

**Supporting Statement A**  
**30 CFR 250, Subpart K, Oil and Gas Production Requirements**  
**Forms BSEE-0126 and BSEE-0128**  
**OMB Control Number 1014-0019**  
**Expiration Date: March 31, 2013**

**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 information collection request (ICR) contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

**Specific Instructions**

**A. Justification**

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

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior to prescribe rules and regulations to administer leasing of mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-way, or a right-of-use and easement. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

Section 5(a) of the OCS Lands Act requires the Secretary to prescribe rules and regulations "to provide for the prevention of waste, and conservation of the natural resources of the Outer Continental Shelf, and the protection of correlative rights therein" and to include provisions "for the prompt and efficient exploration and development of a lease area."

Section 1334(g)(2) states ". . . the lessee shall produce such oil or gas, or both, at rates . . . to assure the maximum rate of production which may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, and which is safe for the duration of the activity covered by the approved plan."

In addition to the general authority of OCSLA, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA's provisions. While the majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation

or submission of false, inaccurate, or misleading reports, records, or other information. The Secretary has delegated some of the authority under FOGRMA to BSEE.

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior's implementing policy, the Bureau of Safety and Environmental Enforcement (BSEE) is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large. Several requests for approval required in Subpart K are subject to cost recovery and BSEE regulations specify service fees for these requests.

This ICR addresses our current regulations governing oil and gas production at 30 CFR 250, Subpart K, associated forms, and related Notices to Lessees (NTLs) and Operators. The BSEE issued several NTLs to clarify and provide additional guidance on some aspects of the current Subpart K regulations. This collection of information will revise the approved information collection for the current Subpart K regulations.

***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 information collected under Subpart K is used in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the Government's royalty interest. Specifically, BSEE uses the information to:

- evaluate requests to burn liquid hydrocarbons and vent and flare gas to ensure that these requests are appropriate;
- determine if a maximum production or efficient rate is required; and,
- review applications for downhole commingling to ensure that action does not result in harm to ultimate recovery.

However, in this ICR, we have included a certification statement, on both forms, to state that false submissions are subject to criminal penalties.

Also, we clarified some sections of Form BSEE-0126. These clarifications pose minor edits and they are as follows:

In Block No. 88, TYPE OF REQUEST, we added the word 'Reestablish';

in Block No. 108, we revised what read 'API @ 60° F' to now read as 'API @ 14.73 PSI & 60° F'; and

in Block No. 109, we revised what read 'SP GR GAS' to now read as 'SP GR GAS @ 14.73 PSI & 60°F'.

#### Form BSEE-0126, Well Potential Test Report

The BSEE uses this information for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions. This requirement implements the conservation provisions of the OCS Lands Act and 30 CFR 250. The information obtained from the well potential test is essential to determine if an MPR is necessary for a

well and to establish the appropriate rate. It is not possible to specify an MPR in the absence of information about the production rate capability (potential) of the well. The form asks for, in either fill in the blanks or check marks:

- general information about the well and the company;
- pertinent information relating to the well test; and
- 24-hour rates pertaining to test production.

#### Form BSEE-0128, Semiannual Well Test Report

The BSEE uses this information to evaluate the results of well tests to determine if reservoirs are being depleted in a manner that will lead to the greatest ultimate recovery of hydrocarbons. This information is collected to determine the capability of hydrocarbon wells and to evaluate and verify an operator's approved maximum production rate if assigned. The form was designed to present current well data on a semiannual basis to permit the updating of permissible producing rates, and to provide the basis for estimates of currently remaining recoverable gas reserves. The form requires, in either fill in the blanks or check marks:

- general information about the well;
- volumes;
- choke size;
- pressures;
- production method;
- API oil/condensate gravity; and
- date of test.

***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.***

The BSEE encourages respondents to use the electronic fillable forms available on the website. Currently, an estimated 30 percent of all information in the Gulf of Mexico Region (GOMR) is submitted electronically. Currently, respondents in the Alaska Region (AKOCSR) have not opted to submit reports electronically because at this time, they receive very few forms. In the POCSR, 50 percent of only the Semiannual Well Test Reports (Form BSEE-0128) are submitted electronically, form BSEE-0126 is not submitted electronically.

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

The Department of the Interior has Memoranda of Understanding (MOUs) with other government agencies that define the responsibilities of each agency with respect to activities in the OCS. These MOUs are effective in avoiding duplication of regulations and reporting requirements. In most cases, the information collected is unique and site specific to each operation and not available from other sources. Some respondents are under the control of local authorities, which require respondents to submit similar air-pollution information. When this is applicable, BSEE will not require such reporting from those respondents, thereby avoiding duplication.

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

This collection of information could have a significant economic effect on a substantial number of small entities. Any direct effects primarily impact the OCS lessees and operators. However, many of the OCS lessees and operators may have less than 500 employees and would be considered small businesses as defined by the Small Business Administration. Regulations require safe work practices and protection of the environmental resources; therefore, the hour burden on any small entity subject to these regulations and associated collection of information cannot be reduced to accommodate them.

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

If we did not collect the information, BSEE could not carry out the mandate of the OCS Lands Act. Information collection is generally required upon occasion or as a result of certain events with no specific frequency. With respect to the Subpart K forms:

Form BSEE-0126 - the result could be a waste of energy resources in the OCS by production at imprudent rates, jeopardizing the ultimate full recovery of hydrocarbons. If BSEE did not require this information, respondents would still conduct initial potential tests for new completions to assess their producing capabilities and characteristics for use in well completion design evaluation, reservoir management, production equipment design, production allocation calculations, and other technical reviews and analyses. However, they might not report the results to BSEE unless required to do so. Reports are submitted as a result of situations encountered. They are not submitted at any set frequency; therefore, the frequency is not applicable.

Form BSEE-0128 - the result could be a waste of energy resources in the OCS by production at imprudent rates, jeopardizing the ultimate full recovery of hydrocarbons. Reports are submitted on a semiannual basis. Less frequent reporting would not identify changes that can occur in the oil and gas reservoirs over a prolonged reporting period. This frequency of collection also conforms to the requirements of State regulatory agencies in the gulf coast producing areas.

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

**(a) requiring respondents to report information to the agency more often than quarterly;**

When required by the Regional Supervisor, monthly reporting is used to keep track of H<sub>2</sub>S concentrations and look for any abnormal spikes or changes that could exceed the safety and environmental limits. The increased frequency of reporting is used to be able to respond to any changes that could be harmful to personnel or the environment in a timely matter.

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

Form BSEE-0126 must be submitted to BSEE within 15 days after the end of the test period. This gives operators 15 to 45 days to provide the written response, depending on when they run the test. This submission period has been in effect for many years without significant burden on respondents. Section 250.1160(a)(3) requires respondents to report gas flaring/venting information within 72 hours after the blow down of transportation pipelines downstream of the royalty meter. This benefit is an exception to requesting advance approval to flare/vent gas.

***(c) requiring respondents to submit more than an original and two copies of any document;***  
Not applicable in this collection.

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

Currently, the requirements for respondents to compile, retain, and make available to BSEE for 6 years are the records detailing gas flaring or venting; the records detailing liquid hydrocarbon burning; and meter records. For the first 2 years of the 6 years, the records must be kept on the facility and available for inspection by BSEE representatives. After the initial 2 years, records do not have to be kept at the facility, but must be maintained and made available upon request over the next 4 years. Retaining this information for 6 years is critical because these records are needed to demonstrate that payments of royalties are in compliance with lease terms, regulations, and orders.

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

Not applicable in this collection.

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

Not applicable in this collection.

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

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

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

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

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

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

As required in 5 CFR 1320.8(d), BSEE provided a 60-day notice in the *Federal Register* on September 26, 2012 (77 FR 59209). Also, 30 CFR 250.199 and the Paperwork Reduction Act statement on all the forms explain that BSEE will accept comments at any time on the information collected and the burden. We display the OMB control number and provide the address for sending comments to BSEE. We

received one comment in response to the *Federal Register*. We offer the following response: the commenter states that we are not following the OMB guidance for reducing reporting and paperwork burdens. In our opinion, we believe that the commenter's proposal would not be "reducing reporting and paperwork burden". That is, it appears the commenter is suggesting that operators submit flare/vent records to BSEE via "webpage, tablet device, or smartphone". If that is the case, we would be increasing the reporting burden as industry is NOT now required to submit such information to BSEE, *i.e.*, operators only have to maintain the records on the facility and make them available during offshore inspections. Of course, new regulations would be needed to require such submittals to BSEE and we would not pursue such a requirement as operators report this information monthly to ONRR on the OGOR reports (which are submitted electronically). As far as reducing "paperwork burdens", we don't believe that is applicable under the commenter's proposal either as industry can store their records offshore in an electronic system as long as they are available for offshore inspection.

Relating to the Items on BSEE-0126, the commenter is correct. The items containing the "0", are simply a "check box" on the physical form.

During the comment period, BSEE requested input from several respondents on the input to the availability of data, frequency of collection, clarity of instructions, and elements being collected. The burden estimates in Section A.12 reflect their input. The following respondents that commented were:

Chevron, USA Inc., Joe Gordon, Regulatory Manager,  
(985) 773-6769, 100 Northpark Boulevard, Covington, LA 70433

Energy Partners Ltd., Sheri Merrell, Regulatory Specialist,  
(504) 799-4863, 201 St. Charles Avenue, Suite 3400, New Orleans, LA 70170

BP Exploration (Alaska), Mark Sauve, Sr Petroleum Engineer,  
P. O. Box 196612, Anchorage, AK 99519

Anadarko Petroleum Corporation, Gaylene Reier, Regulatory Analyst II,  
(832) 636-3096, 1201 Lake Robbins Dr., The Woodlands, TX 77380

Noble Energy, Inc., Phyllis Greer, Division Regional Coordinator,  
(281) 876-6271, 100 Glenborough, Suite 100, Houston, TX 77067-3610

ExxonMobil Corporation, Roxanne Tack, Staff Technical Assistant,  
(281) 654-1883, P. O. Box 4358, Houston, TX 77210-4358

Venoco Inc., Debbie Gile, Manager/Production Accounting,  
(303) 600-2830, 370 17<sup>th</sup> Street, Suite #3900, Denver, CO 80202

Plains E&P Co., Kurt Koerner, Manager,  
(805) 934-8244, 201 S. Broadway, Orcutt, CA 93455

***Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.***

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

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

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

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), and 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*, 30 CFR 252, *OCS Oil and Gas Information Program*. Proprietary information concerning geological and geophysical data will be protected according to 43 U.S.C. 1352.

**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.**

No, the collection does not include sensitive questions.

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

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

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

Primary respondents are Federal oil and gas and sulphur lessees. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Responses to this collection are mandatory or are required to obtain or retain a benefit. The frequency of response is on occasion, monthly, semi-annually, annually, and as a result of situations encountered depending upon the requirement. We estimate the total annual burden is 20,312 hours. Refer to the following table for a breakdown of the burden.

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
<b>WELL TESTS/SURVEYS and CLASSIFYING RESERVOIRS</b>				

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1151(a)(1), (c); 1167	Conduct well production test; submit Form BSEE-0126 (Well Potential Test Report) and supporting information within 15 days after end of test period.	3	1,210 forms	3,630
1151(a)(2), (c); 1167	Conduct well production test; submit Form BSEE-0128 (Semiannual Well Test Report) and supporting information within 45 days after end of calendar half-year.	0.1 to 3*	11,136 GOM forms	2,836
			60 POCS forms	
1151(b)	Request extension of time to submit results of semi-annual well test.	0.5	13 requests	7
1152(b), (c);	Request approval to conduct well testing using alternative procedures.	0.75	5 requests	4
1152(d)	Provide advance notice of time and date of well tests.	0.5	12 notices	6
		<b>Subtotal</b>	<b>12,616 responses</b>	<b>6,483 hours</b>
<b>APPROVALS PRIOR TO PRODUCTION</b>				
1156; 1167	Request approval to produce within 500 feet of a unit or lease line; submit supporting information/documentation; notify adjacent operators and provide BSEE proof of notice date.	5	15 requests	75
		\$3,608 x 15 requests = \$54,120		
1156(b); 1158(b)	Notify adjacent operators submit letters of acceptance or objection to BSEE within 30 days after notice; include proof of notice date.	.5	15 letters	8
1157; 1167	Request approval to produce gas-cap gas in an oil reservoir with an associated gas cap, or to continue producing an oil well showing characteristics of a gas well with an associated gas cap; submit producing an oil well showing characteristics of a gas well with an associated gas cap; submit supporting information. .	12	48 requests	576
		\$4,592 x 48 requests = \$220,416		
1158; 1167	Request approval to downhole commingle hydrocarbons; submit supporting information; notify operators and provide proof of notice date.	6	30 applications	180
		\$5,357 x 30 applications = \$160,710		
		<b>Subtotal</b>	<b>108 responses</b>	<b>839 hours</b>
			<b>\$435,246 non-hour costs</b>	
<b>FLARING, VENTING, and BURNING HYDROCARBONS</b>				
1160; 1161; 1163(e)	Request approval to flare or vent natural gas or exceed specified time limits/volumes; submit evaluation/documentation; report flare/vent information due to blow down of transportation pipelines within 72 hours after incident.	0.75	1,146 requests/reports	860
1160(b); 1164(b)(1), (2)	H <sub>2</sub> S Contingency, Exploration, or Development and Production Plans and, Development Operations Coordination Documents—burdens covered under 1014-0018 and BOEM's 1010-0151. Monitor air quality and report – burdens covered under 1010-0057.			0
1162; 1163(e)	Request approval to burn produced liquid hydrocarbons; demonstrate no risk and/or submit documentation re transport. If approval needed, submit documentation with relevant information re hydrocarbons burned under the approval.	0.5	6 requests/reports	3
1163	Initial purchase or replacement of gas meters to measure the amount of gas flared or vented. This is a non-hour cost burden.	54 meters @ \$77,000 each - \$4,158,000		
1163(a)(1)	Notify BSEE when facility begins to process more than an average of 2,000 bopd per month.	1	32 notices	32

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1163(b);	Report to ONRR hydrocarbons produced, including measured gas flared/vented and liquid hydrocarbon burned—burden covered under 1012-0004.			0
1163(a), (c), (d)	Maintain records for 6 years detailing on a daily and monthly cumulative basis gas flaring/venting, liquid hydrocarbon burning; and flare/vent meter recordings; make available for inspection or provide copies upon request.	13	892 platforms (gas flare/vent)	11,596
		.5	60 liquid hydrocarbon	30
1164(c)	Submit monthly reports of flared or vented gas containing H <sub>2</sub> S.	3	3 operators x 12 mos. = 36	108
<b>Subtotal</b>			<b>2,172 responses</b>	<b>12,629 hours</b>
			<b>\$4,158,000 non-hour costs</b>	
<b>OTHER REQUIREMENTS</b>				
1165	Submit proposed plan and supporting information for enhanced recovery operations.	12	16 plans	192
1165(c)	Submit periodic reports of volumes of oil, gas, or other substances injected, produced, or produced for a second time--burden covered under ONRR's 1012-0004.			0
1166	Alaska Region only: submit annual reservoir management report and supporting information.	1	1 (req'd by State, BSEE gets copy)	1
		100	1 new development not State lands.	100
		20	3 annual revisions	60
1150-1167	General departure or alternative compliance requests not specifically covered elsewhere in Subpart K.	1.5	5 submissions	8
<b>Subtotal</b>			<b>26 responses</b>	<b>361 hours</b>
<b>TOTAL BURDEN</b>			<b>14,922 responses</b>	<b>20,312 hours</b>
			<b>\$4,593,246 non-hour cost burdens</b>	

\* Reporting burden for this form is estimated to average 0.1 to 3 hours per form depending on the number of well tests reported, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form.

*(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under “annual Cost to the Federal Government.”*

The average respondent cost is \$95/hour. This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area. See BLS website: <http://www.bls.gov/bls/wages.htm>.

Position	Level	Hourly Pay rate (\$/hour estimate*)	Hourly rate including benefits (1.4** x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Secretaries and Administrative Assistants	6	\$21	\$29	5%	\$1
Petroleum Engineer	All Workers	\$68	\$95	60%	\$57

Supv. Engineer	All Workers	\$76	\$106	35%	\$37
<b>Weighted Average (\$/hour)</b>					<b>\$95</b>

\* Note that this BLS source reflects their last update from December 2009.

\*\* A multiplier of 1.4 (as implied by BLS news release USDL 12-2404, December 11, 2012 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$95 per hour, we estimate the hour burden as a dollar equivalent is \$1,929,640 (\$95 x 20,312 hours = \$1,929,640).

**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).**

**(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid 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.**

**(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

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

The Subpart K regulations require four non-hour cost burdens, for a total of \$4,593,246. Three are service fees required to recover the Federal Government’s processing costs of certain submissions. The fourth cost is an IC equipment expenditure. The details are as follows:

§ 250.1156 requires a service fee when submitting a request for approval to produce within 500 feet of a unit or lease line.	\$3,608
§ 250.1157 requires a service fee when submitting a request for approval before producing gas-cap gas from each completion in an oil reservoir known to have an associated gas cap, or to continue producing if an oil reservoir is not initially known to have an associated gas cap, but begins to show characteristics of a gas well.	\$4,592
§ 250.1158 requires a service fee for submitting a request for	\$5,357

approval to downhole commingle hydrocarbons.	
§ 250.1163 requires respondents to purchase and install gas meters to measure the amount of gas flared or vented gas for those that produce more than 2,000 bopd and do not already have a meter or need to replace a meter.	\$77,000

We have not identified any other non-hour cost burden associated with 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.**

The average Federal cost is \$64/hour. This cost is broken out in the below table using the current Office of Personnel Management pay schedule for The REST OF THE UNITED STATES (<http://www.opm.gov/oca/12tables/>).

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5 x \$/hour*)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-5/5	\$17	\$26	5%	\$1
Petroleum Engineer	GS-12/5	\$42	\$63	77%	\$49
Supv. Petroleum Engineer	GS-14/5	\$53	\$80	18%	\$14
<b>Weighted Average (\$/hour)</b>					<b>\$64</b>

\* A multiplier of 1.5 (as implied by BLS news release USDL 12-2404, December 11, 2012 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

To analyze and review the information, the Government spends an average of 1 hour for each hour spent by respondents for a total of 20,312 hours. Based on a cost factor of \$64 per hour, the total annual estimated burden on the Government is \$1,299,968 (20,312 hours x 1 hour = 20,312 hours x \$64 = \$1,299,968).

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

The adjustments are as follows:

(a) The current OMB inventory for 1014-0019 includes 43,396 burden hours. In this submission, we are requesting, 20,312 hours. This represents an adjustment decrease of 23,084 hours due to some the regulatory requirements and their respective IC, in particular Forms BOEM-0127 and -0140, now being submitted to OMB via BOEM vs BSEE.

(b) The current OMB non-hour cost burden inventory is \$9,234,392. In this submission, we are requesting a total of \$4,593,246. This represents an adjustment decrease of \$4,641,146. The decrease is due to less vent meters needing to be purchased from the previous 3-year collection and re-estimating the average number of annual responses times its associated non-hour cost burden.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule**

***for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.***

The BSEE will not tabulate or publish the data.

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

The BSEE will display the OMB control number and approval expiration date on Forms BSEE-0126, and BSEE-0128.

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

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”