

Supporting Statement A
30 CFR Part 250, Application for Permit to Drill (APD, Revised APD), Supplemental APD
Information Sheet, and all supporting documentation
Forms BSEE-0123 and BSEE-0123S
OMB Control Number 1014-NEW
Current Expiration Date: NEW

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

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 (OCSLA), 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 1332(6) states that "operations in the Outer Continental Shelf should be conducted in a safe manner by well trained personnel using technology, precautions, and other techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstructions to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property or endanger life or health."

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, For example, section 108 of FOGRMA, 30 U.S.C. 1718, grants the Secretary broad authority to inspect lease sites for the purpose of determining whether there is compliance with the mineral leasing laws. 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 fees for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Applications for Permit to Drill (APDs) are subject to cost recovery and BSEE regulations specify a service fee for this request.

This authority and responsibility are among those delegated to BSEE. The regulations at 30 CFR 250 stipulate the various requirements that must be submitted with an APD, Revised APD, and the supplemental APD information sheet. The forms and the numerous submittals that are included and/or attached to the forms are the subject of this collection. Currently, this information is collected under 30 CFR 250, Subpart D, 1014-0018 (216,211 hour burdens/\$2,225,286 non-hour cost burdens; expiration 10/21/2014); but this request will separate out the hours and non-hour cost burdens associated with APDs into its own separate collection so that both industry and BSEE have a better understanding of the complexities associated with all the information that is submitted with these forms throughout the various subparts; and will reflect more accurate burden estimates.

This request also covers any related Notices to Lessees and Operators (NTLs) that BSEE issues to clarify, supplement, or provide additional guidance on some aspects of our 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 BSEE uses the information to ensure safe drilling operations and to protect the human, marine, and coastal environment. Among other things, BSEE specifically uses the information to ensure: the drilling unit is fit for the intended purpose; the lessee or operator will not encounter geologic conditions that present a hazard to operations; equipment is maintained in a state of readiness and meets safety standards; each drilling crew is properly trained and able to promptly perform well-control activities at any time during well operations; compliance with safety standards; and the current regulations will provide for safe and proper field or reservoir development, resource evaluation, conservation, protection of correlative rights, safety, and environmental protection. We also review well records to ascertain whether drilling operations have encountered hydrocarbons or H₂S and to ensure that H₂S detection equipment, personnel protective equipment, and training of the crew are adequate for safe operations in zones known to contain H₂S and zones where the presence of H₂S is unknown.

This ICR includes forms, APD, BSEE-0123 and Supplemental APD Information Sheet, BSEE-0123s. In this submission, 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-0123 (Form BSEE-0123s remains the same). This poses minor edits and they are as follows:

Question #17 - facility name was added;

Question #25 - revised the citations for accuracy;
Question #33 - added a new question relating to digital BOP testing.

Once this IC collection is approved, the revisions will be added to the form and the eWell screen shot(s); the revised PRA statement will be posted on the eWell website.

The forms use and information consist of the following:

Application for Permit to Drill, BSEE-0123 and Supplemental APD Information Sheet, BSEE-0123S

The BSEE uses the information from these forms to determine the conditions of a drilling site to avoid hazards inherent in drilling operations. Specifically, we use the information to evaluate the adequacy of a lessee's or operator's plan and equipment for drilling, sidetracking, or deepening operations. This includes the adequacy of the proposed casing design, casing setting depths, drilling fluid (mud) programs, cementing programs, and blowout preventer (BOP) systems to ascertain that the proposed operations will be conducted in an operationally safe manner that provides adequate protection for the environment. BSEE also reviews the information to ensure conformance with specific provisions of the lease. In addition, except for proprietary data, BSEE is required by the OCSLA to make available to the public certain information submitted on Forms BSEE-0123 and -0123S.

BSEE-0123

Heading: BSEE uses the information to identify the type of proposed drilling activity for which approval is requested.

Well at Total Depth/Surface: Information utilized to identify the location (area, block, lease, latitude and longitude) of the proposed drilling activity.

Significant Markers Anticipated: Identification of significant geologic formations, structures and/or horizons that the lessee or operator expects to encounter. This information, in conjunction with seismic data, is needed to correlate with other wells drilled in the area to assess the risks and hazards inherent in drilling operations.

Question/Information: The information is used to ascertain the adequacy of the drilling fluids (mud) program to ensure control of the well, the adequacy of the surface casing compliance with EPA offshore pollutant discharge requirements and the shut in of adjacent wells to ensure safety while moving a rig on and off a drilling location, as well that the worst case discharge scenario information reflects the well and is updated if applicable. This information is also provided in the course of electronically requesting approval of drilling operations via eWell.

BSEE- 0123S

Heading: BSEE uses this information to identify the lease operator, rig name, rig elevation, water depth, type well (exploratory, development), and the presence of H2S and other data which is needed to assess operational risks and safety.

Well Design Information: This engineering data identifies casing size, pressure rating, setting depth and current volume, hole size, mud weight, BOP and well bore designs, formation and BOP test data, and other criteria. The information is utilized by BSEE engineers to verify operational safety and ensure well control to prevent blowouts and other hazards to personnel and the environment. This form

accommodates requested data collection for successive sections of the borehole as drilling proceeds toward total depth below each intermediate casing point.

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 estimates that we currently collect 95 percent of all information electronically that pertain to 30 CFR Part 250, APDs and all supporting documentation submitted.

The Gulf of Mexico region has implemented an internet based system, eWell, that provides respondents with the ability to permit and report well operations electronically using a secure web application. For those respondents with computerized well files, information can be taken directly from that file and imported into the eWell system; respondents generate and submit almost 100 percent of the information via this venue.

In the Pacific and Alaska Regions, respondents generate 100 percent of all the information on paper. These regions, as of now, do not have the ability for eWell. We are working diligently to implement eWell in these regions. At this time, we are still in the testing phase.

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 information collected is unique to a specific drilling/well operation and does not duplicate any other available information; similar information is not readily available or discernible from other sources. The Departments of the Interior and other government agencies have Memoranda of Understanding which define the responsibilities of their agencies with respect to activities in the OCS. These are effective in avoiding duplication of regulations and reporting requirements.

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 have less than 500 employees and are considered small businesses as defined by the Small Business Administration. Because of the factors involved in various types of drilling operations for oil and gas and sulphur, the hour burden on any small entity subject to these regulations cannot be reduced to accommodate them.

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

If BSEE did not collect the information, we could not determine whether lessees and operators are properly providing for the safety of operations and the protection of the environment and resources. The information is necessary to carry out the mandate of the OCSLA. The information is generally collected on occasion of the specific drilling activity and initiated by respondents' activity.

In regards to the APD, Revised APD, and the supplemental APD information sheet supporting documentation, if this information were not available, BSEE could not: (1) ensure that drilling operations are planned to minimize the risks to personnel and the environment; (2) require changes to drilling procedures or equipment to determine that levels of safety and environmental protection are maintained; (3) issue a permit for well operations based on the requirements of 30 CFR 250. Nor could we review information concerning requests for approval or subsequent reporting of well-completion, well-workover, and well-abandonment operations to determine that procedures and equipment are appropriate for the anticipated conditions.

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;

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

(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;

Respondents are required to retain some well completion/well workover records until the well is permanently plugged or abandoned or the records are forwarded with a lease assignment. This could be longer than 3 years; however, it is critical that the records be available that relate to any alteration of the completion configuration or that affect activities on a hydrocarbon-bearing zone.

(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;

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

(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

(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.

Not application in this collection.

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 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), BSEE provided a 60-day notice in the **Federal Register** on December 3, 2013 (78 FR 72688). In addition, 30 CFR 250.199 explains 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 no comments in response to the Federal Register notice or unsolicited comments from respondents covered under these regulations.

To prepare this ICR, companies were contacted to determine the estimated burden this subpart places on respondents: The following company representatives that commented were:

Anadarko Petroleum Corporation, Ms. Teri Powell, Regulatory Analyst
(832) 636-1000, 1201 Lake Robbins Drive, The Woodlands, TX 77380

Chevron NA Exploration and Production Company, Ms. Debbie Campise, Permit Specialist
(832) 854-2617, 1500 Louisiana, #19146 Houston, TX 77002

BP Exploration & Production, Inc., Ms. Beth Atwood, Regulatory Advisor
(713) 323-2904, 200 Westlake Park Blvd., WL4-469A, Houston, TX 77079

Plains Exploration and Production Company, Gary Hertfelder, EH&S Manager,
(805) 937-6377, 201 S. Broadway, Orcutt, CA 93455-4606

Shell Exploration and Production, Susan Childs, Manager,
(907-770-3700) 3601 C Street, Suite 1334, Anchorage, AK 99503

All the different reporting and recordkeeping requirements that are listed in the burden table (Section A.12) were thoroughly reviewed by the company representatives listed. These representatives had no concerns regarding the availability of data, frequency of collection, clarity of instructions, and elements being collected at this time. The companies that replied to our request provided the burden estimates that are reflected in Section A.12.

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.

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

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

The collection does not include sensitive or private questions.

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

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

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

Potential respondents comprise Federal oil and gas and sulphur OCS lessees and operators. It should be noted that not all of the potential respondents will submit information at any given time 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, completing and reviewing the collection of information and are based on informal discussions with the listed respondents in Section A.8. Responses are mandatory or to obtain and retain a benefit; they are submitted generally on occasion and as required in the regulations. We estimate the total annual reporting and recordkeeping burden is 47,800 hours. Refer to the following table for a breakdown of the burdens.

[NOTE: In the Burden Table, a Revised APD hour burden is preceded by the letter R]

BURDEN TABLE

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
Subparts A, D, E, H, P	Apply for permit to drill, sidetrack, bypass, or deepen a well submitted via Forms BSEE-0123 (APD) and BSEE-0123S (Supplemental APD). (This burden represents only the filling out of the forms, the requirements are listed separately below.)	1	408 applications	408
		\$2,113 fee x 408 = \$862,104		
Subparts D and E	Obtain approval to revise your drilling plan or change major drilling equipment by submitting a Revised APD and Supplemental APD [no cost recovery fee for Revised APDs]. (This burden represents only the filling out of the forms, the requirements are listed separately below).	1	662 submittals	662
		Subtotal	1,070 responses	1,070 hours

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
			\$862,104 non-hour cost burdens	
Subpart A				
125	Submit evidence of your fee for services receipt.	Exempt under 5 CFR 1320.3(h)(1).		0
197	Written confidentiality agreement.	Exempt under 5 CFR 1320.5(d)(2).		0
Subpart D				
409	Request departure approval from the drilling requirements specified in this subpart; identify and discuss.	1	367 approvals	367
410(d)	Submit to the District Manager: An original and two complete copies of APD and Supplemental APD; separate public information copy of forms per § 250.186.	0.5	380 submittals	190
		R- 0.5	380 submittals	190
411; 412	Submit plat showing location of the proposed well and all the plat requirements associated with this section.	2	380 submittals	760
411; 413; 414; 415;	Submit design criteria used and all description requirements;	11.5	707 submittals	8,131
	drilling prognosis with description of the procedures you will follow; and casing and cementing program requirements.			
411; 416	Submit diverter and BOP systems descriptions and all the regulatory requirements associated with this section.	3	380 submittals	1,140
411; 417	Provide information for using a MODU and all the regulatory requirements associated with this section.	10	682 submittals	6,820
411; 418	Additional information required when providing an APD include, but not limited to, rated capacities of drilling rig and equipment if not already on file; quantities of fluids, including weight materials; directional plot; H2S; welding plan; and information we may require per requirements, etc.	19	380 submittals	7,220
420(a)(6)	(i) Include signed registered professional engineer certification and related information.	3	1,034 certification	3,102
423(b)(3)	Submit for approval casing pressure test procedures and criteria. On casing seal assembly ensure proper installation of casing or line (subsea BOP's only).	3	527 procedures & criteria	1,581
423(c)(3)	Submit test procedures and criteria for a successful negative pressure test for approval. If any change, submit changes for approval.	2.5	355 submittals	888
		R-4	1 change	4
432	Request departure from diverter requirements; with discussion and receive approval.	5	53 requests	265
447(c)	Indicate which casing strings and liners meet the criteria of this section.	1	355 casing / liner info	355
448(b)	Request approval of test pressures (RAM BOPs).	2	353 requests	706
448(c)	Request approval of pressure test (annular BOPs).	1	380 requests	380
449(j)	Submit test procedures, including how you will test each ROV intervention function, for approval (subsea BOPs only).	2	507 submittals	1,014
449(k)	You must submit test procedures (autoshear and deadman systems) for approval. Include documentation of the controls / circuitry system used for each test; describe	2.5	507 submittals	1,268

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
	how the ROV will be utilized during this operation.			
456(j)	Request approval to displace kill-weight fluid; include reasons why along with step-by-step procedures.	4.5	518 approval requests	2,331
460(a)	Include your projected plans if well testing along with the required information.	12	2 plans	24
490(c)(2 thru 4)	(2) Request to classify an area for the presence of H2S.	3	91 requests	273
	(3) Support request with available information such as G&G data, well logs, formation tests, cores and analysis of formation fluids.	3	73 submittals	219
	(4) Submit a request for reclassification of a zone when a different classification is needed.	1	4 requests	4
Alaska Region: 410; 412 thru 418; 420; 442; 444; 449; 456;	Due to the difficulties of drilling in Alaska, along with the shortened time window allowed for drilling, Alaska hours are done here as stand alone requirement. Also, note that these specific hours are based on the first APD in Alaska in more than 10 years.	2,800	1 request	2,800
Subpart D subtotal			8,417 responses	40,032 hours
Subpart E				
513	(a) Obtain approval to begin well completion operations. If completion is planned and the data are available you may submit on forms.	3	288 requests	864
		R-6	1 request	6
	b) Submit description of well-completion, schematics, logs, any H2S; on form.	16.5	295 submittals	4,868
		R-26	1 submittal	26
516(a)	Submit well-control procedure indicating how the annular preventer will be utilized and the pressure limitations that will be applied during each mode of pressure control.	3	295 procedures	885
Subpart E subtotal			880 responses	6,649 hours
Subpart H				
807(a)	Submit detailed information that demonstrates the SSSVs and related equipment are capable of performing in HPHT.	3.75	1 submittal	4
Subpart H subtotal			1 response	4 hours
Subpart P				
Note that for Sulphur Operations, while there may be 45 burden hours listed, we have not had any sulphur leases for numerous years, therefore, we have submitted minimal burden.				
1605(b)(3)	Submit information on the fitness of the drilling unit.	4	1 submittal	4
1617	(a) Request approval before drilling a well.	1	1 submittal	1
	(b) Include rated capacities of the proposed drilling unit and of major drilling equipment.	3	1 submittal	3
	(c) Include a fully completed Form BSEE-0123 and the requirements of this section.	34	1 submittal	34
1622(b)	Submit description of well-completion or workover procedures, schematic, and if H2S is present.	3	1 submittal	3
Subpart P subtotal			5 responses	45 hours
Total Burden			10,373 Responses	47,800 Hours
			\$862,104 Non Hour Cost Burden	

(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 Federal Government.”

The average respondent cost is \$119/hour (rounded). This cost is broken out in the below table using the position titles and hourly pay rate given to us by industry representatives listed in Section A.8.

Position	Base Pay Hourly Rate (\$/hr)	Hourly Rate including Benefits (1.4* x \$/hr)	Percent of time spent on collection	Weighted Average (\$/hour / rounded)
Drilling Superintendent	\$93	\$130	20%	\$26
Drilling Engineer	\$92	\$129	40%	\$52
Geologist(s)	\$90	\$126	15%	\$19
Reservoir Engineer(s)	\$75	\$105	15%	\$16
Permit Specialists	\$40	\$56	10%	\$6
Weighted Average (\$/hour)				\$119

*A multiplier of 1.4 (as implied by BLS news release USDL 13-2349, December 11, 2013 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$119 per hour, we estimate the hour burden as a dollar equivalent to industry is total annual cost to industry is \$5,688,200 (\$119 x 47,800 hours = \$5,688,200).

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 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.

We have identified one non-hour cost burden associated with this collection of information. When respondents submit an APD (BSEE-0123), they submit a \$2,113 fee for initial applications only (there is

no fee for a revision). Refer to the table in Section A.12 to see the fee breakdown. We have not identified any other non-hour cost burdens 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 government cost is \$75/hour (rounded). This cost is broken out in the below table using the Office of Personnel Management salary data for the REST OF THE UNITED STATES (<http://www.opm.gov/oca/13tables/>).

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$21	\$32	5%	\$2
Petroleum Engineer	GS-13/5	\$44	\$66	60%	\$40
Supv. Petroleum Engineer	GS-15/5	\$62	\$93	35%	\$33
Weighted Average (\$/hour)					\$75

*A multiplier of 1.5 (as implied by BLS news release USDL 13-1835, September 22, 2013 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

To analyze and review the information respondents submit for this collection, we estimate the Government will spend an average of approximately 0.5 hours for each hour spent by lessees. Based on a cost factor of \$75 per hour, the annual burden on the Government for the regulatory requirements in this collection is \$1,792,500 (47,800 burden hours x 0.5 hours = 23,900 hours x \$75 = \$1,792,500).

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

The adjustments are as follows:

(a) The current OMB burden hours for these requirements, which is covered currently under 1014-0018, is 37,200 burden hours for APDs and 13,335 for Revised APDs totaling 50,535 burden hours. In this submission, we are requesting a total of 47,800 burden hours. This represents an adjustment decrease of 2,735 hours. Even though APD submittals increased by approximately 7 percent since the last OMB submittal, the burden hour decrease is due to re-estimating the amount of time required to respond based on consultations with industry representatives listed in Section A.8. Note: In the past, we had APDs listed as one line item, and Revised APDs listed as another separate item in our burden table; therefore, we multiplied the total number of submittals, times the hour burden. But, with this breakout of requirements based on each subpart, it came to light that not all the information was submitted each time, but in bits and pieces based on the regulatory activity for the requirement; hence the lower hour burden due to the number of responses being different for each submittal/requirement of the APD.

(b) The current OMB non-hour cost burden for this one requirement (APD application fee), which is covered currently under 1014-0018, is \$728,748. In this submission, we are requesting a total of \$862,104. This represents an adjustment increase of \$133,356. The increase is twofold: (a) due to receiving more APD applications from the last collection that was submitted to OMB; (b) the cost recovery fees were increased due to rulemaking (78 FR 60213, October 1, 2013).

Once OMB approves this new collection, the hour and non-hour cost burdens associated with APDs will be removed from 1014-0018.

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 where appropriate.

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.”