

## Supporting Statement A

### 30 CFR 250, Subpart K, Oil and Gas Production Requirements Forms BSEE-0126 and BSEE-0128

**OMB Control Number 1014-0019**  
**Expiration Date: April 30, 2016**

**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 (OCSLA), at 43 U.S.C. 1334 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, right-of-way, or a right-of-use and easement. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

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

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

In addition to the general authority of OCSLA, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA's provisions. While the

majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation or submission of false, inaccurate, or misleading reports, records, or other information. Because the Secretary has delegated some of the authority under FOGRMA to the Bureau of Safety and Environmental Enforcement (BSEE), 30 U.S.C. 1751 is included as additional authority for these requirements.

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, BSEE is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large. Several requests for approval required in Subpart K are subject to cost recovery and BSEE regulations specify service fees for these requests.

This ICR addresses our current regulations governing oil and gas production at 30 CFR 250, Subpart K, and associated forms.

***2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.***

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

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

The forms used in this ICR are:

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

BSEE uses this information for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions. This requirement implements the conservation provisions of the OCS Lands Act and 30 CFR 250. The information obtained from the well potential test is essential to determine if an MPR is necessary for a well and to establish the appropriate rate. It is not possible to specify an MPR in the absence of information about the production rate capability (potential) of the well. The form asks for, in either fill in the blanks or check marks:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable in this collection.

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

Currently, the requirements for respondents to compile, retain, and make available to BSEE for 6 years are the records detailing gas flaring or venting; the records detailing liquid hydrocarbon burning; and meter records. For the first 2 years of the 6 years, the records must be kept on the facility and available

for inspection by BSEE representatives. After the initial 2 years, records do not have to be kept at the facility, but must be maintained and made available upon request over the next 4 years. Retaining this information for 6 years is critical because these records are needed to demonstrate that payments of royalties are in compliance with lease terms, regulations, and orders.

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

***(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 provided a 60-day notice in the *Federal Register* on August 27, 2015 (80 FR 52061). Also, 30 CFR 250.199 and the Paperwork Reduction Act statement on all the forms explain that BSEE will accept comments at any time on the information collected and the burden. We display the OMB control number and provide the address for sending comments to BSEE. We received eight comments (seven of which were from the same individual) in response to the *Federal Register* notice or unsolicited comments from respondents covered under these regulations. While the majority of the comments were not germane to the paperwork burden of this collection; we have responded to the specific electronic burden comments, and some broad based reporting requirement comments.

In response to the comment that “BSEE is still in the paper collection and data entry paradigm” regarding the Well Potential Test Report (Form BSEE-0126) and the Semiannual Well Test Report (Form BSEE-0128), we offer the following. Regarding the Semiannual Well Test Report, starting in 2009, we strongly encouraged operators to submit the data electronically as there is no regulatory

authority to require electronic submittals. BSEE estimates that 40 - 50 percent of this data is currently submitted electronically. When submitted electronically, there is obviously no need for a public information copy. BSEE continues to encourage operators to submit this data electronically. Regarding the Well Potential Test Report, they are not currently submitted electronically because in addition to the form, structure maps, well log sections, and other proprietary data are attached as part of the submittal. Therefore, it would not be efficient to have operators submit the data on the form separate from the structure maps, etc. BSEE does agree that a long term solution could be to have all such data submitted electronically and will continue to pursue.

In response to the comment that we should “streamline the reporting as to reduce the burden to the oil and gas companies”, if we did not collect the information required in this subpart, BSEE would be unable to effectively carry out: the mandate of the OCS Lands Act, administer the offshore program, and promote and ensure the safety of the environment and personnel working on the OCS.

In response to the comment, “the oil and gas companies should only be required to report oil and gas production and operations to one office. This will reduce the reporting requirements and costs to the companies and those savings, should hopefully be passed upon to the consumers. Therefore, BSEE and BOEM should have one central point of contact to receive information from the oil and gas companies. Duplicative reporting should be avoided”. Our response, BSEE agrees that duplicative reporting should be avoided. There is no one central reporting location for both BSEE and BOEM. However, BSEE works closely with BOEM to review the regulatory reporting requirements and to ensure there is no duplicative reporting. For more information on BSEE and BOEM individual reporting requirements refer to 30 CFR 250 and 550 respectively.

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

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

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

Shell Exploration and Production Company. BJ Kruse III, Subsurface Regulatory Advisor,  
(504) 425-8535, P.O. Box 61933, New Orleans, Louisiana 70161-1933

Petrobras America Inc., Gregory D. Roland, Regulatory Compliance Area Manager  
(713) 808-2881, 10350 Richmond Ave., Suite 1400, Houston, TX 77042

Ankor Energy LLC, Dianna Waddle, Senior Regulatory Specialist, (504) 596-3688,  
1615 Poydras Street, Suite 1100, New Orleans, Louisiana 70112

Stone Energy Corporation, Eva Gravouilla, Regulatory Manager, (337) 521-2169  
625 East Kaliste Saloom Road, Lafayette, Louisiana 70508

DCOR, LLC, Robert L. Garcia, VP-Operations,  
(805) 535-2030, 290 Maple Court, Suite 200, Ventura, CA 93003

All the different reporting and recordkeeping requirements that are listed in the Subpart K 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 DOI's implementing regulations (43 CFR 2), and 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*, 30 CFR 252, *OCS Oil and Gas Information Program*. Proprietary information concerning geological and geophysical data will be protected according to 43 U.S.C. 1352.

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

This collection does not include sensitive questions.

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

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

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

Potential respondents include Federal OCS oil, gas, and sulphur lessees 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, 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 are required to obtain or retain a benefit. Submissions are generally on occasion, weekly, monthly, semi-annually, annually, and varies by section.

We estimate the total annual burden is 46,136 hours. Refer to the following table for a breakdown of the burdens.

### BURDEN TABLE

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
				Non-Hour Cost Burdens
<b>WELL TESTS/SURVEYS and CLASSIFYING RESERVOIRS</b>				
1151(a)(1), (c); 1167	Conduct well production test; submit Form BSEE-0126 (Well Potential Test Report) and supporting information within 15 days after end of test period.	3.4	587 forms and information	1,996
1151(a)(2), (c); 1167	Conduct well production test; submit Form BSEE-0128 (Semiannual Well Test Report) and supporting information within 45 days after end of calendar half-year.	3.2	8,605 forms and information	27,536
1151(b)	Request extension of time to submit results of semi-annual well test.	0.6	8 requests	5
1152(b), (c);	Request approval to conduct well testing using alternative procedures.	0.9	7 requests	6
1152(d)	Provide advance notice of time and date of well tests.	0.6	36 notices	22
<b>Subtotal</b>			<b>9,243 responses</b>	<b>29,565 hours</b>
<b>APPROVALS PRIOR TO PRODUCTION</b>				
1156; 1167	Request approval to produce within 500 feet of a unit or lease line; submit supporting information/documentation; notify adjacent operators and provide BSEE proof of notice date.	8.75	20 requests	175
		\$3,892 x 20 requests = \$77,840		
1156(b); 1158(b)	Notify adjacent operators submit letters of acceptance or objection to BSEE within 30 days after notice; include proof of notice date.	1.63	20 letters	33
1157; 1167	Request approval to produce gas-cap gas in an oil reservoir with an associated gas cap, or to continue producing an oil well showing characteristics of a gas well with an associated gas cap; submit producing an oil well showing characteristics of a gas well with an associated gas cap; submit supporting information. .	16.2	22 requests	356
		\$4,953 x 22 requests = \$108,966		
1158; 1167	Request approval to downhole commingle hydrocarbons; submit supporting information; notify operators and provide proof of notice date.	24	30 applications	720
		\$5,779 x 30 applications = \$173,370		
<b>Subtotal</b>			<b>92 responses</b>	<b>1,284 hours</b>
			<b>\$360,176 non-hour costs</b>	
<b>FLARING, VENTING, and BURNING HYDROCARBONS</b>				
1160; 1161; 1163(e)	Request approval to flare or vent natural gas or exceed specified time limits/volumes; submit evaluation/documentation; report flare/vent information due to blow down of transportation pipelines within 72 hours after incident.	2.55	231 requests/reports	589
1160(b); 1164(b)(1), (2)	H <sub>2</sub> S Contingency, Exploration, or Development and Production Plans and, Development Operations Coordination Documents—burdens covered under 1014-0018 and BOEM's 1010-0151. Monitor air quality and report – burdens covered under 1010-0057.			0

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1162; 1163(e)	Request approval to burn produced liquid hydrocarbons; demonstrate no risk and/or submit documentation re transport. If approval needed, submit documentation with relevant information re hydrocarbons burned under the approval.	1.25	3 requests/ reports	4
1163	Initial purchase or replacement of gas meters to measure the amount of gas flared or vented. This is a non-hour cost burden.	13 meters @ \$77,000 each - \$1,001,000		
1163(a)(1)	Notify BSEE when facility begins to process more than an average of 2,000 bopd per month.	1.25	33 notices	41
1163(b);	Report to ONRR hydrocarbons produced, including measured gas flared/vented and liquid hydrocarbon burned—burden covered under 1012-0004.			0
1163(a), (c), (d)	Maintain records for 6 years detailing on a daily and monthly cumulative basis gas flaring/venting, liquid hydrocarbon burning; and flare/vent meter recordings; make available for inspection or provide copies upon request.	14.8	914 platforms (gas flare/vent)	13,527
		1	60 liquid hydrocarbon	60
1164(c)	Submit monthly reports of flared or vented gas containing H <sub>2</sub> S.	3.6	15 operators x 12 mos. = 180	648
<b>Subtotal</b>			<b>1,434 responses</b>	<b>14,869 hours</b>
			<b>\$1,001,000 non-hour costs</b>	
<b>OTHER REQUIREMENTS</b>				
1165	Submit proposed plan and supporting information for enhanced recovery operations.	12	18 plans	216
1165(c)	Submit periodic reports of volumes of oil, gas, or other substances injected, produced, or produced for a second time--burden covered under ONRR's 1012-0004.			0
1166	Alaska Region only: submit annual reservoir management report and supporting information.	1	1 (req'd by State, BSEE gets copy)	1
		100	1 new development not State lands.	100
		20	1 revision	20
1150-1167	General departure or alternative compliance requests not specifically covered elsewhere in Subpart K.	2.8	29 submissions	81
<b>Subtotal</b>			<b>50 responses</b>	<b>418 hours</b>
<b>TOTAL BURDEN</b>			<b>10,819 Responses</b>	<b>46,136 Hours</b>
			<b>\$1,361,176 non-hour cost burdens</b>	

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

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

The average respondent cost is \$132/hour. This cost is broken out in the following table using the Society of Petroleum Engineers (SPE) data dated September 2014. See SPE document/website: <http://www.spe.org/industry/docs/14SalarySurveyHighlights.pdf>

<b>Position</b>	<b>Base Pay Hourly Rate (\$/hr)</b>	<b>Hourly Rate including Benefits (1.4* x \$/hr)</b>	<b>Percent of time spent on collection</b>	<b>Weighted Average (\$/hour/ rounded)</b>
Non-Engineering Technical	\$74	\$104	17%	\$18
Engineers - Drilling	\$97	\$136	56%	\$76
Earth Science/Geologist	\$101	\$141	27%	\$38
<b>Weighted Average (\$/hour)</b>				<b>\$132</b>

\* A multiplier of 1.4 (as implied by BLS news release USDL 15-1756, September 9, 2015 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$132 per hour, we estimate the hour burden as a dollar equivalent is \$6,089,952 (\$132 x 46,136 hours = \$6,089,952).

**13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in Item 12).**

**(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**

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

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

The Subpart K regulations require four non-hour cost burdens, for a total of \$1,361,176. Three are service fees required to recover the Federal Government's processing costs of certain submissions. The fourth cost is an IC equipment expenditure. The details are as follows:

§ 250.1156 requires a service fee when submitting a request	\$3,892
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for approval to produce within 500 feet of a unit or lease line.	
§ 250.1157 requires a service fee when submitting a request for approval before producing gas-cap gas from each completion in an oil reservoir known to have an associated gas cap, or to continue producing if an oil reservoir is not initially known to have an associated gas cap, but begins to show characteristics of a gas well.	\$4,953
§ 250.1158 requires a service fee for submitting a request for approval to downhole commingle hydrocarbons.	\$5,779
§ 250.1163 requires respondents to purchase and install gas meters to measure the amount of gas flared or vented gas for those that produce more than 2,000 bopd and do not already have a meter or need to replace a meter.	\$77,000

We have not identified any other non-hour cost burden associated with this collection of information.

**14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.**

The average government cost is \$72/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the REST OF THE UNITED STATES (<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>).

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/Geologist/Geophysicist	GS-13/5	\$45	\$68	75%	\$51
Supv. Petroleum Engineer/Geologist/Geophysicist	GS-15/5	\$63	\$95	20%	\$19
<b>Weighted Average (\$/hour)</b>					<b>\$72</b>

\* \*\*A multiplier of 1.5 (as implied by BLS news release USDL 15-1756, September 9, 2015 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

To analyze and review the information, the Government spends an average of 1 hour for each hour spent by respondents for a total of 46,136 hours. Based on a cost factor of \$72 per hour, the total annual estimated burden on the Government is \$3,321,792 (46,136 hours x 1 hour = 46,136 hours x \$72 = \$3,321,792).

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

The adjustments are as follows:

(a) The current OMB inventory for this collection is 20,132 burden hours. In this submission, we are requesting, 46,136 hours. This represents an adjustment increase of 26,004 hours due to re-estimating the number of responses, times the hour burden submitted by respondents in A.8.

(b) The current OMB non-hour cost burden inventory is \$4,593,246. In this submission, we are requesting a total of \$1,361,176. This represents an adjustment decrease of \$3,232,070. The decrease is due to less vent meters needing to be purchased from the previous 3-year collection and re-estimating the average number of annual responses.

***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. BSEE is not seeking a waiver from the requirement to display the expiration date of the OMB approved IC.

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

Not applicable. To the extent that the topics apply to this collection of information, BSEE is not making any exceptions to the Certification for Paperwork Reduction Act Submissions.