

## Supporting Statement A

### Waste Prevention, Production Subject to Royalties, and Resource Conservation (43 CFR parts 3160 and 3170)

**OMB Control Number 1004-XXXX**

**Terms of Clearance:** None. This is a new collection of information.

#### 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 ICR contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. 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 Bureau of Land Management (BLM) is proposing a rule that would update standards to reduce wasteful venting, flaring, and leaks of natural gas from onshore wells. The proposed rule would apply to Federal and Indian (except Osage Tribe) oil and gas leases. The proposed rule would establish requirements and incentives to reduce waste of gas and clarify when royalties apply to lost gas.

The proposed information collection activities would address well completions, production tests, well purging, gas conservation plans, storage vessel and tank emissions, pneumatic devices, and leak detection and repair.

The Secretary of the Interior has authority under various Federal and Indian mineral leasing laws to manage oil and gas operations on Federal and Indian (except Osage Tribe) lands, including:

- The Mineral Leasing Act, Subchapter IV, 30 U.S.C. 221-237;
- The Mineral Leasing Act for Acquired Lands, 30 U.S.C. 351-360
- The Federal Oil and Gas Royalty Management Act, 30 U.S.C. 1701-1759;
- Indian Mineral Leasing Act, 25 U.S.C. 396 and 396a;

- The Indian Mineral Development Act, 25 U.S.C. 2101-2108;
- The National Environmental Policy Act of 1969, 42 U.S.C. 4321-4370h; and
- The regulations at 43 CFR parts 3160 and 3170.

**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.**

***Proposals Involving APDs and Sundry Notices***

*Plan to Minimize Waste of Natural Gas (43 CFR 3162.3-1(j))*

This proposed rule would add a new paragraph (j) to 43 CFR 3162.3-1 that would require submission of a plan to minimize waste of natural gas when submitting an Application for Permit to Drill or Re-enter (APD) for a development oil well. The plan would accompany, but would not be part of, the APD.

The contents of the plan would be a strategy for complying with the regulations at 43 CFR subpart 3179 regarding control of waste from venting, flaring, and leaks, and would be required to explain how the operator plans to capture associated gas upon the start of oil production, or as soon thereafter as reasonably possible. The required elements of the waste minimization plan would be:

- The anticipated completion date of the proposed well(s);
- The anticipated gas production rates of the proposed well(s);
- A gas pipeline system location map of sufficient detail, size, and scale as to show the field in which the proposed well will be located, and all existing gas pipelines within 20 miles of the well. The map should also contain:
  - The name and location of the gas processing plant(s) closest to the proposed well(s), and of the intended destination processing plant if different;
  - The location and name of the operator of each gas pipeline within 20 miles of the proposed well; and
  - The proposed route and tie-in point that connects or could connect the subject well to an existing gas pipeline;
- Information on the gas pipeline to which the operator plans to connect, including:
  - Maximum current daily capacity of the pipeline;
  - Current throughput of the pipeline;
  - Anticipated daily capacity of the pipeline at the anticipated date of first gas sales from the proposed well;
  - Anticipated throughput of the pipeline at the anticipated date of first gas sales from the proposed well;

- o Certification that the operator has provided one or more midstream processing companies with information about the operators production plans, including the anticipated completion dates and gas production rates of the proposed well or wells; and
- o Any plans known to the operator for expansion of pipeline capacity for the area that includes the proposed well;
- A description of anticipated production, including:
  - o The anticipated date of first production;
  - o The expected oil and gas production rates and duration from the proposed well. If the proposed well is on a multi-well pad, the plan should include the total expected production for all wells being completed;
  - o The expected production decline curve of both oil and gas from the proposed well; and
  - o The expected Btu value for gas production from the proposed well;
- The volume and percentage of produced gas the operator is currently flaring or venting from wells in the same field and any wells within a 20 mile radius of that field; and
- An evaluation of opportunities for alternative on-site capture approaches, if pipeline transport is unavailable.

*Request for Prior Approval for Royalty-Free Uses On-Lease or Off-Lease (43 CFR 3178.5, 3178.7, and 3178.9)*

Under proposed section 3178.5, submission of a Sundry Notice (Form 3160-5) would be required to request prior written BLM approval for royalty-free treatment of volumes used for the following uses on a lease:

- Using oil as a circulating medium in drilling operations;
- Injecting gas that an operator produces from a lease, unit participating area (PA), or communitized area (CA) into the same lease, unit PA, or CA for the purpose of increasing the recovery of oil or gas (including gas that is cycled in a contained gas-lift production system), subject to an approval under 43 CFR 3162.3-2 to conduct the gas injection;
- Using oil or gas that an operator removes from the pipeline at a location downstream of the facility measurement point (FMP), if removal and use both occur on the lease, unit, or CA;
- Using gas initially removed from a lease, unit PA, or CA for treatment or processing because of particular physical characteristics of the gas, where the gas is returned to the lease, unit, or CA for lease operations; and
- Any other type of use of produced oil or gas for operations and production purposes pursuant to section 3178.3 that is not identified in section 3178.4.

Under proposed section 3178.7, submission of a Sundry Notice (Form 3160-5) would be required to request prior written BLM approval for off-lease royalty-free uses in the following circumstances:

- The equipment or facility in which the operation is conducted is located off the lease, unit, or CA for engineering, economic, resource-protection, or physical-accessibility reasons; and
- The operations are conducted upstream of the FMP.

Under proposed section 3178.9, the following information would be required in a request for prior approval of royalty-free use under section 3178.5, or for prior approval of off-lease royalty-free use under section 3178.7:

- A complete description of the operation to be conducted, including the location of all facilities and equipment involved in the operation and the location of the FMP;
- The method of measuring the volume of oil, or measuring or estimating the volume of gas, that the operator expects will be used in the operation;
- If the volume expected to be used will be estimated, the basis for the estimate (e.g., equipment manufacturer's published consumption or usage rates); and
- The proposed disposition of the oil or gas used (e.g., whether gas used would be consumed as fuel, vented through use of a gas-activated pneumatic controller, returned to the reservoir, or some other disposition).

*Request for Approval of Alternative Volume Limits (43 CFR 3179.7(b))*

Proposed section 3179.7(b) would apply only to leases issued before the effective date of the final rule. It would provide that an operator may seek BLM approval of venting and flaring in excess of the applicable limit under section 3179.6. Using a Sundry Notice, the operator would be required to show that the applicable limit would impose such costs as to cause undue hardship or premature termination of production of oil reserves under the lease.

To support this showing, the operator would be required to submit the following information:

- Information regarding the operator's wells under the lease that produce Federal or Indian gas, including:
  - The name, number, and location of each well, and the number of the lease, unit, or CA with which it is associated;
  - The depths and names of producing formations;
  - The gas production level of each of the operator's wells for the most recent production month for which information is available; and

- The volumes of gas being vented and flared from each of the operator's wells;
  
- Map(s) showing:
  - The entire lease, unit, or CA and the surrounding lands to a distance and on a scale that shows the field in which the well is or will be located (if applicable), and all pipelines that could transport the gas from the well;
  - All of the operator's producing oil and gas wells, which are producing from Federal or Indian leases, (both on Federal or Indian leases and on other properties) within the map area;
  - Identification of all of the operator's wells within the lease from which gas is flared or vented, and the location and distance of the nearest gas pipeline(s) to each such well, with an identification of those pipelines that are or could be available for connection and use; and
  - Identification of all of the operator's wells within the lease from which gas is captured;
  
- Data that show pipeline capacity and the operator's projections of the cost associated with installation and operation of gas capture infrastructure and alternative methods of transportation that do not require pipelines;
- The operator's projections of gas prices, gas production volumes, gas quality (i.e., heating value and H<sub>2</sub>S content), revenues derived from gas production, and royalty payments on gas production over the next 15 years or the life of each of the operator's leases, units, or CAs, whichever is less; and
- The operator's projections of oil prices, oil production volumes, costs, revenues, and royalty payments from the operator's oil and gas operations within the lease over the lesser of the next 15 years or the anticipated remaining period in which the operator will produce from the Federal or Indian lease, unit, or CA.

*Certification in Support of Exemption from Volume Limits (43 CFR 3179.7(d))*

Proposed section 3179.7(d) would apply only to leases issued before the effective date of the final rule. It would authorize an operator to provide a certification in support of a renewable, two-year exemption from volume limits (instead of an alternative limit requested under proposed section 3179.7(b)). The certification would consist of a Sundry Notice with an affidavit verifying that all of the following terms and conditions are met:

- The lease, unit, or CA is not connected to a gas pipeline;
- The closest point on the lease, unit, or CA is located more than 50 straight-line miles from the nearest gas processing plant; and
- In the most recent production month, the lease, unit or CA flared or vented at an average rate that exceeds by at least 50 percent the applicable flaring limit specified in section 3179.6.

*Well Completion and Related Operations (43 CFR 3179.102(b))*

Section 3179.102(a) would require gas that reaches the surface during well completion and related operations to be:

- Captured and sold;
- Directed to a flare pit or flare stack equipped with an automatic igniter to combust any flammable gasses, subject to the volumetric limitations in section 3179.103(a)(3);
- Used in operations on the lease, unit, or CA; or
- Injected.

Paragraph (b) would authorize an operator to demonstrate to the BLM on a Sundry Notice that it is in compliance with requirements for control of gas from well completions established under 40 CFR part 60, subpart OOOOa, in lieu of compliance with the requirements of paragraph (a).

*Initial Production Testing Request for Extension (43 CFR 3179.103)*

Section 3179.103 would allow gas to be flared royalty-free during a well's initial production testing until:

- The operator determines that it has obtained adequate reservoir information for the well;
- 30 days have passed since the beginning of the production test;
- The operator has flared 20 million MMcf of gas; or
- Production begins.

The BLM would be authorized to extend the period for royalty-free testing upon written request by the operator in the form of a Sundry Notice.

*Subsequent Well Tests Request for Extension (43 CFR 3179.104)*

Proposed section 3179.104 would limit royalty-free flaring during production tests after the initial production test to 24 hours, unless the BLM approves or requires a longer test period. The operator would be allowed to request for longer test period by submitting a Sundry Notice.

*Reporting of Emergency Venting and Flaring Beyond Specified Timeframes (43 CFR 3179.105)*

Proposed section 3179.105 would allow an operator to flare or vent gas royalty-free during a temporary, short-term, infrequent, and unavoidable emergency for up to 24 hours per incident, and for no more than 3 emergencies within any 30-day period. The operator would be required to report on a Sundry Notice any volumes of gas flared or vented beyond those specified timeframes.

*Pneumatic Controller Report (43 CFR 3179.201(b) and (c))*

Proposed section 3179.201 would address gas losses from pneumatic controllers that are not covered by EPA regulations at 40 CFR 60.5360-60.5390. The proposed section would require operators to replace pneumatic controllers that have continuous bleed rates that are greater than 6 standard cubic feet per hour with lower-bleed models within 1 year after the effective date of the final rule. Paragraph (b) would provide an exception to this requirement if the operator submits a Sundry Notice to the BLM showing that:

- A pneumatic controller with a bleed rate greater than 6 standard cubic feet per hour is required based on functional needs;
- The pneumatic controller exhaust is routed to a flare device; or
- The replacement of a pneumatic controller would impose such costs as to cause the operator to prematurely cease production and abandon significant recoverable oil reserves under the lease.

Paragraph (c) would provide an exception to the replacement requirement if the operator submits a Sundry Notice showing that a pneumatic controller with a bleed rate greater than six standard cubic feet per hour serves a well or facility has an estimated remaining productive life of three years or less. The operator would also be required to replace the device no later than three years from the effective date of the rule, absent a showing that replacement would impose costs as to cause the operator to prematurely cease production and abandon significant recoverable oil reserves under the lease.

*Pneumatic Pump Report (43 CFR 3179.202)*

Proposed section 3179.202 would require operators to replace pneumatic diaphragm pumps not covered under EPA regulations with zero-emissions pumps or route the pump exhaust to a flare device within 1 year after the effective date of the final rule. Paragraph (c) would provide an exception to this requirement if the operator makes a showing on a Sundry Notice, and the BLM

agrees, that:

- A pneumatic pump is required based on functional needs, described in the Sundry Notice and there is no existing flare device on site or routing to such a device is technically infeasible; or
- The installation of a zero-emissions pump would impose such costs as to cause the operator to prematurely cease production and abandon significant recoverable oil reserves under the lease and there is no existing flare device on site or routing to such a device is technically infeasible.

Paragraph (d) would provide an exception to the replacement requirement if the operator submits a Sundry Notice showing that a pneumatic pump serves a well or facility that has an estimated remaining productive life of 3 years or less. The operator would also be required to replace the device no later than 3 years from the effective date of the rule, absent a showing that replacement would impose costs as to cause the operator to prematurely cease production and abandon significant recoverable oil reserves under the lease.

#### *Crude Oil and Condensate Storage Vessels (43 CFR 3179.203(c))*

Proposed section 3179.203 would require operators to route all tank vapor gas from storage vessels and batteries to a combustion device or continuous flare, or to a sales line, unless the operator submits an economic analysis in a Sundry Notice and the BLM agrees with that economic analysis. Paragraph (c) would require the operator to demonstrate in the Sundry Notice that compliance would impose such costs as to cause the operator to cease production and abandon significant recoverable oil reserves. Operators would be required to submit this information no later than 6 months after the rule becomes effective.

#### *Downhole Well Maintenance and Liquids Unloading – Documentation and Reporting (43 CFR 3179.204(a) and (d))*

Proposed section 3179.204 would pertain to downhole well maintenance and liquids unloading operations. Paragraph (a) would require operators to use practices that maximize the recovery of gas for sale and to flare gas that is not recovered. It would also require operators to document, before purging a well for the first time, a discovery that compliance with these requirements would be technically infeasible or unduly costly. Paragraph (d) would require that documentation to be included as part of a Sundry Notice submitted to the BLM within 10 calendar days after the first liquids unloading event by well purging conducted after the effective date of section 3179.204.

#### *Downhole Well Maintenance and Liquids Unloading – Notice of Excessive Duration or Volume (43 CFR 3179.204(e))*

Proposed section 3179.204 would pertain to downhole well maintenance and liquids unloading operations. Paragraph (e) would require an operator to notify the BLM within 14 days if the



cumulative duration of well purging events for a well exceeds 24 hours during any production month, or if the estimated gas volume vented in liquids unloading by well purging operations for a well exceed 75 Mcf during any production month.

### *Leak Detection Inspection and Repair*

Proposed sections 3179.301 through 3179.305 would include information collection activities pertaining to the detection and repair of gas leaks during production operations. The following activities would require operators to submit a Sundry Notice:

1. Section 3179.301(e) would allow an operator to satisfy the requirements of sections 3179.301 through 3179.305 for some or all of the equipment or facilities on a given lease by demonstrating to the BLM on a Sundry Notice that the operator is complying with Environmental Protection Agency requirements established pursuant to 40 CFR part 60, subpart OOOOa with respect to such equipment or facilities.
2. Section 3179.303(b) would allow an operator to submit a Sundry Notice requesting authorization to detect gas leaks using an alternative device, program, or method.
3. Section 3179.304(b) would require an operator to submit a Sundry Notice showing good cause for not repairing any leak not associated with normal equipment operation within 15 calendar days after discovering such a leak.

### ***Other Proposed Information Collection Activities***

#### *Downhole Well Maintenance and Liquids Unloading – Recordkeeping (43 CFR 3179.204(c))*

Section 3179.204(c) would require operators to keep records of any venting to the atmosphere associated with any liquids unloading by well purging. The following requirements would apply:

- Record the cause, date, time, duration, and estimated volume of each venting event;
- Maintain the liquids unloading records for the period required by 43 CFR 3162.4-1; and
- Submit these records to the BLM upon request.

At present, 43 CFR 3162.4-1 requires well records to be maintained for six years or, in the case of an audit or investigation, until the Secretary or a designee releases the recordholder from the obligation to maintain such records.

In another rulemaking<sup>1</sup>, the BLM has proposed to amend section 3162.4-1 to require that records generated for Federal leases be maintained for at least seven years, and records generated for Indian leases be maintained for at least six years. In addition, the BLM has proposed provisions that:

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<sup>1</sup> Onshore Oil and Gas Operation; Federal and Indian Oil and Gas Leases; Site Security; Proposed Rule, 80 FR 40767, at 40800 (July 13, 2015).

- Require maintenance of records while a judicial proceeding or demand involving such records is pending; and
- Require records to be maintained by lessees, operators, purchasers, transporter, and any other person directly involved in producing, transporting, purchasing, or selling, including measuring, oil or gas through the point of royalty measurement or the point of first sale, whichever is later.

*Leak Detection and Repair – Inspection Recordkeeping (43 CFR 3179.305)*

Proposed section 3179.305 would require operators to maintain records of each inspection of wellhead equipment, facilities, and compressors for leaks and make those records available to the BLM upon request. This recordkeeping requirement pertains to inspections initially required at least twice a year by proposed section 3179.303. Depending on the results of two consecutive inspections, the required frequency of recordkeeping could be adjusted as follows:

If the operator inspects	And in two consecutive inspections the operator	The operator
(1) Semi-annually	Detects no more than 2 leaks at the site inspected	Must inspect at least annually
(2) Annually	Detects 3 or more leaks at the site inspected	Must inspect at least semi-annually
(3) Semi-annually	Detects 3 or more leaks at the site inspected	Must inspect at least quarterly
(4) Quarterly	Detects no more than 2 leaks at the site inspected	Must inspect at least semi-annually

These records would be required to be maintained in accordance with 43 CFR 3162.4-1. At present, 43 CFR 3162.4-1 requires well records to be maintained for six years or, in the case of an audit or investigation, until the Secretary or a designee releases the recordholder from the obligation to maintain such records.

In another rulemaking<sup>2</sup>, the BLM has proposed to amend section 3162.4-1 to require that records generated for Federal leases be maintained for at least seven years, and records generated for Indian leases be maintained for at least six years. In addition, the BLM has proposed provisions that:

<sup>2</sup> Onshore Oil and Gas Operation; Federal and Indian Oil and Gas Leases; Site Security; Proposed Rule, 80 FR 40767, at 40800 (July 13, 2015).

- Require maintenance of records while a judicial proceeding or demand involving such records is pending; and
- Require records to be maintained by lessees, operators, purchasers, transporter, and any other person directly involved in producing, transporting, purchasing, or selling, including measuring, oil or gas through the point of royalty measurement or the point of first sale, whichever is later.

For each inspection, the following information would be required to be maintained:

- The date of the inspection;
- The site where the inspection was conducted;
- The equipment or facility inspected;
- The monitoring method(s) used to determine the presence of leaks;
- A list of components on which leaks were found and a description of each leak;
- The date of the first attempt to repair each leak and, if necessary, any additional attempt to repair the leak;
- The date each leak was repaired; and
- The date and result of the follow-up inspection(s) required by 43 CFR 3179.304 paragraph (c) or (d).

**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 respondents would choose to comply with the proposed requirements electronically, although the proposed regulations would not require them to do so. For the information collection activities that would require use of the Sundry Notice (Form 3160-5), that form is electronically available to the public in fillable, printable format at: <http://www.blm.gov/noc/st/en/business/eForms/3000-3999.html>. A respondent who chooses to submit this form electronically may do so by scanning and then emailing it to the appropriate BLM office.

Two of the remaining three information collection activities are primarily recordkeeping requirements for which compliance is almost certain to be electronic. The third activity, involving a plan to minimize waste of natural gas, would be submitted concurrently with an Application for Permit to Drill or Re-Enter (Form 3160-3). Submission of these records (to the extent required) could be accomplished electronically by scanning and then emailing them to the

appropriate BLM office.

**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.**

No duplication of information occurs on the information collection activities in the proposed rule. The requested information is nonrecurring, occasional, and unique to each respondent and is not available from any other data source.

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

We estimate that 98 to 99 percent of the respondents are small businesses. Small businesses, as well as other operators, would be authorized by proposed section 3179.203(c) to make a showing that the operator would have to cease production and abandon significant recoverable oil reserves as a result of the rule's equipment requirements pertaining to crude oil and condensate storage. The BLM would then have the discretion to exempt the operator from that requirement.

**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.**

The proposed collection of information would update the BLM's requirements governing venting, flaring, and leaks to ensure that the public's resources and assets are not wasted, and are developed in a manner that provides for long-term productivity and sustainability. Absent the proposed rule, these advances would not be possible.

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

- \* requiring respondents to report information to the agency more often than quarterly;
- \* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- \* requiring respondents to submit more than an original and two copies of any document;
- \* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
- \* 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;
- \* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- \* 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**

**\* 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.**

#### Proposed Section 3179.204

Proposed section 3179.204 would pertain to downhole well maintenance and liquids unloading operations. Paragraph (a) would require operators to use practices that maximize the recovery of gas for sale and to flare gas that is not recovered. It would also require operators to document, before purging a well for the first time, a discovery that compliance with these requirements would be technically infeasible or unduly costly.

Paragraph (c) of proposed section 3179.204 would require operators to keep records of any venting to the atmosphere associated with any liquids unloading by well purging. The following requirements would apply:

- Record the cause, date, time, duration, and estimated volume of each venting event;
- Maintain the liquids unloading records for the period required by 43 CFR 3162.4-1; and
- Submit these records to the BLM upon request.

At present, 43 CFR 3162.4-1 requires well records to be maintained for six years or, in the case of an audit or investigation, until the Secretary or a designee releases the recordholder from the obligation to maintain such records.

In another rulemaking<sup>3</sup>, the BLM has proposed to amend section 3162.4-1 to require that records generated for Federal leases be maintained for at least seven years, and records generated for Indian leases be maintained for at least six years. In addition, the BLM has proposed provisions that would:

- Require maintenance of records while a judicial proceeding or demand involving such records is pending; and
- Require records to be maintained by lessees, operators, purchasers, transporter, and any other person directly involved in producing, transporting, purchasing, or selling, including measuring, oil or gas through the point of royalty measurement or the point of first sale, whichever is later.

Paragraph (d) of proposed section 3179.204 would require that documentation to be included as part of a Sundry Notice submitted to the BLM within 10 calendar days after the first liquids unloading event by well purging conducted after the effective date of section 3179.204.

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<sup>3</sup> Onshore Oil and Gas Operation; Federal and Indian Oil and Gas Leases; Site Security; Proposed Rule, 80 FR 40767, at 40800 (July 13, 2015).

Paragraph (e) of proposed section 3179.204 would require an operator to notify the BLM within 14 days if the cumulative duration of well purging events for a well exceeds 24 hours during any production month, or if the estimated gas volume vented in liquids unloading by well purging operations for a well exceed 75 Mcf during any production month.

#### Proposed Section 3179.304

Paragraph (b) of proposed section 3179.304 would require an operator to submit a Sundry Notice showing good cause for not repairing any leak not associated with normal equipment operation within 15 calendar days after discovering such a leak.

#### Proposed section 3179.305

Proposed section 3179.305 would require operators to maintain records of inspections in accordance with 43 CFR 3162.4-1. At present, 43 CFR 3162.4-1 requires well records to be maintained for six years or, in the case of an audit or investigation, until the Secretary or a designee releases the recordholder from the obligation to maintain such records.

In another rulemaking<sup>4</sup>, the BLM has proposed to amend section 3162.4-1 to require that records generated for Federal leases be maintained for at least seven years, and records generated for Indian leases be maintained for at least six years. In addition, the BLM has proposed provisions that:

- Require maintenance of records while a judicial proceeding or demand involving such records is pending; and
- Require records to be maintained by lessees, operators, purchasers, transporter, and any other person directly involved in producing, transporting, purchasing, or selling, including measuring, oil or gas through the point of royalty measurement or the point of first sale, whichever is later.

**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 three 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.**

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<sup>4</sup> Onshore Oil and Gas Operation; Federal and Indian Oil and Gas Leases; Site Security; Proposed Rule, 80 FR 40767, at 40800 (July 13, 2015).

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three 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.**

The preamble to the proposed rule solicits public comments on the information collection.

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

We would not provide payments or gifts to the respondents.

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

The proposed regulatory text would provide no assurance of confidentiality to respondents. However, in the preamble (under the heading “Reporting and Information Availability”) the BLM requests comment on the types of data that are most useful to the public, the types of data that operators believe should remain private, and the most efficient and least burdensome approaches to making appropriate data available to the public. The BLM also acknowledges that it must balance the need for open government with the need to protect operators’ confidential business information, and with the substantial administrative burden and costs of posting large amounts of information online.

**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.**

We would not require respondents to answer questions of a sensitive nature.

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

**\* 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.

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

\* 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.

We estimate that the proposed rule would result in 66,010 responses, 42,350 hours, and a dollar equivalent of \$2,680,755.

The following table shows the BLM’s estimate of the hourly cost burdens for respondents. The mean hourly wages were determined using national Bureau of Labor Statistics data at: [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm). The benefits multiplier of 1.4 is supported by information at <http://www.bls.gov/news.r/ecec.nr0.htm>.

**Table 12-1  
Estimated Weighted Average Hourly Costs**

A. Position	B. Mean Hourly Pay Rate	C. Hourly Rate with Benefits (Column B x 1.4)	D. Percent of Collection Time	E. Weighted Average Hourly Cost (Column C x Column D)
General Office Clerk (43-9061)	\$14.82	\$20.75	10%	\$2.08
Engineer (17-2199)	\$46.32	\$64.85	80%	\$51.88
Engineering Manager (11-9041)	\$66.69	\$93.37	10%	\$9.34
Totals			100%	\$63.30

Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information. The weighted average hourly wage associated with these information collections is shown at Table 12-1, above.

With one exception, the frequency of response for the information collection activities is “on occasion.” The exception pertains to the activity titled, “Leak Detection – Inspection Recordkeeping (43 CFR 3179.305).” That activity would document inspection of wellhead equipment, facilities, and compressors at least twice a year, except as follows:



If the operator inspects	And in two consecutive inspections the operator	The operator
(1) Semi-annually	Detects no more than 2 leaks at the site inspected	Must inspect at least annually
(2) Annually	Detects 3 or more leaks at the site inspected	Must inspect at least semi-annually
(3) Semi-annually	Detects 3 or more leaks at the site inspected	Must inspect at least quarterly
(4) Quarterly	Detects no more than 2 leaks at the site inspected	Must inspect at least semi-annually

For purposes of estimating the burdens of proposed section 3179.305, we have assumed that the recordkeeping would be required twice a year.

Table 12-2 itemizes the estimate hour and cost burdens for proposed information collection activities that would be new uses of Form 3160-3 (Application for Permit to Drill or Re-enter) and Form 3160-5 (Sundry Notices and Reports on Wells).

Table 12-3 itemizes the estimated hour and cost burdens for the rest of the proposed information collection activities.

**Table 12-2  
Proposals Involving APDs and Sundry Notices**

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time per Response</b>	<b>D. Total Hours (Column B x Column C)</b>	<b>E. Dollar Equivalent (Column D x \$63.30)</b>
Plan to Minimize Waste of Natural Gas 43 CFR 3162.3-1(j)	2,000	2 hours	4,000	\$253,200
Request for Prior Approval for Royalty-Free Uses On-Lease or Off-Lease 43 CFR 3178.5, 3178.7, and 3178.9 Form 3160-5	50	8 hours	400	\$25,320

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time per Response</b>	<b>D. Total Hours (Column B x Column C)</b>	<b>E. Dollar Equivalent (Column D x \$63.30)</b>
Request for Approval of Alternative Volume Limits 43 CFR 3179.7(b) Form 3160-5	185	16 hours	2,960	\$187,368
Certification in Support of Exemption from Volume Limits 43 CFR 3179.7(d) Form 3160-5	15	16 hours	240	\$15,192
Well Completion and Related Operations 43 CFR 3179.102(b) Form 3160-5	5	2 hours	10	\$633
Initial Production Testing Request for Extension 43 CFR 3179.103 Form 3160-5	5	2 hours	10	\$633
Subsequent Well Tests Request for Extension 43 CFR 3179.104 Form 3160-5	5	2 hours	10	\$633
Reporting of Emergency Venting and Flaring Beyond Specified Timeframes 43 CFR 3179.105 Form 3160-5	25	2 hours	50	\$3,165
Pneumatic Controller Report 43 CFR 3179.201(b) and (c) Form 3160-5	200	2 hours	400	\$25,320
Pneumatic Pump Report 43 CFR 3179.202 Form 3160-5	500	4 hours	2,000	\$126,600

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time per Response</b>	<b>D. Total Hours (Column B x Column C)</b>	<b>E. Dollar Equivalent (Column D x \$63.30)</b>
Crude Oil and Condensate Storage Vessel Report 43 CFR 3179.203(c) Form 3160-5	100	8 hours	800	\$50,640
Downhole Well Maintenance and Liquids Unloading – Documentation and Reporting 43 CFR 3179.204(a) and (d) Form 3160-5	5,000	1 hour	5,000	\$316,500
Downhole Well Maintenance and Liquids Unloading – Notification of Excessive Duration or Volume 43 CFR 3179.204(e) Form 3160-5	120	1 hour	120	\$7,596
Leak Detection – Compliance with EPA Regulations 43 CFR 3179.301(e) Form 3160-5	500	8 hours	4,000	\$253,200
Leak Detection – Request to Use an Alternative Device, Program, or Method 43 CFR 3179.303(b)	200	40 hours	8,000	\$506,400
Leak Detection – Notification of Delay in Repairing Leaks 43 CFR 3179.304(b) Form 3160-5	100	1 hour	100	\$6,330
Totals	9,010		28,100	\$1,778,730

**Table 12-3  
Other IC Activities  
Estimated Annual Hour Burdens**

A. Type of Response	B. Number of Responses	C. Time per Response	D. Total Hours (Column B x Column C)	E. Dollar Equivalent (Column D x \$63.30)
Downhole Well Maintenance and Liquids Unloading – Recordkeeping – 43 CFR 3179.204(c)	5,000	0.25	1,250	\$79,125
Leak Detection – Inspection Recordkeeping – 43 CFR 3179.305	52,000	0.25	13,000	\$822,900
Totals	57,000	–	14,250	\$902,025

**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.)**

**\* The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) 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.**

**\* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens 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.**

**\* 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.**

No non-hour costs would result from the proposed 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 following table shows the BLM’s estimate of the hourly cost burdens to the Federal government. The hourly cost to the Federal Government is based on U.S. Office of Personnel Management data at [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/GS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/GS_h.pdf).

The benefits multiplier of 1.5 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 14-1  
Estimated Federal Hourly Cost**

<b>A. Position</b>	<b>B. Pay Grade</b>	<b>C. Hourly Pay Rate (\$/hour)</b>	<b>D. Hourly Rate with Benefits (Column C x 1.5)</b>	<b>E. Percent of the Information Collection Completed by Each Occupation</b>	<b>F. Weighted Avg. (\$/hour) (Column D x Column E)</b>
Clerical	GS-5, step 5	\$15.35	\$23.03	10%	\$2.30
Professional	GS-9, step 5	\$23.25	\$34.88	80%	\$27.90
Managerial	GS-13, step 5	\$40.10	\$60.15	10%	\$6.02
<b>Weighted Average Hourly Pay Rate (\$/hour): \$36.22</b>					

Table 14-2, below, shows the estimated Federal hours and costs for each component of this information collection.

**Table 14-2  
Estimated Annual Cost to the Government**

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time per Response</b>	<b>D. Total Hours (Column B x Column C)</b>	<b>E. Dollar Equivalent (Column D x \$36.22)</b>
Plan to Minimize Waste of Natural Gas 43 CFR 3162.3-1(j)	2,000	2 hours	4,000	\$144,800

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time per Response</b>	<b>D. Total Hours (Column B x Column C)</b>	<b>E. Dollar Equivalent (Column D x \$36.22)</b>
Request for Prior Approval for Royalty-Free Uses On-Lease or Off-Lease 43 CFR 3178.5, 3178.7, and 3178.9 Form 3160-5	50	2 hours	100	\$3,622
Request for Approval of Alternative Volume Limits 43 CFR 3179.7(b) Form 3160-5	185	4 hours	740	\$26,803
Certification in Support of Exemption from Volume Limits 43 CFR 3179.7(d) Form 3160-5	15	4 hours	60	\$2,173
Well Completion and Related Operations 43 CFR 3179.102(b) Form 3160-5	5	1 hour	5	\$181
Initial Production Testing Request for Extension 43 CFR 3179.103 Form 3160-5	5	1 hour	5	\$181
Subsequent Well Tests Request for Extension 43 CFR 3179.104 Form 3160-5	5	1 hour	5	\$181
Reporting of Emergency Venting and Flaring Beyond Specified Timeframes 43 CFR 3179.105 Form 3160-5	25	2 hours	50	\$1,811
Pneumatic Controller Report 43 CFR 3179.201(b) and (c) Form 3160-5	200	2 hours	400	\$14,488
Pneumatic Pump Report 43 CFR 3179.202 Form 3160-5	500	2 hours	1,000	\$36,220

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time per Response</b>	<b>D. Total Hours (Column B x Column C)</b>	<b>E. Dollar Equivalent (Column D x \$36.22)</b>
Crude Oil and Condensate Storage Vessel Report 43 CFR 3179.203(c) Form 3160-5	100	2 hours	200	\$7,244
Downhole Well Maintenance and Liquids Unloading – Documentation and Reporting 43 CFR 3179.204(a) and (d) Form 3160-5	5,000	5 minutes	417	\$15,104
Downhole Well Maintenance and Liquids Unloading – Notification of Excessive Duration or Volume 43 CFR 3179.204(e) Form 3160-5	120	15 minutes	30	\$1,087
Leak Detection – Compliance with EPA Regulations 43 CFR 3179.301(e) Form 3160-5	500	1 hour	500	\$18,110
Leak Detection – Request to Use an Alternative Device, Program, or Method 43 CFR 3179.303(b)	200	4 hours	800	\$28,976
Leak Detection – Notification of Delay in Repairing Leaks 43 CFR 3179.304(b) Form 3160-5	100	30 minutes	50	\$1,811
Downhole Well Maintenance and Liquids Unloading – Recordkeeping 43 CFR 3179.204(c)	5,000	5 minutes	417	\$15,104
Leak Detection – Inspection Recordkeeping 43 CFR 3179.305	52,000	5 minutes	4,333	\$156,941
Totals	65,760		13,112	\$474,837

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

The proposed rule would result in the program changes shown in Table 15-1.

**Table 15-1  
Paperwork Burdens of the Proposed Rule**

<b>A. Type of Burden</b>	<b>B. Number of Responses</b>	<b>C. Total Hours</b>	<b>D. Dollar Equivalent of Hour Burdens (Column C x \$63.30)</b>
Proposals Involving APDs and Sundry Notices	+9,010	+28,100	+\$1,778,740
Other IC Activities	+57,000	+14,250	+\$902,025
Total Effect	+66,010	+42,350	+\$2,680,765

**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 BLM would not publish the results of this collection.

**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 BLM displays the expiration date for control number 1004-0137 (January 31, 2018) on the forms authorized for use by that control number and accordingly that display would apply to the information activities in the proposed rule that would involve the APD or Sundry Notice. The expiration date for the other information collection activities in the proposed rule would not be displayed because there would be no forms for those activities.

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

There are no exceptions to the certification statement.