

Supporting Statement A

Solid Minerals and Geothermal Collections– 30 CFR Parts 1202, 1206, 1210, 1212, 1217, and 1218

OMB Control Number 1012-0010

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. 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 Secretary of the United States Department of the Interior is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary's responsibility, according to various laws, is to (1) manage mineral resource production from Federal and Indian lands and the OCS, (2) collect the royalties and other mineral revenues due, and (3) distribute the funds collected under those laws.

The Secretary also has a trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The Office of Natural Resources Revenue (ONRR) performs the minerals revenue management functions for the Secretary and assists the Secretary in carrying out the Department's trust responsibility for Indian lands.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share in a value of production from the leased lands. The information collected includes data necessary to ensure that royalties are valued correctly and distributed and disbursed appropriately.

The information collections that we cover in this Information Collection Request (ICR) are found in the following parts of title 30 of the *Code of Federal Regulations* (CFR):

- Part 1202, subpart H
- Part 1206, subparts F, H, J
- Part 1210. Subparts E and H
- Part 1212, subpart E and H
- Part 1217, subparts E, F, and G
- Part 1218, subpart E and F

The following eight laws pertaining to mineral leases on Federal and Indian lands and the OCS are posted at http://www.onrr.gov/Laws_R_D/PubLaws/default.htm:

1. 25 U.S.C. 396d, Chapter 12—Lease, Sale, or Surrender of Allotted or Unallotted Lands
2. 25 U.S.C. 2103, Chapter 23—Development of Tribal Mineral Resources
3. 30 U.S.C. 189, Chapter 3A—Leases and Prospecting Permits
4. 30 U.S.C. 359, Chapter 7—Lease of Mineral Deposits within Acquired Lands
5. 30 U.S.C. 1001, 1002, Chapter 23—Geothermal Steam and Associated Geothermal Resources
6. 43 U.S.C. 1334, Chapter 29—Submerged Lands, Subchapter III—Outer Continental Shelf Lands Act
7. 30 U.S.C. 181-263—Mineral Leasing Act of 1920
8. 42 U.S.C. 15801, Chapter 149—The Public Health and Welfare

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.***

ONRR, acting for the Secretary, uses the information that we collect to ensure that lessees accurately value and appropriately pay all royalties based on the correct product valuation. ONRR and other Federal Government agencies, including the Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), and State and Tribal governmental entities, use the information for audit purposes and for evaluating the reasonableness of product valuation or allowance claims that lessees submit. These bureaus and other governmental entities use this data to (1) conduct production verification, (2) ensure lease diligence, (3) monitor plant efficiencies, (4) ensure maximum recovery, and (5) conduct secondary product inventories. Determining the appropriate product value or allowance rate directly affects the royalties and other mineral revenues due. Failure to collect such data would prevent the Secretary from fulfilling statutory and trust responsibilities. All data reported is subject to subsequent audit and adjustment.

Some reporting requirements alert ONRR to possible problems at the beginning of the compliance process, which allows the Solid Minerals and Geothermal group under Audit and Compliance Management (ACM) and State and Tribal audit offices to provide resolution within

three years: this is part of ONRR's compliance strategy. Other reporting requirements enable ONRR to timely and accurately collect, account for, and disburse mineral revenues.

This information collection request provides for the collection of solid minerals royalty and production information on the forms listed below, and other associated data formats, *i.e.*, sales summaries, facility data, sales contracts and amendments, and payment information. This ICR also includes some information collections for geothermal resources, such as the burden hours for valuation requests related to geothermal leases. Geothermal reporters primarily report information on form ONRR-2014, *Report of Sales and Royalty Remittance*, which is covered in OMB Control Number 1012-0004.

Solid Minerals

Producers of coal and other solid minerals from any Federal or Indian lease must submit form ONRR-4430, *Solid Minerals Production and Royalty Report*, and other associated data formats such as form ONRR 4440, *Solid Minerals Sales Summary*. These companies also report certain data on form ONRR-2014, *Report of Sales and Royalty Remittance* [OMB Control Number 1012-0004]. Producers of coal from any Indian lease must also submit form ONRR-4292, *Coal Washing Allowance Report*, and form ONRR-4293, *Coal Transportation Allowance Report*, if they wish to claim allowances on form ONRR-4430. The information that an ONRR request is the minimum necessary to carry out our mission and places the least possible burden on respondents. We discuss the forms and associated data formats below. Please refer to the burden chart in Item 12 for all reporting requirements and associated burden hours.

- **Form ONRR-4430 [*Solid Minerals Production and Royalty Report*]**—Producers of coal and other solid minerals from Federal and Indian leases file electronically this form monthly. The form contains basic lease-level volume and valuation information. ONRR uses the collected data from this form in the following manner:
 - o ONRR (1) matches the royalty payment check or electronic funds transfer to form ONRR-4430; (2) maintains lease accounts of payments; and (3) ensures the distribution of data and disbursement of monies to States, American Indians, and the United States Treasury.
 - o ONRR monitors Federal and non-Federal lease production from mines, which is essential for the compliance process. Furthermore, ONRR uses the allocation of production to ensure that commingled Federal and non-Federal mineral production volumes and values summarized under one product category are allocated properly back to the lease where the raw minerals were mined.
 - o ONRR makes production quantities, sales quantities, and inventory data available to BLM for production verification and lease diligence requirements.
 - o ONRR also provides production and sales data to BIA and State and Tribal audit offices for their mineral studies and audits.

- o ONRR collects basic lease-level volume and valuation information on form ONRR-4430 to begin compliance review activities. In addition, ONRR compares this reported data against information from the facility data, contracts, contract amendments, and the sales summaries to identify and resolve value, volume, and royalty rate compliance issues.
- **Associated Data Formats**—Along with form ONRR-4430, producers may also submit the following:

Form ONRR-4440 [Solid Minerals Sales Summary]—Lessees of coal and other solid minerals from Federal and Indian leases will submit required data on the new form ONRR-4440. Lessees will find the required data elements in the table in 30 CFR 1210.202. Lessees will submit the new sales summary form along with form ONRR-4430. The sales summary information will aid ONRR in determining a lessee’s compliance with applicable laws, rules, regulations, and sales contracts. ONRR will use data collected from the new sales summary forms. ONRR also will:

- o Use the purchaser information identified as spot sales to determine a value of coal for advance royalty purposes as mandated by EPOA. In the process, ONRR would look for comparable sales volume and gross proceeds.
- o Compare the sales summary information to form ONRR-4430 sales information in the compliance process.
- o Compare the sales summary purchaser information to sales contract terms in the compliance process. This analysis would ensure the lessee’s compliance with contract terms, such as price and quality.
- o Analyze the sales summary information to ensure lessees are properly applying valuation methodologies.
- o Use the sales summary information to identify the arm’s-length relationship between the purchaser and seller. Regulations at 30 CFR 1206.257 provide for valuation standards based on this relationship.

Contracts and Contract Amendments—Coal and metal producers submit sales contracts, agreements, and contract amendments semiannually. Sodium, potassium, phosphate, and other solid mineral producers with leases containing ad valorem royalty terms submit the required documents only if ONRR specifically requests them. ONRR uses the collected data from these contracts in the following manner:

- o Contracts identify issues related to value and may include information on sales to affiliated companies or identify monies or other items considered as payments for production that is royalty bearing.
- o ONRR extracts data affecting royalty payments from the contracts and amendments that

respondents submit. ONRR uses contracts to establish sales arrangements and the relationships each contract has to the total mine production, sales, and subsequent royalty payments. From contracts, ONRR obtains purchaser names, volumes, periods, prices, built-in adjustments or escalation features, quality requirements, and related considerations. Furthermore, ONRR may consider a component of gross proceeds, service value in kind, transportation arrangements, measurement points, price components, and other information that may affect value for royalty purposes. Sales arrangements can provide information regarding the interrelationships between companies, that is, whether the producer's sale is truly at arm's length. ONRR determines value for royalty purposes by methodologies dependent on the arm's-length or non-arm's-length status of the sale.

- An arm's-length contract is a contract or an agreement that is between independent, nonaffiliated persons with opposing economic interests regarding that contract. The regulations further provide that we normally accept the gross proceeds accruing to the lessee according to their arm's-length contract as being representative of value for ad valorem leases (see 30 CFR 1206.456(b)(1)).

Facility Data—Operators of wash plants, refining, ore concentration, or other processing facilities for any coal, sodium, potassium, metals, or other solid minerals submit facility data information for the months that they process or carry an inventory. Companies submit the required data from internally generated documents from their own records. ONRR collects facility data from the company and uses the data in the following manner:

- Allowance Monitoring—Under certain lease terms, ONRR permits lessees to deduct the costs of processing that enhances the value of the mineral production. ONRR monitors such costs, which are included in the facility data, to ensure that the allowance deductions are reasonable and consistent with regulatory standards.
- Allocation of Production—ONRR monitors raw production input and finished product output to ensure commingled Federal and non-Federal mineral production is allocated properly back to the lease where the raw minerals were mined.
- BLM Product Verification—BLM uses the facility data to verify production during regular inspections of facilities. They also use the data to ensure lease diligence and to monitor plant efficiencies, maximum recovery, and secondary product inventories. We also make facility data available to BIA and to State and Tribal audit offices for their mineral studies and audits.

Additional Documents or Evidence—ONRR requests detailed statements, documents, or other evidence that supports the responsibilities of ACM and State and Tribal audit offices under Federal and Indian lease terms. Spot sale invoices, weigh tickets, laboratory quality reports, transportation contracts, and service contracts are all examples of additional documents that we might request. The information that we collect might further define a cost or verify a claim that the producer made.

Payment Information—Under 30 CFR 1210.205, ONRR collects payment information data to use in the financial management process in the following manner:

- For each royalty payment document (Electronic Funds Transfer or hard-copy check) associated with form ONRR-4430, the lessee must annotate with their customer identification and customer document identification numbers. This requirement helps ONRR link the payment to the appropriate reporting so that ONRR can timely disburse funds to the correct recipients.
- For each rental payment document not reported on form ONRR-4430, the lessee must include the ONRR Courtesy Notice, when provided, or annotate the payment document with the customer identification number and ONRR-assigned lease number. This requirement helps ONRR link payments with form ONRR-4430 submittals.
- **Allowance Reports**—Producers on Indian leases also report allowances claimed on form ONRR-4430. ONRR may grant an allowance to compensate lessees for the reasonable actual cost of washing the portion of the coal on which royalty is due. Also, when the sales point is not in the immediate vicinity of a lease or mine area, ONRR may grant an allowance to compensate the lessee for the reasonable, actual cost of transporting the royalty portion of the coal to a sales point not on the lease or mine area.

When the lessee washes or transports the Indian royalty coal under a non-arm's-length contract, ONRR is required to obtain cost data. We use this cost data to accurately determine if the lessee correctly computed the coal value and the gross proceeds for royalty calculation purposes.

Lessees complete the following forms when reporting or requesting a washing or transportation allowance:

Form ONRR-4292 [Coal Washing Allowance Report]—Regulations at 30 CFR 1206.457 and 1206.458 provide that, when determining coal value for royalty purposes, a lessee may take a deduction for the reasonable actual costs incurred to wash the coal.

- For washing costs that a lessee incurs under an arm's-length contract, the lessee's allowance is the reasonable costs incurred for washing the coal under that contract. ONRR's approval is not required to take the allowance. However, the Indian lessee must submit page 1 of form ONRR-4292 not later than the same month that the lessee first reported the washing allowance on form ONRR-4430, estimating the tons of coal washed, rate per ton, and allowance to be taken during the allowance period.
- The coal washing allowance is effective for a 12-month period or until the washing contract terminates, whichever comes first, at which time the lessee must resubmit page 1 of form ONRR-4292 and report actual tons washed, rate per ton, and allowance taken during the period. Information that ONRR requires includes the lessee's name and address, payor and product codes as reported on form ONRR-4430, estimated or actual production, and the allowance claimed.

- If the lessee has a non-arm's-length washing contract or has no contract, ONRR bases the washing allowance on the lessee's reasonable actual costs. ONRR's approval is not required to take the allowance. However, the Indian lessee must submit a completed form ONRR-4292 to provide estimated washing costs the same month the washing allowance is reported on form ONRR-4430. The allowance is effective for a 12-month period, at the end of which the lessee must resubmit a completed form ONRR-4292 with actual washing costs. ONRR must receive the form within 90 days after the end of the previous reporting period, unless ONRR approves a longer period. Thus, lessee uses form ONRR-4292 to report both an estimated allowance to be used for a new 12-month period and an actual allowance rate based on the lessee's portion of the actual plant operating, maintenance, and overhead expenditures for the prior 12-month reporting period.

Form ONRR-4293 [Coal Transportation Allowance Report]—Regulations at 30 CFR 1206.460 and 1206.461 provide that, where the royalty value of the coal has been determined at a point remote from the lease or the mine, ONRR will allow a deduction for the reasonable, actual costs incurred to transport the coal to a sales point or to a washing facility remote from the mine area or lease.

- As with the washing allowance, ONRR's approval is not required to deduct transportation costs; however, under arm's-length contracts, an Indian lessee must submit page 1 of form ONRR-4293 with estimated costs no later than the same month the allowance is reported on form ONRR-4430. Under non-arm's-length contracts or no contracts, the lessee must submit the completed form providing estimated transportation, operating, maintenance, and overhead expenses.
- The transportation allowance is effective for a 12-month period or until the transportation contract terminates. After the initial reporting period, the lessee must resubmit form ONRR-4293 in its entirety for non-arm's-length contracts, or page 1 of the form for arm's-length contracts, providing actual costs incurred during the previous reporting period. ONRR must receive the form within 90 days after the end of the previous reporting period, unless we approve a longer period.
- Reporting of transportation allowances may be straightforward and simple or may be quite complex. In some cases, lessees may transport coal from point-to-point using a single mode of transportation such as truck, rail system, conveyor belt, pipeline, slurry-line, barge, or ship. In other instances, lessees may transport coal over several segments of a route using multiple transport methods during the same trip. Reporting can be further complicated through the use of combinations of lessee-owned transport systems and other systems under non-arm's-length contracts and/or arm's-length contracts, or both. Lessees must consider each segment separately and evaluate each one for the reasonableness of cost.

Geothermal Resources

This ICR also covers some of the information collections for geothermal resources, which ONRR groups by usage (electrical generation, direct use, and byproduct recovery), and by disposition of the resources (arm's-length (unaffiliated) contract sales, non-arm's-length contract sales, and no contract sales) within each use group.

ONRR relies primarily on data that payors report on form ONRR-2014 for the majority of our business processes, including geothermal information. In addition to using the data to account for royalties that payors report, ONRR uses the data for monthly distribution of mineral revenues and audit and compliance reviews.

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.

ONRR provides software enabling reporters to complete form ONRR-4430 and submit encrypted and authenticated reports over the Internet. Reporters may submit all other data, including the facility data, contract and subsequent amendments, and form ONRR-4440 to ONRR as attachments to emails. We encourage electronic submission; however, we permit hardcopy submissions. We estimate that 95 percent of respondents would submit forms ONRR-4430 electronically.

The allowance forms ONRR-4292 and ONRR-4293 are not automated because we receive only a few submissions each year. Designing a computer system to process such a limited number of forms is not cost effective for either the respondent or the Federal government. We have these available at <http://www.onrr.gov/ReportPay/solids.htm#forms>. ONRR accepts submission of allowance forms as an email attachment. We estimate 50 percent of respondents may submit allowance forms electronically (we have only one to three respondents annually).

ONRR collects most geothermal information electronically on form ONRR-2014, and we cover the burden hours under OMB Control Number 1012-0004. However, the estimated burden hours for geothermal resources in this ICR include industry's written submissions to ONRR requesting approvals or clarifications of valuation reporting specifications. We estimate 50 percent of respondents may submit these requests 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.

This information is not available from any other source, nor is there any other Federal Government agency currently collecting similar information for other purposes that could serve our needs.

ONRR shares the information we collect with BLM and BIA offices, as agreed in the

Memorandum of Understanding (MOU), which effectively avoids duplication of regulations and reporting requirements. ONRR and BLM coordinate to identify information that each agency collects. We consult with various BLM offices to ensure that the reporter's burden is minimized and not duplicated.

In most cases, the geothermal information that we collect is unique and site-specific to each operation. ONRR found that no other Federal or State agency collects the same or similar information. In fact, ONRR and BLM make every effort to avoid duplication of information collection. For example, BLM is responsible for collecting geothermal production data and for sharing that data with ONRR. Conversely, ONRR collects geothermal royalty data and shares that information with BLM.

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

ONRR determined that this collection of information has an insignificant economic effect on small entities. However, this collection does impact small entities. ONRR carefully analyzed its requirements to ensure that the information requested is the minimum necessary and places the least possible burden on industry. ONRR has a long-standing policy to restrict the amount of information collected to the minimum necessary to accomplish our mission and fulfill our responsibilities.

Respondents, including small businesses or other small entities, have the flexibility to submit information to us electronically or in hardcopy. ONRR works directly with small companies that report by hardcopy to establish accounts and provide reporting guidance.

ONRR provides (1) training free of charge to companies in various geographic areas; (2) onsite instruction as needed to give firsthand explanations of reporting requirements; and (3) individual instructions on how to report this information to ONRR. We encourage all solid minerals reporters to contact us to better familiarize themselves with the reporting requirements.

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.*

Collecting this information allows ONRR to fulfill its mission in a timely manner. The collection of facility data, contracts, contract amendments, and sales summaries from respondents is necessary for our compliance process. Through analysis of this information, ONRR determines whether the lessee properly valued the products for royalty purposes. Particularly of interest are provisions for compensation that might be overlooked as a portion of gross proceeds. Without the ability to review this information, ONRR could not ensure proper product valuation.

Our goal is to disburse 98 percent of mineral revenues to recipients by the end of the month following the month of receipt, as stipulated in ONRR regulations. This information collection allows ONRR to perform financial and accounting activities to meet this goal. The Federal

government must pay interest on any late disbursements.

Our goal also is to complete all compliance work, including audits, within 3 years from the date the royalty payment was received or due, whichever is sooner. ONRR performs compliance activities to meet this mandate, using the information collected. ACM expertise relies on the premise of receiving relevant data on time. In other words, ACM cannot resolve compliance issues in contemporaneous fashion unless they can identify issues early in the royalty cycle.

Royalty valuation issues may include, but are not limited to, (1) the sale of production to affiliated companies; (2) improper deductions from proceeds that a lessee receives; and (3) other issues such as reviewing compensation that a lessee receives for a wide variety of reasons, such as breach of contract. ONRR must review the lessee's normal business arrangements and evaluate those arrangements. ONRR uses sales contracts and other market data to establish an expected basis for evaluation of the reasonableness of the reported royalty payment.

ACM experts target royalty exceptions for resolution through ACM's process of establishing expected payments versus actual payments and collecting the supporting data. Companies have commented that they benefit from a shortened compliance time period. Companies agreed that records necessary to resolve compliance issues identified in the near term are more easily recovered. Moreover, personnel associated with the business arrangement under review are likely still in the employ of the company. If the issue is resolved in the Federal government's favor, less late-payment interest is due from the company.

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.**

Title 30 CFR parts 1202, 1206, 1210, 1212, 1217, and 1218 and most leases require that respondents submit monthly royalty and production reports for solid minerals and geothermal resources. Therefore, ONRR needs to collect the information monthly to verify the monthly royalty payments.

Respondents must submit (1) form ONRR-4292 annually if claiming a coal washing allowance (§1206.458) and (2) form ONRR-4293 occasionally if claiming a coal transportation allowance (§1206.461). However, respondents may submit allowance forms more often than quarterly if coal washing or coal transportation costs increase or decrease sufficiently to require a recalculation of the unit cost.

For a value determination of any geothermal resources (§1206.364), respondents must submit to ONRR, on occasion and as necessary, their relevant documents and a list of all involved leases, all respective owners of interest, and all operators.

- * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.**

There are no special circumstances with respect to 5 CFR 1220.5(d)(2)(ii).

- * ***requiring respondents to submit more than an original and two copies of any document.***

There are no special circumstances with respect to 5 CFR 1220.5(d)(2)(iii).

- * ***requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years.***

When an audit or investigation is underway and if notified in writing, title 30 CFR 1212.200 and 1212.351 require solid minerals and geothermal leaseholders to maintain records for 6 years or for longer periods. The leaseholders must maintain records until ONRR releases them by a written notice.

Under 30 U.S.C. 1713(b), the leaseholders must maintain Indian oil and gas records for 6 years after the records are generated unless the Secretary notifies them that they must maintain these such records for a longer period due to an ongoing audit or investigation.

- * ***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.***

There are no special circumstances with respect to 5 CFR 1220.5(d)(2)(v).

- * ***requiring the use of a statistical data classification that OMB has not reviewed and approved;***

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(vi), as the collection is not a statistical survey and does not use statistical data classification

- * ***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.***

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(vii) as this collection does not include a pledge of confidentiality not supported by statute or regulation.

- * ***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.***

Respondents are required to provide confidential/proprietary information to ONRR on forms ONRR-4430, ONRR-4292, ONRR-4293, and ONRR-4440; including facility data, contract, contract subsequent amendments, and allowance reporting. However, regulations at 30 CFR 1210.206 provide that proprietary trade secrets or other confidential information

submitted under part 1210 shall not be available for public inspection or made public or disclosed without the consent of the lessee, except as otherwise provided by law or regulation. Standard agency procedures provide strict security measures to control the use, storage, and access to such information. We protect this collected information under the standards identified in Item 10 below.

- 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. [Please list the names, titles, addresses, and phone numbers of persons contacted.]

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.

As required in 5 CFR 1320.8(d), ONRR published a 60-day review and comment notice in the *Federal Register* on April 14, 2016 (81 FR 22106). We didn't receive any comments in response to this *Federal Register* notice via www.regulations.gov. On, May 10, 2016, we emailed the following industry personnel below, and they submitted the following comments:

1. Accountant
JR Simplot Company
Boise, ID

Comment: *Related to the reporting information I submit to ONRR, I have never had a burden issue with hours and requirements.” “I have read the ICR and I agree with the burden hours and requirements.*

ONRR Response: We are pleased the accountant agrees with the burden hour requirements for this ICR.

2. Financial Planning
Peabody Energy
St. Louis, MO

Comments: *the financial planning analyst provided adjustments to the following Parts and Sections of the Estimated Annual Burden Hours Chart:*

Part 1206 – Production valuation; subpart F – Federal Coal

1206.253(c); 1206.254; and 1206.257(d)(1): Hour burden: 8 hrs; Average number of annual responses: 12; Annual burden hours: 96.

Part 1210 – Forms and Reports; subpart E – Solid Minerals, General

1210.2022(a)(1) and (c)(1): Hour burden: .75 hrs.; Average number annual responses: 12.; Annual burden hours: 9 hrs.

1210.205 (a) and (b): Hour burden: .58 hrs.; Average number annual responses: 12.; Annual burden hours: 7 hrs.

ONRR Response: The estimated burden hour adjustments provided are within a reasonable range and not far away from the estimated burden hour chart, which is an average for the industry.

3. Staff Accountant
Tata Chemicals Partners
Green River WY

First Comment: *Under Part 1210-Forms and Reports-Subpart E-Solids Minerals, General-1210.203 (a)-Submit sales contracts, agreements, and contract amendments-Is this done monthly? If so, I think it would take longer than one hour. We currently do not store the sales contracts at the plant; the contracts are stored back in New Jersey, at our corporate office.*

ONRR Response: Per 30 CFR 1210.203, except for coal and metal production, you must submit sales contracts only if you are specifically requested to do so. For coal and metal production,

sales contracts, agreements, and contract amendments must be submitted semi-annually. Therefore, it appears your burden hour estimates would be within a reasonable range, which is an average for the industry.

Second Comment: *Under Part 1212-Records and Forms Maintenance Subpart E-Solids Minerals, General_1212.200 (a)- I was informed at the last class I attended that the sales summary and facility data collection has to be keep longer than six years after it is generated. Is this true?*

ONRR Response: 30 CFR 1212.200 requires records to be maintained 6 years unless an audit or investigation is underway or you are notified in writing that records must be maintained for a longer period.

Third Comment: *What type of software do we need to upload our monthly information for the sales summary and facility data onto Form 4440?*

ONRR Response: It will be an Excel product that you will be able to download from ONRR's website at <http://www.onrr.gov/ReportPay/solids.htm>.

Fourth Comment: *Is the information ONRR is currently collecting used for audit purposes? If so, why do we have to submit the same information to the auditors?*

ONRR Response: Sales summaries will continue to be submitted to the audit area via email to the RubyMailbox. The change is that they must be submitted in the format of the form 4440.

Fifth Comment: *The estimate of requirements for the normal course of business was not included. I would like to comment on the amount of time required to complete monthly royalties. It takes me one day to complete the royalty process including figuring the sales price, inputting the information into the P & R, submitting the sales summary and data facility report, and setting up the information for the payment. I don't know how long it takes corporate to acquire all of the sales information.*

ONRR Response: You may include in your burden hour estimates any of the time you believe is attributable to applicable areas of the table. From your statement in this comment, and your statement in the first comment, it appears your burden hour estimates would be within a reasonable range, which is an average for the industry.

4. Financial Analyst
Ark Land Company
St. Louis, MO

Comment: *Ms. Lois Gray provided adjustments to the following Parts and Sections of the Estimated Annual Burden Hours Chart:*

Part 1210 – Forms and Reports; Subpart E – Solid Minerals, General

1210.202(a) and (c)(1): Hour burden – 10 hrs; Average number annual responses – 12; Annual burden hours – 120 hrs.

1210.203(a): Hour burden – 6 hrs.; Average number annual responses – 12.; Annual burden hours – 72 hrs.

1210.204(a)(1): Hour burden – 2 hrs.; Average number annual responses – 12.; Annual burden hours – 24 hrs.

ONRR Response: The estimated burden hour adjustments provided by Ms. Gray are within a reasonable range and not far away from the estimated burden hour chart, which is an average for the industry.

ONRR accepts comments at any time on the information collection and the burden. We continue to meet with respondents, collectively and individually, to discuss requirements and implementation strategies. We also assist respondents in preparing required forms and data by telephone, in person, or through training that is free of charge.

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

We will not provide any payment or gift 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.

Commercial or financial information that lessees provide to ONRR, relative to minerals they removed from Federal and Indian leases, may be proprietary. The Federal Oil and Gas Royalty Management Act of 1982, as amended (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b)(4)) and its implementing regulations (43 CFR 2), and ONRR regulations at 30 CFR 1210.206, as discussed in Item 7(h) above, established standards to protect trade secrets and proprietary and other information. In addition, the Indian Mineral Development Act of 1982 (25 U.S.C. 2103) provides that the Department shall hold as privileged and proprietary information all information in its possession related to Indian minerals agreement the Act covers. Strict security measures at ONRR control storage of and access to proprietary information.

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 or private questions.

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.**

We estimate approximately 100 Federal and Indian reporters; each reporter may submit reports from their different operational locations several times each year. Reporters may also submit the required information monthly, annually, and on occasion (see charts below for breakout of data by form and by information collection). Based on current data, we estimate the average number of annual responses is 9,434, and the annual reporting burden to industry is 3,884 hours, including recordkeeping. The burden estimates include the time for reviewing the following:

- Instructions
- Searching existing data sources
- Gathering and maintaining the data needed
- Completing and reviewing the collection of information

Note: we have not included in our estimates certain requirements performed in the normal course of business and considered usual and customary.

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

Form Number	Reference 30 CFR	Annual Responses	Annual Burden Hours
ONRR-4292, Coal Washing	1206.458(a)(1), (b)(2)(iv), & (b)(2)(iv)(A)	3	4
ONRR-4293, Coal Transportation	1206.461(a)(1), (b)(2)(iv), (b)(2)(iv)(A), & (b)(3)	4	5
ONRR 4440,	1210.202 (a)(1) and (c)(1)	900	900
ONRR-4430, P&R	1206.257(f) & (i); 1206.264; 1206.265; 1206.456(d)(1), (f), & (i); 1206.463; 1206.464; 1210.201(a)(1); 1210.203(a); 1218.201(b), & 1218.203(b)	3,599	1,557

- * **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.”**

Summary of Information Collections					
• Form ONRR-4293, Coal Transportation Allowance Report (1206.461)	benefit	On occasion	4	5	\$255
3. Geothermal Resources (1206.353, 1206.354, 1206.356, 1206.359, 1206.364; 1210.352; 1218.306)	Mandatory	On occasion	48	62	\$3,162
4. Recordkeeping (1206.253, 1206.254, 1206.257; 1212.200)	Mandatory	As requested	4,880	1,356	\$69,156
TOTAL			9,434	3,884	\$198,084

¹ONRR base cost estimates on the expectation that an accountant will perform all work. See calculations for hourly costs for industry accountants below.

*See chart below for complete listing of citations for this ICR.

We expect that an industry accountant, in a metropolitan area, will perform all the work. We estimate the total annual reporting burden is 3,884 hours. We used Bureau of Labor Statistics (BLS) National Occupational Employment and Wage Estimates (available at <http://www.bls.gov/oes/current/oes132011.htm>) to estimate the hourly cost for industry accountants in the Denver-Lakewood metropolitan area. We used a multiplier of 1.4 for benefits, based on this information; we estimate the hourly cost for an industry accountant would be \$51, calculated as follows:

$$\$36.19 \text{ [mean hourly wage]} \times 1.4 \text{ [benefits cost factor]} = \$50.66 \text{ [rounded to } \$51/\text{hr.]}$$

We estimate the total annual cost to industry is \$198,084 as follows:

$$3,884 \text{ hours [reporting hours]} \times \$51 \text{ [for industry accountants]} = \$198,084$$

The following chart shows the estimated burden hours by CFR section and paragraph:

Respondents' Estimated Annual Burden Hours

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
Part 1202—Royalties Subpart H—Geothermal Resources				
1202.351 (b)(3)	Pay royalties on used, sold, or otherwise finally disposed of byproducts.	Hour burden covered under OMB Control Number 1012-0004.		
1202.353 (a), (b), (c), and (d)	Report on Form ONRR-2014, royalties or direct use fee due for geothermal resources, byproduct quantity, and commercially demineralized water quantity.	Hour burden covered under OMB Control Number 1012-0004. See §1210.52.		
1202.353 (e)	Maintain quality measurements for audits.	AUDIT PROCESS (See Note)		
Part 1206—Product Valuation Subpart F—Federal Coal				
1206.253 (c); 1206.254; and 1206.257 (d)(1)	Maintain accurate records for Federal lease coal and all data relevant to the royalty value determination. Report the coal quantity information on appropriate forms under 30 CFR part 1210.	0.4166	816	340
1206.257 (b)(1), (b) (3), (b)(4), and (d)(2)	Demonstrate and certify your arm's-length contract provisions including all consideration paid by buyer, directly or indirectly, for coal production. Provide written information of reported arm's-length coal sales value and quantity data.	AUDIT PROCESS See Note.		
1206.257 (d)(3)	Submit a one-time notification when first reporting royalties on Form ONRR-4430 and for a change in method.	2	3	6
1206.257 (f)	Submit all available data relevant to the value determination proposal.	5	2	10
1206.257 (i)	Write and sign contract revisions or amendments by all parties to an arm's-length contract, and retroactively apply revisions or amendments to royalty value for a period not to exceed two years.	2	3	6
1206.259 (a)(1) and (a)(3)	Demonstrate that your contract is arm's-length. Provide written information justifying the lessee's washing costs.	AUDIT PROCESS (See Note)		
1206.259 (a)(1)	Report actual washing allowance on Form ONRR-4430 for arm's-length sales.	0.34	12	4
1206.259 (b)(1)	Report actual washing allowance on Form ONRR-4430 for non-arm's-length or no contract sales.	0.75	48	36
1206.259 (b)(2)(iv)	Report washing allowance on Form ONRR-4430 after lessee elects either method for a wash plant.	1	3	3
1206.259 (b)(2)(iv) (A)	Report washing allowance on Form ONRR-4430 for depreciation—use either straight-line or a unit of production method.	1	3	3

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.259 (c)(1)(ii) and (c)(2) (iii)	Submit arm's-length and non-arm's-length washing contracts and related documents to ONRR.	AUDIT PROCESS (See Note)		
1206.262 (a)(1)	Report transportation allowance on Form ONRR-4430.	0.333	240	80
1206.262 (a)(1) and (a)(3)	Demonstrate that your contract is arm's-length. Provide written information justifying your transportation costs when ONRR determines the costs are unreasonable.	AUDIT PROCESS (See Note)		
1206.262 (b)(1)	Report actual transportation allowance on Form ONRR-4430 for non-arm's-length or no contract sales.	0.75	24	18
1206.262 (b)(2)(iv)	Report transportation allowance on Form ONRR-4430 after lessee elects either method for a transportation system.	1	3	3
1206.262 (b)(2)(iv) (A)	Report transportation allowance on Form ONRR-4430 for depreciation—use either straight-line or a unit of production method.	1	3	3
1206.262 (b)(3)	Apply to ONRR for exception from the requirement of computing actual costs.	1	3	3
1206.262 (c)(1)(ii) and (c)(2) (iii)	Submit all arm's-length transportation contracts, production agreements, operating agreements, and related documents to ONRR.	AUDIT PROCESS (See Note)		
1206.264	Propose the value of coal for royalty purposes to ONRR for an ad valorem Federal coal lease.	1	1	1
1206.265	Notify ONRR if, prior to use, sale, or other disposition, you enhanced the value of coal.	1	1	1
Subpart H—Geothermal Resources				
1206.352 (b)(1)(ii)	Determine the royalty on produced geothermal resources, used in your power plant for generation and sale of electricity, for Class I leases, as approved by ONRR.	Hour burden covered under OMB Control Number 1012-0004.		
1206.353 (c)(2)(i) (A), (d)(9), and (e)(4)	Include a return on capital you invested when the purchase of real estate for transmission facilities is necessary. Allowable operating and maintenance expenses include other directly allocable and attributable operating and maintenance expenses that you can document.	AUDIT PROCESS (See Note)		
1206.353 (g)	Request change to other depreciation alternative method with ONRR approval.	1	1	1
1206.353 (h)(1) and (m)(2)	Use a straight-line depreciation method, but not below salvage value, for equipment. Amend your prior estimated Form ONRR-2014 reports to reflect actual transmission cost deductions, and pay any additional royalties due plus interest.	Hour burden covered under OMB Control Number 1012-0004.		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.353 (n)	Submit all arm's-length transmission contracts, production and operating agreements and related documents, and other data for calculating the deduction.	AUDIT PROCESS (See Note)		
1206.354 (b)(1)(ii)	Redetermine your generating cost rate annually and request ONRR approval to use a different deduction period.	1	1	1
1206.354 (c)(2)(i) (A), (d)(9), and (e)(4)	Include a return on capital you invested when the purchase of real estate for a power plant site is necessary. Allowable operating and maintenance expenses include other directly allocable and attributable operating and maintenance expenses that you can document.	AUDIT PROCESS (See Note)		
1206.354 (g)	Request change to other alternative with ONRR approval.	1	1	1
1206.354 (h) and (m)(2)	Use a straight-line depreciation method, but not below the salvage value, for equipment. Amend your prior estimated Form ONRR-2014 reports to reflect actual generating cost deductions and pay any additional royalties due plus interest.	Hour burden covered under OMB Control Number 1012-0004.		
1206.354 (n)	Submit all arm's-length power plant contracts, production and operating agreements and related documents, and other data for calculating the deduction.	AUDIT PROCESS (See Note)		
1206.356 (a)(1) and (a)(2)	Determine the royalty on produced significant geothermal resource quantities, for Class I leases, with the weighted average of the arm's-length gross proceeds used to operate the same direct-use facility; For Class I leases, the efficiency factor of the alternative energy source will be 0.7 for coal and 0.8 for oil, natural gas, and other fuels derived from oil and natural gas, or an efficiency factor proposed by the lessee and approved by ONRR.	Hour burden covered under OMB Control Number 1012-0004.		
1206.356 (a)(3)	For Class I leases, a royalty determined by any other reasonable method approved by ONRR.	1	40	40
1206.356 (b)(3)	Provide ONRR data showing the geothermal production amount, in pounds or gallons of geothermal fluid, to input into the fee schedule for Class III leases.	Hour burden covered under OMB Control Number 1012-0004.		
1206.356 (c)	ONRR will determine fees on a case-by-case basis for geothermal resources other than hot water.	1	1	1
1206.357	Determine the royalty due on byproducts by	Hour burden covered under		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
(b)(3); and 1206.358 (d)	any other reasonable valuation method approved by ONRR. Use a discrete field on Form ONRR-2014 to notify ONRR of a transportation allowance.	OMB Control Number 1012-0004.		
1206.358 (d)(2) and (e); 1206.359 (a)(1), (a) (2), (c)(2) (i) (A), (d)(9), and (e)(4)	Submit arm's-length transportation contracts for reviews and audits, if ONRR requires. Pay any additional royalties due plus interest, if you have improperly determined a byproduct transportation allowance. Provide written information justifying your transportation costs if ONRR requires you to determine the byproduct transportation allowance. Include a return on capital if the purchase was necessary. Allowable operating and maintenance expenses include any other directly allocable and attributable operating and maintenance expenses that you can document.	AUDIT PROCESS (See Note)		
1206.359 (g)	The lessee may not later elect to change to the other alternative without ONRR approval to compute costs associated with capital investment.	1	1	1
1206.359 (h)(1) and (l)(2)	You must use a straight-line depreciation method based on the life of either equipment or geothermal project. You must amend your prior Form ONRR-2014 reports to reflect actual byproduct transportation cost deductions and pay any additional royalties due plus interest.	Hour burden covered under OMB Control Number 1012-0004.		
1206.360 (a)(1), (a) (2), and (b); 1206.361 (a)(1)	Retain all data relevant to the royalty value, or fee you paid. Show how you calculated then submit all data to ONRR upon request. ONRR may review and audit your data and will direct you to use a different measure, if royalty value, gross proceeds, or fee is inconsistent with subpart.	AUDIT PROCESS (See Note)		
1206.361 (a)(2)	Pay either royalties or fees due plus interest if ONRR directs you to use a different royalty value, measure of gross proceeds, or fee.	Hour burden covered under OMB Control Number 1012-0004.		

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.361 (b), (c), and (d)	ONRR may require you to: increase the gross proceeds to reflect any additional consideration; use another valuation method; provide written information justifying your gross proceeds; demonstrate that your contract is arm's length; and certify that the provisions in your sales contract include all of the consideration the buyer paid you.	AUDIT PROCESS (See Note)		
1206.361 (f)(2)	Write and sign contract revisions or amendments by all parties to the contract.	AUDIT PROCESS (See Note)		
1206.364 (a)(1)	Request a value determination from ONRR in writing.	12	1	12
1206.364 (c)(2)	Make any adjustments in royalty payments, if you owe additional royalties, and pay the royalties owed plus interest after the Assistant Secretary issues a determination.	Hour burden covered under OMB Control Number 1012-0004.		
1206.364 (d)(2)	You may appeal an order requiring you to pay royalty under the determination.	Hour burden covered under OMB Control Number 1012-0006.		
1206.366	State, tribal, or local government lessee must pay a nominal fee, if uses a geothermal resource.	Hour burden covered under OMB Control Number 1012-0004.		
Subpart J—Indian Coal				
1206.456 (b)(1), (b) (3), and (b)(4)	Demonstrate that your contract is arm's-length. Provide written information justifying the reported coal value. And certify that your arm's-length contract provisions include all direct or indirect consideration paid by buyer for the coal production.	AUDIT PROCESS (See Note)		
1206.456 (d)(1); 1206.452 (c); 1206.453	Retain all data relevant to the determination of royalty value to which individual Indian lease coal should be allocated. Report coal quantity information on Form ONRR-4430, Solid Minerals Production and Royalty Report, as required under 30 CFR part 1210.	0.42	48	20
1206.456 (d)(2)	An Indian lessee will make available arm's-length sales and sales quantity data for like-quality coal sold, purchased, or otherwise obtained from the area when requested by an authorized ONRR or Indian representative, or the Inspector General of the Department of the Interior or other persons authorized to receive such information.	AUDIT PROCESS (See Note)		
1206.456 (d)(3)	Notify ONRR by letter identifying the valuation method used and procedure followed. This is a one-time notification due no later than the month the lessee first report royalties on the Form ONRR-4430.	1	1	1

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.456 (f)	Propose a value determination method to ONRR; submit all available data relevant to method; and use that method until ONRR decides.	1	1	1
1206.456 (i)	Write and sign contract revisions or amendments by all parties to an arm's-length contract.	1	1	1
1206.458 (a)(1), (b)(1), (c) (1)(i), (c) (1)(iii), (c) (2)(i), and (c)(2)(iii)	Deduct the reasonable actual coal washing allowance costs incurred under an arm's-length contract, and allowance based upon their reasonable actual costs under a non-arm's-length or no contract, after submitting a completed page one of Form ONRR-4292, Coal Washing Allowance Report, containing the actual costs for the previous reporting period, within 3 months after the end of the calendar year after the initial and for succeeding reporting periods, and report deduction on Form ONRR-4430 for an arm's-length, or a non-arm's-length, or no contract.	2	1	2
1206.458 (a)(3)	Provide written information justifying your washing costs when ONRR determines your washing value unreasonable.	AUDIT PROCESS (See Note)		
1206.458 (b)(2)(iv)	The lessee may not later elect to change to the other alternative without ONRR approval.	1	1	1
1206.458 (b)(2)(iv) (A)	Elect either a straight-line depreciation method based on the life of equipment or reserves, or a unit of production method.	1	1	1
1206.458 (c)(1)(iv) and (c)(2)(vi)	Submit arm's-length washing contracts and all related data used on Form ONRR-4292.	AUDIT PROCESS (See Note)		
1206.461 (a)(1), (b)(1), (c)(1)(i), (c)(1)(iii), (c)(2)(i), and (c)(2)(iii)	Submit a completed page one of Form ONRR-4293, Coal Transportation Allowance Report, of reasonable, actual transportation allowance costs incurred by the lessee for transporting the coal under an arm's-length contract , in which you may claim a transportation allowance retroactively for a period of not more than 3 months prior to the first day of the month that you filed the form with ONRR, unless ONRR approves a longer period upon a showing of good cause by the lessee. Submit also a completed Form ONRR-4293 based upon the lessee's reasonable actual costs under a non-arm's-length or no contract . (Emphasis added.)	2	1	2

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1206.461 (a)(3)	Provide written information justifying your transportation costs when ONRR determines your transportation value unreasonable.	AUDIT PROCESS (See Note)		
1206.461 (b)(2)(iv)	Submit completed Form ONRR-4293 after a lessee has elected to use either method for a transportation system.	1	1	1
1206.461 (b)(2)(iv) (A)	Submit completed Form ONRR-4293 to compute depreciation for election to use either a straight-line depreciation or unit-of-production method.	1	1	1
1206.461 (b)(3)	Submit completed Form ONRR-4293 for exception from the requirement of computing actual costs.	1	1	1
1206.461 (c)(1)(iv) and (c)(2)(vi)	Submit arm's-length transportation contracts, production and operating agreements, and related documents used on Form ONRR-4293.	AUDIT PROCESS (See Note)		
1206.463	Propose the value of coal for royalty purposes to ONRR for an ad valorem Federal coal lease.	1	1	1
1206.464	Notify ONRR if, prior to use, sale or other disposition, you enhance the value of coal.	1	1	1
Part 1210—Forms and Reports Subpart E—Solid Minerals, General				
1210.201 (a)(1); 1206.259 (c)(1)(i), (c)(2), (e) (2); 1206.262 (c)(1), (c) (2)(i), (e) (2); 1206.458 (c)(4), (e) (2); 1206.461 (c)(4), (e) (2)	Submit a completed Form ONRR-4430. Report washing and transportation allowances as a separate line on Form ONRR-4430 for arm's-length, non-arm's-length, or no contract sales, unless ONRR approves a different reporting procedure. Submit also a corrected Form ONRR-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by ONRR.	0.75	1,668	1,251
1210.202 (a)(1) and (c)(1)	Submit sales summaries via electronic mail where possible for all coal and other solid minerals produced from Federal and Indian leases and for any remote storage site.	1	900	900
1210.203 (a)	Submit sales contracts, agreements, and contract amendments for sale of all coal and other solid minerals produced from Federal and Indian leases with ad valorem royalty terms.	1	30	30

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1210.204 (a)(1)	Submit facility data if you operate a wash plant, refining, ore concentration, or other processing facility for any coal, sodium, potassium, metals, or other solid minerals produced from Federal or Indian leases with ad valorem royalty terms.	0.5	130	65
1210.205 (a) and (b)	Submit detailed statements, documents, or other evidence necessary to verify compliance, as requested.	AUDIT PROCESS (See Note)		
Subpart H—Geothermal Resources				
1210.351	Maintain geothermal records on microfilm, microfiche, or other recorded media.	Hour burden covered under OMB Control Number 1012-0004.		
1210.352	Submit additional geothermal information on special forms or reports.	1	1	1
1210.353	Submit completed Form ONRR-2014 monthly once sales or utilization of geothermal production occur.	Hour burden covered under OMB Control Number 1012-0004.		
Part 1212—Records and Forms Maintenance				
Subpart E—Solid Minerals—General				
1212.200 (a)	Maintain all records pertaining to Federal and Indian solid minerals leases for 6 years after records are generated unless the record holder is notified, in writing.	0.25	4,064	1,016
Subpart H—Geothermal Resources				
1212.351 (a) and (b)	Retain accurate and complete records necessary to demonstrate that payments of royalties, rentals, and other amounts due under Federal geothermal leases are in compliance with laws, lease terms, regulations, and orders. Maintain all records pertaining to Federal geothermal leases for 6 years after the records are generated unless the recordholder is notified in writing.	Hour burden covered under OMB Control Numbers 1012-0004 (for Forms ONRR-2014 and ONRR-4054).		
Part 1217—Audits and Inspections				
Subpart E—Coal				
1217.200	Furnish, free of charge, duplicate copies of audit reports that express opinions on such compliance with Federal lease terms relating to Federal royalties as directed by the Director for the Office of Natural Resources Revenue.	AUDIT PROCESS (See Note)		
Subpart F—Other Solid Minerals				
1217.250	Furnish, free of charge, duplicate copies of annual or other audits of your books.	AUDIT PROCESS (See Note)		
Subpart G—Geothermal Resources				

Citation 30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
1217.300	The Secretary, or his/her authorized representative, will initiate and conduct audits or reviews that relate to compliance with applicable regulations.	AUDIT PROCESS (See Note)		
PART 1218—COLLECTION OF MONIES AND PROVISION FOR GEOTHERMAL CREDITS AND INCENTIVES Subpart E—Solid Minerals—General				
1218.201 (b); 1206.457 (b); 1206.460 (d)	You must tender all payments under §1218.51 except for Form ONRR-4430 payments, include both your customer identification and your customer document identification numbers on your payment document, and you shall be liable for any additional royalties, plus interest, if improperly determined a washing or transportation allowance.	0.0055	1,368	8
1218.203 (a) and (b)	Recoup an overpayment on Indian mineral leases through a recoupment on Form ONRR-4430 against the current month's royalties and submit the tribe's written permission to ONRR.	1	1	1
Subpart F—Geothermal Resources				
1218.300; 1218.301; 1218.304; 1218.305 (a)	Submit all rental and deferred bonus payments when due and pay in value all royalties due determined by ONRR. The payor shall tender all payments. Pay the direct use fees in addition to the annual rental due. Pay advanced royalties, under 43 CFR 3212.15(a)(1) to retain your lease, that equal to the average monthly royalty you paid under 30 CFR part 1206, subpart H.	Hour burden covered under OMB Control Number 1012-0004.		
1218.306 (a)(2)	You may receive a credit against royalties if ONRR approves in advance your contract.	4	1	4
1218.306 (b)	Pay in money any royalty amount that is not offset by the credit allowed under this section.	Hour burden covered under OMB Control Number 1012-0004.		
TOTAL BURDEN			9,434	3,884

Note: Audit Process—The Office of Regulatory Affairs determined that the audit process is exempt from the Paperwork Reduction Act of 1995 because ONRR staff asks non-standard questions to resolve exceptions.

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.***

We have identified no “non-hour” cost burdens for 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.

We estimate the annualized cost to the Federal Government is \$240,808 [$\$62 \text{ per hour} \times 3,884 \text{ hours} = \$240,808$].

We estimate approximately 100 respondents annually; each reporter may submit reports from their different operational locations several times each year. Reporters may also submit the required information monthly, annually, and on occasion. We estimate that the total annual reporting burden for industry is 3,884 hours, and that the Federal Government will require 1 hour of a Government accountant’s time for each burden hour for industry to complete all data gathering requirements and to analyze forms ONRR-4430, ONRR-4292, ONRR-4293, and ONRR 4440, occasional notifications, letter proposals, award claim filings, and other related information.

We expect that a Government accountant will perform the work at the United States 2016 General Schedule, Grade 12/Step 5, pay scale for the Denver, Colorado area. We used a multiplier of 1.5 for benefits. We estimate the hourly labor cost is \$62 ($\$41.46 \text{ per hour} \times 1.5 \text{ benefit cost factor} = \62.19 , rounded to \$62).

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

The current OMB-approved inventory is 3,434 annual burden hours. Our current estimate of the burden hours is 3,884, resulting in a total adjustment **increase** of +450 hours.

The annual burden hours for form ONRR-4430 decreased from 2,007 hrs. to 1,557 hrs. due to separating the burden hours for the Sales Summary portion. We created a new form ONRR-4440 to account for its respective burden hours which was considered under the IC for form ONRR-4430.

There is an adjustment increase of +450 burden hours; this adjustment is based on a new requirement to submit sales summary information in form ONRR-4440. The burden hour requirement for 1210.202 (a)(1) and (c)(1) increased from .50 to 1 hour burden, increasing the overall annual burden by +450 hours.

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.

ONRR publishes annually the aggregated production and royalty data, for the benefit of the public, industry, States and Indian Tribes, and other interested parties. ONRR does not release any sensitive, confidential, or proprietary data.

17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

ONRR will display the OMB approval expiration date on Forms ONRR-4430, ONRR-4292, ONRR-4293, and ONRR-4440.

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."