide any initial software formatting or other assistance needed for a company to get started. In addition, ONRR covers the cost associated with the development and implementation of the company's reporting software.

ONRR provides toll-free telephone assistance and training free of charge to lessees in various geographic areas; onsite instruction as needed to give firsthand explanations of reporting requirements; and also provides individual instructions on how to report this information to ONRR. All solid minerals lessees are encouraged to contact ONRR to better familiarize themselves with the reporting requirements.

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

Necessity of Information Collection

The ONRR mission statement is to ensure the full and fair return to the American people of Federal and Indian royalties and other monies owed for the utilization of public resources in the production of conventional and renewable energy and mineral resources.

Collecting this information allows ONRR to fulfill its mission. The collection of facility data, contracts and contract amendments, and sales summaries from lessees is necessary for our compliance process. If we did not collect the information, we could not carry out the mandates as shown in the burden hour table in Item 12.

The collection of facility data and contracts and contract amendments from lessees is necessary for our compliance process. Particularly of interest are provisions for compensation that might be overlooked as a portion of gross proceeds. Without the ability to review this information, ONRR would not be able to assure proper product valuation.

If ONRR does not collect actual spot market price information, then ONRR cannot accurately

determine spot market prices as required by EPAct. ONRR needs a source for reliable spot market pricing. This proposed Form ONRR-4440 would facilitate ONRR's ability to determine a reliable average spot market price for use in determining the coal advance royalty due under EPAct section 434.

In addition, if ONRR does not collect the other information required in this ICR, we will not be able to ensure that lessees pay royalties accurately. Finally, if we would not collect the information in the proposed standardized form, Form ONRR-4440, the existing requirements would continue to result in additional burden hours for lessees as well as for ONRR. This proposed form should reduce lessees' burden to respond to ONRR site visits, emails, or telephone contacts to clarify data submitted on the sales summary.

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;**

Title 30 CFR parts 1202, 1206, 1210, 1212, 1217, and 1218 and most leases require that lessees submit monthly royalty and production reports for solid minerals and geothermal resources. This will remain the same for the new standardized information collection, Form ONRR-4440, Solid Minerals Sales Summary. In addition, lessees are required by lease terms and ONRR regulations to pay royalties monthly. Therefore, ONRR needs to collect the information monthly to verify the monthly royalty payments.

Also, 30 CFR part 1206, subpart J, requires that the respondent submit Form ONRR-4292 annually, if claiming a coal washing allowance (§1206.458), and Form ONRR-4293 on occasion, if claiming a coal transportation allowance (§1206.461). Respondents may submit these allowance forms more often than quarterly if coal washing or coal transportation costs increase or decrease sufficiently to require a recalculation of the unit cost.

- * 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.

- * requiring respondents to submit more than an original and two copies of any document;**

Not applicable in this collection.

- * requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

Sections 1212.200 and 1212.351 require solid minerals and geothermal leaseholders to maintain records for 6 years or for longer periods, if notified in writing, when an audit or investigation is underway. Records must be maintained until released by written notice.

- * **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.

- * **requiring the use of a statistical data classification that has not 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.

- * **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**

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

- * **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.**

Lessees are required to provide confidential/proprietary information to ONRR on Forms ONRR-4430 and ONRR-4440, facility data, contract and subsequent amendments, and on Forms ONRR-4292 and ONRR-4293 for allowance reporting. However, ONRR regulations at 30 CFR 1210.206 provide that proprietary trade secrets or other confidential information submitted under part 1210 shall not be available for public inspection or made public or disclosed without the consent of the lessee, except as otherwise provided by law or regulation. Standard agency procedures provide strict security measures to control the use, storage, and access to such information. Information is protected in accordance with standards identified in Item 10 below.

- 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.

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.

As required in 5 CFR 1320.8(d), ONRR will publish a proposed rulemaking notice for review and comment in the *Federal Register*. We will address comments in response to the *Federal Register* notice in the final rulemaking. In addition, the Paperwork Reduction Act (PRA) statement on proposed Form ONRR-4440 and all the forms in this collection explains that ONRR will accept comments on the information collected and the burden estimate at any time. We will display the OMB control number and provide the address for sending comments to ONRR.

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

ONRR will not provide any payment or gift to respondents, other than remuneration to contractors or grantees, in this collection.

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

Commercial or financial information provided to ONRR relative to minerals removed from Federal and Indian leases may be proprietary. Trade secrets and proprietary and other information are protected under the Trade Secrets (18 U.S.C. 1905), the Federal Oil and Gas Royalty Management Act of 1982, as amended (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b)(4)), Department regulations (43 CFR 2), and ONRR regulations at 30 CFR 1210.206 as discussed in Item 7(h) above. The Indian Mineral Development Act of 1982 (25 U.S.C. 2103) provides that all information related to any Indian minerals agreement covered by the Act in the possession of the Department shall be held as privileged proprietary information. In addition, ONRR has strict security measures in place regarding the storage of, and access to, proprietary 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.

This information collection does not include sensitive or private questions.

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.**

There are approximately 161 Federal and Indian reporters who submit the required information. Based on current data, we estimate the average number of annual responses is 9,611, and the annual reporting burden to industry is 3,839 hours, including recordkeeping. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. We have not included in our estimates certain requirements performed in the normal course of business and considered usual and customary.

Summary of Information Collections

Information Collections (and 30 CFR Reference*)	Require- ment to Respond	Frequency of Response	Number of Annual Responses	Annual Burden Hours
1. Reporting Formats: <ul style="list-style-type: none"> • Form ONRR-4430, Solid Minerals Production and Royalty Report, • Associated Data (facility data, contracts, and contract amendments) (1206.257, 1206.259, 1206.262, 1206.264, 1206.265, 1206.456, 1206.463, 1206.464; 1210.201, 1210.203, 1210.204; 1218.201 [1206.457, 1206.460, 1218.203])	Mandatory	Monthly	3,814	1,559
2. Reporting Format: <ul style="list-style-type: none"> • Form ONRR-4440, Sales Summary (1210.202)	Mandatory	Monthly	900	900
3. Allowance Forms: <ul style="list-style-type: none"> • Form ONRR-4292, Coal Washing Allowance Report (1206.458) • Form ONRR-4293, Coal Transportation Allowance Report (1206.461) 	Required to obtain a benefit	Annually	3	4
		On occasion	4	5
4. Geothermal Resources (1206.353, 1206.354, 1206.356, 1206.359, 1206.361, 1206.364; 1210.352; 1218.306)	Mandatory	On occasion	10	15
5. Recordkeeping (1206.253, 1206.254, 1206.257; 1212.200)	Mandatory	As requested	4,880	1,356
TOTAL			9,611	3,839

*See Burden Breakdown table for complete citation.

We based our cost estimates for industry on the expectation that an accountant will perform all requirements. We estimate the total annual reporting burden is 3,839 hours. Based on a cost factor of \$47 per hour for industry accountants, we estimate the total annual cost to industry is \$180,433 [\$47 x 3,839 hours = \$180,433].

We used tables from the Bureau of Labor Statistics (BLS) to estimate the hourly cost for industry accountants in a metropolitan area. These statistics are located at <http://www.bls.gov/bls/wages.htm>. Based on BLS National Occupational Employment and Wage Estimates for industry accountants in a metropolitan area, we estimate that the hourly cost factor would be \$47 = (\$33.69 [mean hourly wage] x 1.4 [benefits cost factor] = \$47.166, rounded to \$47). We added a multiplier of 1.4 (based on BLS Economic News Release, Employer Costs for Employee Compensation news release text, available at <http://www.bls.gov/news.release/ecec.nr0.htm>) for industry accountants' benefits.

The following table shows the estimated burden hours by CFR section and paragraph.

SECTION A.12 BURDEN BREAKDOWN

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
Part 1202—Royalties				
Subpart H—Geothermal Resources				
1202.351 (b)(3)	Pay royalties on used, sold, or otherwise finally disposed of byproducts.	Hour burden covered under OMB Control Number 1012-0004.		
1202.353 (a), (b), (c), and (d)	Report on Form ONRR-2014, royalties or direct use fee due for geothermal resources, byproduct quantity, and commercially demineralized water quantity.	Hour burden covered under OMB Control Number 1012-0004. See §1210.52.		
1202.353 (e)	Maintain quality measurements for audits.	AUDIT PROCESS See Note.		
Part 1206—Product Valuation				
Subpart F—Federal Coal				
1206.253 (c); 1206.254; 1206.257 (d)(1)	Maintain accurate records for Federal lease coal and all data relevant to the royalty value determination. Report the coal quantity information on appropriate forms under 30 CFR part 1210.	0.4166	816	340
1206.257 (b)(1), (b) (3), (b)(4), and (d)(2)	Demonstrate and certify your arm's-length contract provisions including all consideration paid by buyer, directly or indirectly, for coal production. Provide written information of reported arm's-length coal sales value and quantity data.	AUDIT PROCESS See Note.		
1206.257 (d)(3)	Submit a one-time notification when first reporting royalties on Form ONRR-4430 and for a change in method.	2	1	2
1206.257 (f)	Submit all available data relevant to the value determination proposal.	5	1	5
1206.257 (i)	Write and sign contract revisions or amendments by all parties to an arm's-length contract, and retroactively apply revisions or amendments to royalty value for a period not to exceed two years.	2	1	2
1206.259 (a)(1) and (a)(3)	Demonstrate that your contract is arm's-length. Provide written information justifying the lessee's washing costs.	AUDIT PROCESS See Note.		
1206.259 (a)(1)	Report actual washing allowance on Form ONRR-4430 for arm's-length sales.	0.34	12	4
1206.259 (b)(1)	Report actual washing allowance on Form ONRR-4430 for non-arm's-length or no contract sales.	0.75	48	36
1206.259 (b)(2)(iv)	Report washing allowance on Form ONRR-4430 after lessee elects either method for a wash plant.	1	1	1
1206.259 (b)(2)(iv) (A)	Report washing allowance on Form ONRR-4430 for depreciation—use either straight-line, or a unit of production method.	1	1	1
1206.259 (c)(1)(ii) and (c)(2) (iii)	Submit arm's-length and non-arm's-length washing contracts and related documents to ONRR.	AUDIT PROCESS See Note.		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.262 (a)(1)	Report transportation allowance on Form ONRR-4430.	0.33	240	80
1206.262 (a)(1) and (a)(3)	Demonstrate that your contract is arm's-length. Provide written information justifying your transportation costs when ONRR determines the costs are unreasonable.	AUDIT PROCESS See Note.		
1206.262 (b)(1)	Report actual transportation allowance on Form ONRR-4430 for non-arm's-length or no contract sales.	0.75	24	18
1206.262 (b)(2)(iv)	Report transportation allowance on Form ONRR-4430 after lessee elects either method for a transportation system.	1	1	1
1206.262 (b)(2)(iv) (A)	Report transportation allowance on Form ONRR-4430 for depreciation—use either straight-line, or a unit of production method.	1	1	1
1206.262 (b)(3)	Apply to ONRR for exception from the requirement of computing actual costs.	1	1	1
1206.262 (c)(1)(ii) and (c)(2) (iii)	Submit all arm's-length transportation contracts, production agreements, operating agreements, and related documents to ONRR.	AUDIT PROCESS See Note.		
1206.264	Propose the value of coal for royalty purposes to ONRR for an ad valorem Federal coal lease.	1	1	1
1206.265	Notify ONRR if, prior to use, sale, or other disposition, you enhanced the value of coal.	1	1	1
Subpart H—Geothermal Resources				
1206.352 (b)(1)(ii)	Determine the royalty on produced geothermal resources, used in your power plant for generation and sale of electricity, for Class I leases, as approved by ONRR.	Hour burden covered under OMB Control Number 1012-0004.		
1206.353 (c)(2)(i) (A), (d)(9), and (e)(4)	Include a return on capital you invested when the purchase of real estate for transmission facilities is necessary. Allowable operating and maintenance expenses include other directly allocable and attributable operating and maintenance expenses that you can document.	AUDIT PROCESS See Note.		
1206.353 (g)	Request change to other depreciation alternative method with ONRR approval.	1	1	1
1206.353 (h)(1) and (m)(2)	Use a straight-line depreciation method, but not below salvage value, for equipment. Amend your prior estimated Form ONRR-2014 reports to reflect actual transmission cost deductions, and pay any additional royalties due plus interest.	Hour burden covered under OMB Control Number 1012-0004.		
1206.353 (n)	Submit all arm's-length transmission contracts, production and operating agreements and related documents, and other data for calculating the deduction.	AUDIT PROCESS See Note.		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.354 (b)(1)(ii)	Redetermine your generating cost rate annually and request ONRR approval to use a different deduction period.	1	1	1
1206.354 (c)(2)(i) (A), (d)(9), and (e)(4)	Include a return on capital you invested when the purchase of real estate for a power plant site is necessary. Allowable operating and maintenance expenses include other directly allocable and attributable operating and maintenance expenses that you can document.	AUDIT PROCESS See Note.		
1206.354 (g)	Request change to other depreciation alternative method with ONRR approval.	1	1	1
1206.354 (h) and (m)(2)	Use a straight-line depreciation method, but not below the salvage value, for equipment. Amend your prior estimated Form ONRR-2014 reports to reflect actual generating cost deductions and pay any additional royalties due plus interest.	Hour burden covered under OMB Control Number 1012-0004.		
1206.354 (n)	Submit all arm's-length power plant contracts, production and operating agreements and related documents, and other data for calculating the deduction.	AUDIT PROCESS See Note.		
1206.356 (a)(1) and (a)(2)	Determine the royalty on produced significant geothermal resource quantities, for Class I leases, with the weighted average of the arm's-length gross proceeds used to operate the same direct-use facility; For Class I leases, the efficiency factor of the alternative energy source will be 0.7 for coal and 0.8 for oil, natural gas, and other fuels derived from oil and natural gas, or an efficiency factor proposed by the lessee and approved by ONRR.	Hour burden covered under OMB Control Number 1012-0004.		
1206.356 (a)(3)	For Class I leases, a royalty determined by any other reasonable method approved by ONRR.	1	1	1
1206.356 (b)(3)	Provide ONRR data showing the geothermal production amount, in pounds or gallons of geothermal fluid, to input into the fee schedule for Class III leases.	Hour burden covered under OMB Control Number 1012-0004.		
1206.356 (c)	ONRR will determine fees on a case-by-case basis for geothermal resources other than hot water.	1	1	1
1206.357 (b)(3); 1206.358 (d)	Determine the royalty due on byproducts by any other reasonable valuation method approved by ONRR. Use a discrete field on Form ONRR-2014 to notify ONRR of a transportation allowance.	Hour burden covered under OMB Control Number 1012-0004.		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.358 (d)(2) and (e); 1206.359 (a)(1), (a) (2), (c)(2) (i) (A), (d)(9), and (e)(4)	<p>Submit arm's-length transportation contracts for reviews and audits, if ONRR requires.</p> <p>Pay any additional royalties due plus interest, if you have improperly determined a byproduct transportation allowance.</p> <p>Provide written information justifying your transportation costs if ONRR requires you to determine the byproduct transportation allowance. Include a return on capital if the purchase was necessary. Allowable operating and maintenance expenses include any other directly allocable and attributable operating and maintenance expenses that you can document.</p>	AUDIT PROCESS See Note.		
1206.359 (g)	The lessee may not later elect to change to the other alternative without ONRR approval to compute costs associated with capital investment.	1	1	1
1206.359 (h)(1) and (l)(2)	<p>You must use a straight-line depreciation method based on the life of either equipment, or geothermal project.</p> <p>You must amend your prior Form ONRR-2014 reports to reflect actual byproduct transportation cost deductions and pay any additional royalties due plus interest.</p>	Hour burden covered under OMB Control Number 1012-0004.		
1206.360 (a)(1), (a) (2), and (b); 1206.361 (a)(1)	<p>Retain all data relevant to the royalty value, or fee you paid. Show how you calculated then submit all data to ONRR upon request.</p> <p>ONRR may review and audit your data and will direct you to use a different measure, if royalty value, gross proceeds, or fee is inconsistent with subpart.</p>	AUDIT PROCESS See Note.		
1206.361 (a)(2)	Pay either royalties or fees due plus interest if ONRR directs you to use a different royalty value, measure of gross proceeds, or fee.	Hour burden covered under OMB Control Number 1012-0004.		
1206.361 (b), (c), and (d)	ONRR may require you to: increase the gross proceeds to reflect any additional consideration; use another valuation method; provide written information justifying your gross proceeds; demonstrate that your contract is arm's length; and certify that the provisions in your sales contract include all of the consideration the buyer paid you.	AUDIT PROCESS See Note.		
1206.361 (f)(2)	Write and sign contract revisions or amendments by all parties to the contract.	1	1	1

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.364 (a)(1)	Request a value determination from ONRR in writing.	3	1	3
1206.364 (c)(2)	Make any adjustments in royalty payments, if you owe additional royalties, and pay the royalties owed plus interest after the Assistant Secretary issues a determination.	Hour burden covered under OMB Control Number 1012-0004.		
1206.364 (d)(2)	You may appeal an order requiring you to pay royalty under the determination.	Hour burden covered under OMB Control Number 1012-0006.		
1206.366	State, tribal, or local government lessee must pay a nominal fee, if uses a geothermal resource.	Hour burden covered under OMB Control Number 1012-0004.		
Subpart J—Indian Coal				
1206.456 (b)(1), (b) (3), and (b)(4)	Demonstrate that your contract is arm's-length. Provide written information justifying the reported coal value. And certify that your arm's-length contract provisions include all direct or indirect consideration paid by buyer for the coal production.	AUDIT PROCESS See Note.		
1206.456 (d)(1); 1206.452 (c); 1206.453	Retain all data relevant to the determination of royalty value to which individual Indian lease coal should be allocated. Report coal quantity information on Form ONRR-4430, Solid Minerals Production and Royalty Report, as required under 30 CFR part 1210.	0.42	48	20
1206.456 (d)(2)	An Indian lessee will make available arm's-length sales and sales quantity data for like-quality coal sold, purchased, or otherwise obtained from the area when requested by an authorized ONRR or Indian representative, or the Inspector General of the Department of the Interior or other persons authorized to receive such information,.	AUDIT PROCESS See Note.		
1206.456 (d)(3)	Notify ONRR by letter identifying the valuation method used and procedure followed. This is a one-time notification due no later than the month the lessee first report royalties on the Form ONRR-4430.	1	1	1
1206.456 (f)	Propose a value determination method to ONRR; submit all available data relevant to method; and use that method until ONRR decides.	1	1	1
1206.456 (i)	Write and sign contract revisions or amendments by all parties to an arm's-length contract.	1	1	1

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.458 (a)(1), (b)(1), (c) (1)(i), (c) (1)(iii), (c) (2)(i), and (c)(2)(iii)	Deduct the reasonable actual coal washing allowance costs incurred under an arm's-length contract, and allowance based upon their reasonable actual costs under a non-arm's-length or no contract, after submitting a completed page one of Form ONRR-4292, Coal Washing Allowance Report, containing the actual costs for the previous reporting period, within 3 months after the end of the calendar year after the initial and for succeeding reporting periods, and report deduction on Form ONRR-4430 for an arm's-length, or a non-arm's-length, or no contract.	2	1	2
1206.458 (a)(3)	Provide written information justifying your washing costs when ONRR determines your washing value unreasonable.	AUDIT PROCESS See Note.		
1206.458 (b)(2)(iv)	The lessee may not later elect to change to the other alternative without ONRR approval.	1	1	1
1206.458 (b)(2)(iv) (A)	Elect either a straight-line depreciation method based on the life of equipment or reserves, or a unit of production method.	1	1	1
1206.458 (c)(1)(iv) and (c)(2)(vi)	Submit arm's-length washing contracts and all related data used on Form ONRR-4292.	AUDIT PROCESS See Note.		
1206.461 (a)(1), (b)(1), (c)(1)(i), (c)(1)(iii), (c)(2)(i), and (c)(2)(iii)	Submit a completed page one of Form ONRR-4293, Coal Transportation Allowance Report, of reasonable, actual transportation allowance costs incurred by the lessee for transporting the coal under an arm's-length contract , in which you may claim a transportation allowance retroactively for a period of not more than 3 months prior to the first day of the month that you filed the form with ONRR, unless ONRR approves a longer period upon a showing of good cause by the lessee. Submit also a completed Form ONRR-4293 based upon the lessee's reasonable actual costs under a non-arm's-length or no contract . (Emphasis added.)	2	1	2
1206.461 (a)(3)	Provide written information justifying your transportation costs when ONRR determines your transportation value unreasonable.	AUDIT PROCESS See Note.		
1206.461 (b)(2)(iv)	Submit completed Form ONRR-4293 after a lessee has elected to use either method for a transportation system.	1	1	1

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.461 (b)(2) (iv)(A)	Submit completed Form ONRR-4293 to compute depreciation for election to use either a straight-line depreciation, or unit-of-production method.	1	1	1
1206.461 (b)(3)	Submit completed Form ONRR-4293 for exception from the requirement of computing actual costs.	1	1	1
1206.461 (c)(1) (iv) and (c)(2) (vi)	Submit arm's-length transportation contracts, production and operating agreements, and related documents used on Form ONRR-4293.	AUDIT PROCESS See Note.		
1206.463	Propose the value of coal for royalty purposes to ONRR for an ad valorem Federal coal lease.	1	1	1
1206.464	Notify ONRR if, prior to use, sale, or other disposition, you enhance the value of coal.	1	1	1
Part 1210—Forms and Reports				
Subpart E—Production and Royalty Forms—Solid Minerals				
1210.201 (a)(1), (c) (3); 1206.259 (c)(1)(i), (c)(2), (e) (2); 1206.262 (c)(1), (c) (2)(i), (e) (2); 1206.458 (c)(4), (e) (2); 1206.461 (c)(4), (e) (2)	Submit a completed Form ONRR-4430. Report washing and transportation allowances as a separate line on Form ONRR-4430 for arm's-length, non-arm's-length, or no contract sales, unless ONRR approves a different reporting procedure. Submit also a corrected Form ONRR-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by ONRR.	0.75	1,668	1,251
§1210.202 HOW DO I SUBMIT FORM ONRR-4440, SOLID MINERALS SALES SUMMARY?				

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1210.202 (a)	<p>(a) <i>What to submit.</i> (1) For solid minerals produced or sold from Federal or Indian solid minerals leases for each mine, you must submit a completed Form ONRR-4440A for coal; Form ONRR-4440B for sodium/potassium; Form ONRR-4440C for Western Phosphate; Form ONRR-4440D for metals; and Form ONRR-4440E for all other minerals produced from leases containing ad valorem royalty terms not covered by Forms ONRR-4440A through ONRR-4440D. These forms and instructions are available on the Solid Minerals Reporting Information webpage at http://www.onrr.gov/FM/Forms/AFSSoL_Min.htm. (2) For all products produced from leases having ad valorem royalty terms, you must include the required data elements listed in the following table on the appropriate Form ONRR-4440. (3) Instructions to complete and submit Form ONRR-4440 are available on the Solid Minerals Reporting Information webpage at http://www.onrr.gov/FM/Forms/AFSSoL_Min.htm.</p>	1	900	900
1210.202 (b)	<p>(b) <i>When to submit.</i> (1) You must use the table at §1210.202(a)(2) to determine how often you must submit the appropriate Form ONRR-4440. (2) You must submit Form ONRR-4440 each month after you submit the corresponding Form ONRR-4430 as required under 30 CFR 1210.201(a). (3) If the information on a previously reported Form ONRR-4440 is no longer correct, you must submit a revised Form ONRR-4440 in the same month after you submit the corresponding revised Form ONRR-4430 under 30 CFR 1210.201(b)(4). (4) For leases with no ad valorem royalty terms (that is, leases in which the royalty due is not a function of the value of production, such as a cents-per-ton or dollars-per-unit), ONRR may request that data from lessees on an as-needed basis under §1210.206.</p>	Hour burden covered under §1210.202(a).		
1210.202 (c)(1)	<p>(c) <i>How to submit.</i> (1) You must provide the appropriate Form ONRR-4440 data electronically using our Internet reporting Web site unless you meet the conditions in subparagraph (c)(2).</p>	Hour burden covered under §1210.202(a).		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1210.203 (a)	Submit sales contracts, agreements, and contract amendments for sale of all coal and other solid minerals produced from Federal and Indian leases with ad valorem royalty terms.	1	30	30
1210.204 (a)(1)	Submit facility data if you operate a wash plant, refining, ore concentration, or other processing facility for any coal, sodium, potassium, metals, or other solid minerals produced from Federal or Indian leases with ad valorem royalty terms.	0.25	360	90
1210.205 (a) and (b)	Submit detailed statements, documents, or other evidence necessary to verify compliance, as requested.	AUDIT PROCESS See Note.		
Subpart H—Geothermal Resources				
1210.351	Maintain geothermal records on microfilm, microfiche, or other recorded media.	Hour burden covered under OMB Control Number 1012-0004.		
1210.352	Submit additional geothermal information on special forms or reports.	1	1	1
1210.353	Submit completed Form ONRR-2014 monthly once sales or utilization of geothermal production occur.	Hour burden covered under OMB Control Number 1012-0004.		
Part 1212—Records and Forms Maintenance				
Subpart E—Solid Minerals—General				
1212.200 (a)	Maintain all records pertaining to Federal and Indian solid minerals leases for 6 years after records are generated unless the record holder is notified, in writing.	0.25	4,064	1,016
Subpart H—Geothermal Resources				
1212.351 (a) and (b)	Retain accurate and complete records necessary to demonstrate that payments of royalties, rentals, and other amounts due under Federal geothermal leases are in compliance with laws, lease terms, regulations, and orders. Maintain all records pertaining to Federal geothermal leases for 6 years after the records are generated unless the recordholder is notified in writing.	Hour burden covered under OMB Control Numbers 1012-0004 (for Forms ONRR-2014 and ONRR-4054).		
Part 1217—Audits and Inspections				
Subpart E—Coal				
1217.200	Furnish, free of charge, duplicate copies of audit reports that express opinions on such compliance with Federal lease terms relating to Federal royalties as directed by the Director for the Office of Natural Resources Revenue.	AUDIT PROCESS See Note.		
Subpart F—Other Solid Minerals				

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1217.250	Furnish, free of charge, duplicate copies of annual or other audits of your books.	AUDIT PROCESS See Note.		
Subpart G—Geothermal Resources				
1217.300	The Secretary, or his/her authorized representative, will initiate and conduct audits or reviews that relate to compliance with applicable regulations.	AUDIT PROCESS See Note.		
PART 1218—COLLECTION OF ROYALTIES, RENTALS, BONUSES, AND OTHER MONIES DUE THE FEDERAL GOVERNMENT Subpart E—Solid Minerals—General				
1218.201 (b); 1206.457 (b); 1206.460 (d)	You must tender all payments under §1218.51 except for Form ONRR-4430 payments, include both your customer identification and your customer document identification numbers on your payment document, and you shall be liable for any additional royalties, plus interest, if improperly determined a washing or transportation allowance.	0.0055	1,368	8
1218.203 (a) and (b)	Recoup an overpayment on Indian mineral leases through a recoupment on Form ONRR-4430 against the current month's royalties and submit the tribe's written permission to ONRR.	1	1	1
Subpart F—Geothermal Resources				
1218.300; 1218.301; 1218.304; 1218.305 (a)	Submit all rental and deferred bonus payments when due and pay in value all royalties due determined by ONRR. The payor shall tender all payments. Pay the direct use fees in addition to the annual rental due. Pay advanced royalties, under 43 CFR 3212.15(a)(1) to retain your lease, that equal to the average monthly royalty you paid under 30 CFR part 1206, subpart H.	Hour burden covered under OMB Control Number 1012-0004.		
1218.306 (a)(2)	You may receive a credit against royalties if ONRR approves in advance your contract.	4	1	4
1218.306 (b)	Pay in money any royalty amount that is not offset by the credit allowed under this section.	Hour burden covered under OMB Control Number 1012-0004.		
Subpart I—Federal Coal Advance Royalty				
§1218.607 HOW MAY I APPEAL AN ONRR ORDER TO PAY COAL ADVANCE ROYALTY?				
1218.607	You may appeal an ONRR Order to Pay Coal Advance Royalty under 30 CFR part 1290.	Hour burden covered under ICR 1012-0006. See 30 CFR 1243.4.		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
§1218.608 HOW MAY I SUSPEND COMPLIANCE WITH AN ONRR ORDER TO PAY COAL ADVANCE ROYALTY?				
1218.608	You may suspend compliance with an ONRR Order to Pay Coal Advance Royalty under 30 CFR 1243.4.	Hour burden covered under ICR 1012- 0006.		
TOTAL BURDEN			9,611	3,839

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

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden 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.**

We have identified no non-hour cost burdens for this collection of information.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff),

and any other expense that would not have been incurred without this collection of information.

To analyze and review the information, the Federal Government spends an average of 1 hour for each hour spent by respondents. The total estimated Federal Government time burden is 3,839 hours (1 hour x 3,839 respondent burden hours = 3,839 hours), based on time or effort needed to complete all data gathering requirements and to analyze Forms ONRR-4430, ONRR-4440, ONRR-4292, and ONRR-4293, occasional notifications, letter proposals, award claim filings, and other related information. Most of the requirements are performed by a Government accountant at the Grade 12 level. Based on the United States General Schedule, Grade 12, Step 5, pay scale for a Government accountant in the Denver, Colorado area, the estimated hourly labor cost is \$60 (\$40.10 per hour x 1.5 benefit cost factor = \$60.15, rounded to \$60). We added a multiplier of 1.5 (as implied by BLS Economic News Release, Employer Costs for Employee Compensation news release text, available at <http://www.bls.gov/news.release/ecec.nr0.htm>) for benefits.

The annual cost to the Government for royalty reporting is calculated as follows:

$$3,839 \text{ hrs} \times 1 \text{ hr} = 3,839 \text{ hrs} \times \$60 \text{ per hour} = \$230,340.$$

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

(a) Annual Hour Burden:

Currently Approved OMB Burden Hour Inventory	Program Change Estimated Burden Hours	Adjustment Change Estimated Burden Hours	Total Estimated Burden Hours
3,509	+330	0	3,839

There is no **adjustment change** to the burden hours, but there is a **program increase** of 330 hours, based on a reallocation of burden hours for the proposed Form ONRR-4440, related to the revision of 30 CFR 1210.202(a).

(b) Annual Cost Burden: There is no annual cost burden to report.

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.

ONRR publishes annually the aggregated production and royalty data, for the benefit of the public, industry, States and American Indians, and other interested parties. We do not release any sensitive, confidential, or proprietary data.

17. If seeking approval not to display the expiration date for OMB approval of the

information collection, explain the reasons that display would be inappropriate.

ONRR will display the OMB approval expiration date on Forms ONRR-4430, ONRR-4440, ONRR-4292, and ONRR-4293.

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

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."