

## Supporting Statement A

### 30 CFR 250, Subpart H, Oil and Gas Production Safety Systems

OMB Control Number 1014-0003

Current Expiration Date: January 31, 2015

**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, 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 necessary for the administration of the leasing provisions of that Act related to mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, pipeline right-of-way, or a right-of-use and easement. Section 1332(6) states that "operations in the [O]uter 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 OCS Lands Act, 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. 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. Facility Production Safety System Applications are subject to cost recovery and BSEE regulations specify filing fees for these applications.

This authority and responsibility are among those delegated to BSEE. The regulations at 30 CFR 250, Subpart H, Oil and Gas Production Safety Systems are the subject of this collection. This collection also covers any related Notices to Lessees and Operators (NLTs) that BSEE issues to clarify and provide additional guidance on some aspects of the 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.***

BSEE uses the information collected under subpart H to evaluate equipment and/or procedures that lessees and operators propose to use during production operations, including evaluation of requests for departures or use of alternate procedures or equipment. Information is also used to verify that production operations are safe and protect the human, marine, and coastal environment. BSEE inspectors review the records required by this subpart to verify compliance with testing and minimum safety requirements.

The Gulf of Mexico OCS Region (GOMR) has a policy regarding approval of requests to use a chemical-only fire prevention and control system in lieu of a water system. BSEE may require additional information be submitted to maintain approval. The information is used to determine if the chemical-only system provides the equivalent protection of a water system for the egress of personnel should a fire occur.

***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.***

Currently, 5 percent of all information is 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.***

BSEE and other Federal Government agencies have Memoranda of Understanding that define the responsibilities of their agencies with respect to activities on the OCS. These are effective in avoiding duplication of regulations and most reporting and recordkeeping requirements. The information collected is unique to the site, well, or operation, and is not available from other sources.

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

This collection of information does 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, gas, or 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 carry out the mandate of the OCS Lands Act to ensure safe operations in the OCS. Specifically, we could not:

- review safety system designs prior to installation to ensure that minimum safety standards will be met;
- review records of erosion control to ensure that erosion control programs are effective;
- review plans to ensure safety of operations when more than one activity is being conducted simultaneously on a production facility;
- review records of safety devices to ensure proper maintenance during the useful life of that equipment; and
- verify proper performance of safety and pollution prevention equipment (SPPE).

With one exception, there is no set frequency for collecting the information; it is collected on occasion. Submissions are made on the basis of each well completion, requiring the use of subsurface and/or surface SPPE. There is an annual requirement to verify that an injection well is incapable of flowing, which is the minimum frequency that we consider safe to waive the requirement for installation of a surface-controlled subsurface safety or injection valve to prevent backflow of a well.

**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;*
- (d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years;*
- (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 1320.8(d), BSEE published a 60-day review and comment notice in the **Federal Register** on August 18, 2014 (79 FR 48757). Also, 30 CFR 250.199 explains that BSEE will accept comments at any time on the information collection burden of our 30 CFR 250 regulations. We display the OMB control number and provide the address for sending comments to BSEE. We received one comment which was in support of the information collection; it did not pertain to the paperwork burden.

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

Anadarko Petroleum Corporations, Gaylene Reier, Regulatory Analyst, (832)636-3096, 1201 Lake Robbins Drive, The Woodlands, TX 77380

Shell Exploration & Production Company, William Terrebonne, Regulatory Affairs Specialist (504) 728-7281, PO Box 61933, New Orleans, LA 70161-1933

Energy XXI USA, Inc. Dennis Cutcher, Senior Production Compliance Advisor, (713) 351-3138, 1021 Main, Suite 2626, Houston, TX 77002

Fieldwood Energy, Cherly Powell, Regulatory Manager, (713)969-1309, 2000 W. Sam Houston Parkway South, Suite 1200, Houston, TX 77042

Chevron U.S.A, David Dykes, HES Regulatory Specialist, (985)773-6213, 100 Northpark Blvd., Covington, LA 70433

LLOG Exploration, Carol Eaton, Regulatory Coordinator, (985) 801-4362, 1001 Ochsner Blvd, Suite 200, Covington, LA 70433

Freeport McMoran Oil and Gas, Tom Goers, Operations Manager, (805) 934-8221, 201 South Broadway, Orcutt, CA 93455

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.**

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), 30 CFR part 252, OCS Oil and Gas Information Program, and 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection.*

**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 burdens.**

Potential respondents include Federal OCS oil, gas, and sulphur lessees, operators, and holders of pipeline rights-of-way. 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 and are based on informal discussions with the listed respondents in Section A.8. Submissions are generally on occasion and are mandatory. We estimate the total annual burden is 92,341 hours. Refer to the following table for a breakdown of the burdens.

## Burden Table

Citation 30 CFR 250 subpart H and NTL(s)	Reporting and Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens*		
<b>General</b>				
801(h); 807(a)	These sections contain references to information, requests, payments, etc., which are submitted with an APM, the burdens for which are covered under its own information collection.	APM burden covered under 1014-0026.		0
807(a);	This section contain references to information, requests, payments, etc., which are submitted with an APD, the burdens for which are covered under its own information collection.	APD burden covered under 1014-0025.		0
<b>Submittals/Requests</b>				
800; 801; 802; 803	Submit application, and all required/supporting information, for a production safety system with > 125 components.	26	1 application	26
		\$5,426 per submission x 1 = \$5,426 \$14,280 per offshore visit x 1 = \$14,280 \$7,426 per shipyard visit x 1 = \$7,426		
	25 – 125 components.	19	4 applications	76
		\$1,314 per submission x 4 = \$5,256 \$8,967 per offshore visit x 1 = \$8,967 \$5,141 per shipyard visit x 1 = \$5,141		
	< 25 components.	12	10 applications	120
		\$652 per submission x 10 = \$6,520		
	Submit modification to application for production safety system with > 125 components.	13	174 applications	2,262
		\$605 per submission x 174 = \$105,270		
	25 – 125 components.	10	615 applications	6,150
		\$217 per submission x 615 = \$133,455		
< 25 components.	7	345 applications	2,415	
	\$92 per submission x 345 = \$31,740			
801(a), (g)	Submit application for a determination that a well is incapable of natural flow; verify [record/retain†] the no-flow condition of the well annually.	14	11 submittals	157
		1/4		
801(d)	Demonstrate to the District Manager why a subsurface-controlled SSSV may be used in lieu of a surface-controlled SSSV.**	10	16 demonstrations	160
801(f)(2); 803(b)(1)(iii)	Request approval by District Manager for setting depth of the subsurface safety device on a case-by-case basis; Requests for activation of low-pressure sensors operating at < 5 psi are approved by the District Manager on a case-by-case basis.	Not considered IC under 5 CFR 1320(h).		0
803(b)(2)	Submit required documentation for unbonded flexible pipe.	Burden is covered by the application requirement in § 250.802(e).		0
803(b)(8); related NTLs	Request approval to use chemical only fire prevention and control system in lieu of a water system and all supporting/relevant information.	39	23 requests	897
807	Submit detailed info regarding installing SSVs in an HPHT environment with your DWOP etc.	Burden is covered under 1014-0018.		0
		<b>Subtotal</b>	<b>1,199 responses</b>	<b>12,263 hours</b>
		<b>\$323,481 non-hour costs</b>		

Citation 30 CFR 250 subpart H and NTL(s)	Reporting and Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens*		
<b>General</b>				
801(h)(2); 803(c)	Identify well with sign on wellhead that subsurface safety device is removed; flag safety devices that are out of service.	Usual/customary safety procedure for removing or identifying out-of-service safety devices.		0
801(e)(1); 801(h)(3); 803(b)(2), (4), (7);	Specific alternate approval requests requiring District Manager approval.	Burden covered under 1014-0022.		
803(b)(8)(iv); (v)	Post diagram of firefighting system; furnish evidence firefighting system suitable for operations in subfreezing climates.	8	18 postings/ evidence	144
804(a)(12); 800	Notify BSEE prior to production when ready to conduct pre-production test and inspection; upon commencement of production for a complete inspection.	1	41 notifications	41
806(c)	Request evaluation and approval of other quality assurance programs covering manufacture of SPPE.	34	1 requests	34
		<b>Subtotal</b>	<b>60 responses</b>	<b>219 hours</b>
<b>Recordkeeping</b>				
801(h)(2); 802(e); 804(b)	Maintain records for 2 years on subsurface and surface safety devices to include approved design & installation features, testing, repair, removal, etc; make records available to BSEE.	48	658 records	31,584
803(b)(1)(iii), (b)(2)(i)	Maintain pressure-recorder charts.	35	658 charts	23,030
803(b)(4)(iii)	Maintain schematic of the emergency shutdown (ESD) which indicates the control functions of all safety devices.	18	650 schematics	11,700
803(b)(11)	Maintain records of wells that have erosion-control programs and results for 2 years; make available to BSEE upon request.	21	645 records	13,545
		<b>Subtotal</b>	<b>2,611 responses</b>	<b>79,859 hours</b>
<b>Total Burden Hours</b>			<b>3,870 Responses</b>	<b>92,341 Hours</b>
			<b>\$323,481 Non-Hour Cost Burdens</b>	

\* In the future, BSEE may require electronic filing of certain submissions.

† Since required to verify, recording/retaining would be considered a usual and customary business practice.

\*\* Existing requirement, previously overlooked.

***(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 \$128/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	15%	\$15
Engineers - Drilling	\$95	\$133	63%	\$84
Geologist	\$95	\$133	22%	\$29
<b>Weighted Average (\$/hour)</b>				<b>\$128</b>

\*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 \$128 per hour, we estimate the hour burden as a dollar equivalent to industry is \$11,819,648 (\$128 x 92,341 hours = \$11,819,648).

**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.**

This ICR includes 10 non-hour cost burdens, all of which are cost recovery fees required under § 250.802(e). However, the actual fee amounts are specified in 30 CFR 250.125, which provides a consolidated table of all of the fees required under the 30 CFR 250 regulations. The total non-hour cost burdens (cost recovery fees) in this IC request are \$323,481 and are as follows:

- Submit application for a production safety system with > 125 components - \$5,426 per submission; \$14,280 per offshore visit; and \$7,426 per shipyard visit.
- Submit application for a production safety system with 25 – 125 components - \$1,314 per submission; \$8,967 per offshore visit; and \$5,141 per shipyard visit.



- Submit application for a production safety system with < 25 components - \$652 per submission.
- Submit modification to application for production safety system with > 125 components - \$605 per submission.
- Submit modification to application for production safety system with 25 – 125 components - \$217 per submission.
- Submit modification to application for production safety system with < 25 components - \$92 per submission.

**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 \$67/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/14tables/>).

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour rounded)
Clerical	GS-7/5	\$21	\$32	10%	\$3
Petroleum Engineer	GS-13/5	\$45	\$68	70%	\$48
Supv. Petroleum Engineer	GS-14/5	\$53	\$80	20%	\$16
<b>Weighted Average (\$/hour)</b>					<b>\$67</b>

\*A multiplier of 1.5 (as implied by BLS news release USDL 14-0390, March 12, 2014) was added for benefits.

To analyze and review the information required by subpart H, we estimate the Government will spend an average of approximately .5 hour for each hour spent by the respondents for a total of 46,171 (rounded) hours. Based on a cost factor of \$67 per hour, the cost to the Government is \$3,093,457 (92,341 hours x .5 hour = 46,171 x \$67 = \$3,093,457).

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

(a) The current OMB inventory is 62,963 burden hours for this collection of information. This submission requests 92,341 burden hours. This represents:

(1) a program increase of 160 hours for a regulatory requirement in Submittals/Requests (see table in item 12) that was overlooked and not included in our previous submission.

(2) an adjustment increase of 29,218 hours. The program increase is due to re-estimating the average annual responses and the amount of time required to respond based on consultations.

(b) The current OMB non-hour cost burden inventory is \$343,794. Between the last ICR submitted to OMB and this submittal, the cost recovery fees under 30 CFR 250.125 increased based on rulemaking, 78 FR 60213 (October 1, 2013). In this submission, we are requesting a total of \$323,481, which is a net decrease program change of \$20,313 based on not receiving as many production safety system applications, that have fees associated with them, as in the past submission.

**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.***

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.***

Not applicable, as this collection of information concerns requirements in regulations.

***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."