

Supporting Statement A

[Proposed Rulemaking]

30 CFR Part 250, Subparts A, D, S and 30 CFR 254, Oil & Gas Exploratory Drilling Operations
OMB Control Number: 1014-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

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 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 rulemaking authority of the OCS Lands Act at 43 U.S.C. 1334, 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 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.

Because the Secretary has delegated some of the authority under FOGRMA to BSEE, 30 U.S.C. 1751 is included as additional authority for these requirements.

This authority and responsibility are among those delegated to the Bureau of Safety and Environmental Enforcement (BSEE). Consistent with the OCS Lands Act, BSEE is also responsible for managing oil and gas resources on the Arctic OCS and we are proposing regulations that take into account the multiple users who have an interest in the future of the U.S. Arctic region (43 U.S.C. 1332(6)). The regulations under 30 CFR 250 concern oil and gas drilling operations are the subject of this collection. This request also covers the 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: that due to Alaska OCS Conditions 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.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden and specifically how this collection meets GPEA requirements.

We believe, that once this rule becomes effective, that the Arctic respondents will submit 45 percent of all information electronically. As of now, the BSEE Alaska Region does not have the ability for eWell, but that hopes to be rectified by sometime in 2015 and industry will be able to submit some information via a web-based electronic reporting system.

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 Arctic OCS Conditions and 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 when drilling for oil or gas under Arctic OCS Conditions, 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 OCS Lands Act. The information is generally collected on occasion of drilling activity and initiated by respondents' activity. During drilling operations, respondents must submit reports on a daily basis. We must have accurate and timely information on the condition of the drilling site to be able to make informed decisions on requests for alternative compliance and departures and for inspection purposes. Respondents maintain the information reported on a daily basis, and the burden of submitting to BSEE is not substantial. Quarterly reporting would be ineffectual. We also request transmission of real-time data gathering and monitoring relating to various aspects of well operations, etc.

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;

Respondents will have to submit most information in the Arctic as conditions arise, including, but not limited to such requirements as weather, detailed explanations of rig transitioning, etc. They are also required to submit real-time monitoring during drilling operations. The entire drilling season in the Arctic is up to 138 days; depending on conditions, this timeframe could be cut short, as such, quarterly reporting would be ineffective for these situations.

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

Respondents are required to submit a written report within 24 hours after completing ice management activities. Due to the nature of such conditions in the Arctic, such information is crucial so that BSEE is aware of all activities as they occur.

(c) requiring respondents to submit more than an original and two copies of any document;

The requirements in § 250.470 are to be submitted with APDs (BSEE-0123/BSEE-0123S). When submitting paper copies, respondents are required to submit four copies of BSEE-0123/BSEE-0123S; one approved copy each for the OCS Region, the lessee, the lessee's contractor, and the public. The copy for the public will not include proprietary data that is not subject to release.

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

Section 250.471(e) requires operators to maintain records pertaining to testing, inspection, and maintenance of the SCCE for 10 years. Because of the limited drilling season on the Arctic OCS, the more than 3-year retention requirement is necessary to facilitate the review of the effectiveness of the

operator's inspection and maintenance procedures and provide a basis of review for performance during any drill, test, or necessary deployment while on the Arctic during drilling operations.

(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 applicable 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 1320.11, BSEE is providing the 60-day review and comment process through the preamble of the proposed rulemaking. The BSEE will address in the preamble of the final rulemaking any comments received on the information collection and make necessary adjustments. No individual respondents were contacted due to the proposed rulemaking's nature of the collection. However, BSEE based many of its estimates on the latest data and information available from previous contacts with respondents to the current regulations and its staff expertise. In the future, these estimates will be re-evaluated based on consultation with respondents and actual experience.

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 the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2) and regulations at 30 CFR 250.197 and 30 CFR 252, which address disclosure of data and information to be made available to the public.

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 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, and completing the collection of information. Responses are mandatory and are submitted generally on occasion, weekly (during drilling), annually, and varies by section. We estimate the total annual reporting and recordkeeping burden is 735 hours.

BURDEN TABLE

Citation 30 CFR 250 and 254	Reporting and Recordkeeping Requirements	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
30 CFR 250, Subpart A				
188(c); 190	NEW - Provide BSEE immediate oral report of sea ice movement/ conditions; start and termination of ice management activities; kicks or unexpected operational issues.	Oral 1.5	2 notifications	3
188(c); 190	NEW - Submit a written report within 24 hours after completing ice management activities.	Written 4	2 reports	8
Subtotal			4 responses	11 hours
30 CFR 250, Subpart D				
418	Additional information that is to be submitted with an APD is covered under the specific requirement listed in this burden table under 30 CFR 250.470.			0
452(a), (b)	NEW - Immediately transmit real-time data gathering and monitoring to record, store, and transmit data relating to the BOP control system, fluid handling,	12	1 transmittal	12

Citation 30 CFR 250 and 254	Reporting and Recordkeeping Requirements	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
	downhole conditions; prior to well operations, notify BSEE of monitoring location and make data available to BSEE upon request.			
452(b)	NEW - Store and monitor all information relating to § 250.452(a); make data available to BSEE upon request.	1	2 wells x 138 drilling days = 276	276
452(b)	Store and retain all monitoring records per requirements of §§ 250.466 and 467.	Burden covered under 30 CFR 250, Subpart D, 1014-0018.		0
470(a); 417; 418	NEW - Submit detailed descriptions of environmental, meteorologic, and oceanic conditions expected at well site(s); how drilling unit, equipment, and materials will be prepared for service; how the drilling unit will be in compliance with § 250.417.	10	1 submittal	10
470(b); 418	NEW - Submit detailed description of transitioning rig from being underway to drilling and vice versa.	4	2 ea well– underway to drilling; drilling to underway = 4	16
470(b); 418	NEW - Submit detailed description of any anticipated repair and maintenance plans for the drilling unit and equipment.	2	2 submittals	4
470(c); 418	NEW - Submit well specific drilling objectives, timelines, and updated contingency plans etc., for temporary abandonment.	4	2 submittals	8
470(d); 418	NEW - Submit detailed description concerning weather and ice forecasting for all phases; including how to ensure continuous awareness of weather/ice hazards at/between each well site; plans for managing ice hazards and responding to weather events; verification of capabilities.	6	1 submittal	6
470(e); 418; 472	NEW - Submit a detailed description of compliance with relief rig plans.	140	1 explanation	140
470(f); 471(c); 418	NEW – SCCE capabilities; submit equipment statement showing capable of controlling WCD; detailed description of your or your contractor’s SCCE capabilities including operating assumptions and limitations; inventory of local and regional supplies and services, along with supplier relevant information; proof of contract or agreements for providing SCCE or supplies, services; detailed description of procedures for inspecting, testing, and maintaining SCCE; and detailed description of your plan ensuring all members of the team operating SCCE have received training to deploy and operate, include dates of prior and planned training.	60	2 submittals	120
470(g); 418	NEW - Submit a detailed description of utilizing best practices of API RP 2N during operations.	20	1 submittal	20
471(c); 470(f); 465(a)	NEW - Submit with your APM, a reevaluation of your SCCE capabilities if well design changes; include any new WCD rate and demonstrate that your SCCE capabilities will comply with § 250.470(f) .	10	2 submittals	20
471(e)	NEW - Maintain all SCCE testing, inspection, and maintenance records for at least 10 years; make available to BSEE upon request.	20	2 records	40
471(f)	NEW - Maintain all records pertaining to use of SCCE	20	2 records	40

Citation 30 CFR 250 and 254	Reporting and Recordkeeping Requirements	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
	during testing, training, and deployment activities for at least 3 years; make available to BSEE upon request.			
Subtotal			297 responses	712 hours
30 CFR 250, Subpart S				
1920(b), (c), (e)	ASP audit for High Activity Operator NOTE: An audit once every 3 years in POCSR and GOMR; an audit in the Arctic in every year in which drilling is conducted.	1 operator x \$129,000 audit for high activity = \$129,000.		
1920(c)	Submit to BSEE after completed audit, an audit report of findings and conclusions, including deficiencies and required supporting information/ documentation.	Burden covered under 30 CFR 250, Subpart S, 1014-0017.		0
1920(d)	Submit/resubmit a copy of your CAP that will address deficiencies identified in audit.			
Subtotal			1 response	0
			\$129,000 Non Hour Cost Burdens	
30 CFR 254, Subpart E				
55; 70; 80; 90	Submit spill response plan for OCS facilities with all information required in regulations and related documents.	Burden covered under 30 CFR 254, 1014-0007.		0
80(c)	NEW - Submit a description of system used to maintain real-time location tracking for all response resources.	6	2 descriptions	12
90(a)	Include in your training and exercise activities the requirements of this section.	Burden covered under 30 CFR 254, 1014-0007.		0
90(b)	Notify BSEE 60 days prior to handling, storing, or transporting oil.			
Subtotal			2 responses	12 hours
Total Hour Burden			304 Responses	735 Hours
			\$129,000 Non-Hour Cost Burdens	

NOTE: For FY 2015, we calculated the burden with 2 rigs (same operator), each drilling 1 well.

(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 \$129/hour (rounded). This cost is broken out in the below table using the Society of Petroleum Engineers Salary Survey. See SPE.org website:

<http://www.spe.org/career/docs/13SalarySurveyHighlights.pdf>.

Position	Base Pay Hourly Rate (\$/hr)	Hourly Rate including Benefits (1.4* x \$/hr)	Percent of time spent on collection	Weighted Average (\$/hour/ rounded)
Technical	\$72	\$101	12%	\$12
Engineers - Drilling	\$95	\$133	63%	\$84
Geologist	\$95	\$133	25%	\$33
Weighted Average (\$/hour)				\$129

*A multiplier of 1.4 (as implied by BLS news release USDL 14-0390, March 12, 2014 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$129 per hour, we estimate the hour burden as a dollar equivalent to industry is \$94,815 (\$129 x 735 hours = \$94,815).

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 a non-hour cost burden associated with this collection of information. ASP audits are required yearly in Alaska for 1 operator x \$129,000 audit for high activity = for a total of \$129,000 non-hour cost burdens.

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 \$76/hour (rounded). This cost is broken out in the below table using the Office of Personnel Management salary data for the State of Alaska (<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)
Administrative	GS-7/5	\$23	\$35	10%	\$4
Petroleum Engineer	GS-13/5	\$49	\$74	25%	\$19
Inspector	GS-14/4	\$58	\$87	25%	\$22
Program Analyst	GS12/5	\$41	\$62	15%	\$9

Sr. Petroleum Engineer	GS-14/5	\$58	\$87	25%	\$22
Weighted Average (\$/hour)					\$76

*A multiplier of 1.5 (as implied by BLS news release USDL 14-0390, March 12, 2014 (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 \$76 per hour, the annual burden on the Government for the regulatory requirements in this collection is \$27,968 (735 burden hours x 0.5 hours = 368 hours (rounded) x \$76 = \$27,968).

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

As this is a new collection for a rulemaking, we request a program change of 735 burden hours, and \$129,000 for non-hour cost burdens.

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

The 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.

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.”