

Supporting Statement A
30 CFR 250, Subpart P, Sulfur Operations
OMB Control Number 1014-0006
Expiration Date: December 31, 2016

Terms of Clearance: None

General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question, "Does this information collection request (ICR) contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

The Outer Continental Shelf (OCS) Lands Act (OCSLA) at 43 U.S.C. 1334 authorizes the Secretary of the Interior to prescribe rules and regulations necessary for the administration of the leasing provisions of that Act related to mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-way, or a right-of-use and easement. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

In addition to the general rulemaking authority of the OCSLA at 43 U.S.C. 1334, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA's provisions. While the majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 108 of FOGRMA, 30 U.S.C. 1718, grants the Secretary broad authority to inspect lease sites for the purpose of determining whether there is compliance with the mineral leasing laws. Section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation or submission of false, inaccurate, or misleading reports, records, or other information. Because the Secretary has delegated some of the authority under FOGRMA to BSEE, 30 U.S.C. 1751 is included as additional authority for these requirements.

This authority and responsibility are among those delegated to BSEE. The regulations at 30 CFR 250, subpart P, concern sulfur operations on the OCS and are the subject of this collection. This request also

covers the related Notices to Lessees and Operators (NTLs) that BSEE issues to clarify, supplement, or provide additional guidance on some aspects of our regulations. Currently, there are no active sulfur lease operations on the OCS. Therefore, this ICR and its relevant hours represent one potential respondent.

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

BSEE uses the information collected under subpart P (see the burden table under A.12 to see what specific information BSEE collects) to:

- ascertain that a discovered sulfur deposit can be classified as capable of production in paying quantities.
- ensure accurate and complete measurement of production to determine the amount of sulfur royalty payments due the United States; and that the sale locations are secure, production has been measured accurately, and appropriate follow-up actions are initiated.
- ensure the adequacy and safety of firefighting systems; the drilling unit is fit for the intended purpose; and the adequacy of casing for anticipated conditions.
- review drilling, well-completion, well-workover diagrams and procedures, as well as production operation procedures to ensure the safety of the proposed sulfur drilling, well-completion, well-workover and proposed production operations.
- monitor environmental data during sulfur operations in offshore areas where such data are not already available to provide a valuable source of information to evaluate the performance of drilling rigs under various weather and ocean conditions. This information is necessary to make reasonable determinations regarding safety of operations and environmental protection.

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

At present, none of the information is submitted using electronic technology due to the fact that there are no active sulfur operations on the OCS. With an active lease in operation, we would expect 50 percent to be submitted electronically.

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

The information collected is unique to each lease, and similar information is not available from other sources. The DOI and other Government agencies have Memoranda of Understanding that defines the

responsibilities of their agencies with respect to activities in the OCS. These are effective in avoiding duplication of regulations and reporting requirements.

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

This collection of information will not have an economic effect on a number of small entities. In general, companies need large technical and financial resources and experience to conduct offshore activities safely. The one company that currently has a sulfur lease is large by the Small Business Administration definition. Therefore, there are no small entities subject to these regulations.

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

If we did not collect the information, BSEE would not be able to carry out the mandate of the OCS Lands Act, as amended, that specifies that “operations in the OCS should be conducted in a safe manner by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstruction to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property, or endanger life or health.” The information concerning drilling, well-completion, and well-workover operations and production is collected only once for each particular activity. The frequency of the IC is determined by the frequency of those operations and not by any specific date.

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

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

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

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

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

Respondents are required in 30 CFR 250.1628(b) and (d) to maintain information concerning approved design and installation features for sulfur production facilities, as well as, safety-system design and installation features for fuel gas systems, for the life of each system. These records must be available for reference when inspections are being conducted to ascertain that the equipment in use is approved and meets the standards for safe production operations.

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

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB;

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

Not applicable in this collection.

(h) requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

BSEE will protect any confidential commercial or proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2); section 26 of OCSLA (43 U.S.C. 1352); 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*; and 30 CFR part 252, *OCS Oil and Gas Information Program*.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and in response to the PRA statement associated with the collection over the past 3 years and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), BSEE provided a 60-day notice in the *Federal Register* on June 3, 2016 (81 FR 35798). Also, 30 CFR 250.199 explains that BSEE will accept comments at any time on the information collection aspects of 30 CFR 250. We display the OMB control number and provide the address for sending comments to BSEE. We received no comments in response to the *Federal Register* notice or unsolicited comments from respondents covered under these regulations.

At present there are no active sulfur operations being conducted offshore. Consequently, there were no respondents to consult with during the comment period. Before we submitted this collection for the last renewal, the BSEE Gulf of Mexico Region had contacted the only respondent at that time to verify the accuracy of the burden estimates for this IC. The estimates in section A.12 continues to reflect input we received then for this renewal.

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

BSEE will not provide payments or gifts to respondents in this collection.

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

BSEE will protect any confidential commercial or proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2); section 26 of OCSLA (43 U.S.C. 1352); 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*; and 30 CFR part 252, *OCS Oil and Gas Information Program*.

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 questions of a sensitive nature.

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

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

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

Potential respondents include Federal OCS sulfur lessees. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information and are based on informal discussions with the listed respondents in Section A.8. Responses are mandatory and are required to obtain/retain benefits. We estimate the total annual burden is 897 hours. Refer to the following table for a breakdown of the burdens.

BURDEN TABLE

Citation 30 CFR 250, Subpart P	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours
1605(b) (3); 1617; 1622(b)	These sections contain references to information, approvals, requests, payments, etc., which are submitted with an APD, the burdens for which are covered under its own information collection.	APD burden covered under 1014-0025.		0
1618(a), (b); 1619(b); 1622(a), (b), (c)	These sections contain references to information, approvals, requests, Payments, etc., which are covered with an APM, the burdens for which are covered under its own information collection.	APM burden covered under 1014-0026.		0

Citation 30 CFR 250, Subpart P	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours
1600; 1617	Submit exploration or development and production plan, under 30 CFR 55, Subpart B.	Burden covered under 1010-0151.		0
1603(a)	Request determination whether sulfur deposit can produce in paying quantities.	1	1 request	1
1604(f)	Check traveling-block safety device for proper operation weekly and after each drill-line slipping; enter results in log.	0.25	1 lessee x 52 weeks x 2 rigs = 104	26
1605(c)	Report oceanographic, meteorological, and drilling unit performance data upon request.	1	1 report	1
1605(d)	Submit results of additional surveys and soil borings upon request.	1	1 submission	1
1605(e)(5)	Request copy of directional survey (by holder of adjoining lease).	1	1 request	1
1605(f)	Submit application for installation of fixed drilling platforms or structures.	Burden covered under 1014-0011.		0
1607	Request establishment, amendment, or cancellation of field rules for drilling, well-completion, or well-workover.	8	2 requests	16
1608(a), (c)	Submit well casing and cementing plan or modification.	5	1 plan	5
1608(b), (c);1629(b) (3); 1600-1634	General departure and/or alternative compliance requests not specifically covered elsewhere in Subpart P.	Burden covered under 1014-0022.		0
1609(a)	Pressure test casing; record time, conditions of testing, and test results in log.	2	1 lease x 60 tests/ records = 60	120
1610(d) (7), (8)	Request exception to ram-type blowout preventer (BOP) system components rated working pressure.	1	1 request	1
1611(b); 1625(b)	Request exception to water-rated working pressure to test ram-type and annular BOPs and choke manifold.	1	1 request	1
1611(d)(3); 1625(d)(3)	Record in driller's report the date, time, and reason for postponing pressure testings.	0.17	1 lessee x 6 recordings = 6	1
1611(f); 1625(f)	Request exception to recording pressure conditions during BOP tests on pressure charts, certify by representatives.	1	1 request	1
1611(f), (g); 1625(f), (g)	Conduct tests, actuations, inspections, maintenance, and crew drills of BOP systems at least weekly; record results in driller's report; certify by representative; retain records for 2 years following completion of drilling activity.	6	1 lessee x 52 weeks = 52	312

Citation 30 CFR 250, Subpart P	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours
1612	Request exception to § 250.462 requirements for well-control	1	1 request	1

Citation 30 CFR 250, Subpart P	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours
	drills.			
1613(d)	Pressure test diverter sealing element/valves weekly; actuate diverter sealing element/valves/ control system every 24 hours; test diverter line for flow every 24 hours; record test times and results in driller's report.	2	1 lessee (daily/ weekly during drilling) x 2 rigs x 52 weeks = 104	208
1615	Request exception to blind-shear ram or pipe rams and inside BOP to secure wells.	1	1 request	1
1616(c)	Retain training records for lessee and drilling contractor personnel.	Burden covered under 1014-0008.		0
1619(a); 1623(c)	Retain records for each well and all well operations for 2 years; calculate well-control fluid volume and post near operators' station.	12	1 lessee	12
1619(b); 1622(c)	Submit form BSEE-0125 (End of Operations Report), and all supporting documentation.	Burden covered under 1014-0018.		0
1619(c), (d), (e)	Submit copies of records, logs, reports, charts, etc., upon request.	1	8 submissions	8
1621	Conduct safety meetings prior to well-completion or well-workover operations; record date and time.	1	1 lessee x 50 meetings/ records = 50	50
1628(b), (d)	Maintain information on approved design and installation features for the life of the facility.	1	1 lessee	1
1628(b), (d)	Submit application for design and installation features of sulfur production facilities and fuel gas safety system; certify new installation conforms to approved design.	4	1 application	4
1629(b)(1) (ii)	Retain pressure-recording charts used to determine operating pressure ranges for 2 years.	12	1 lessee	12
1629(b)(3)	Request approval of firefighting systems; post firefighting system diagram.	4	1 request	4
1630(a)(6)	Notify BSEE of pre-production test and inspection of safety system and commencement of production.	0.5	2 notifications	1
1630(b)	Maintain records for each safety device installed for 2 years; make available for review.	1	1 lessee	1
1631	Conduct safety device training prior to production operations and periodically thereafter; record date and time.	1	1 lessee x 52 train/ records x 2 rigs = 104	104
1633(b)	Submit application for method production measurement.	2	1 application	2
1634(b)	Report evidence of mishandling of produced sulfur or tampering or falsifying any measurement of production.	1	1 report	1
Total Burden			510	897

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

The average respondent cost is \$127/hour (rounded). This cost is broken out in the below table using the Society of Petroleum Engineers (SPE) data dated September 2015. See SPE document/website: <http://www.spe.org/industry/docs/15SalarySurveyHighlights.pdf>

Position	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour/rounded)
Non-Engineering Technical	\$80.54	\$112.76	20%	\$23
HSE Engineer	\$91.81	\$128.53	65%	\$84
Production Engineer	\$94.52	\$132.33	15%	\$20
Weighted Average (\$/hour)				\$127

* A multiplier of 1.4 (as implied by BLS news release USDL 16-1808, September 8, 2016 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$127 per hour, we estimate the hour burden as a dollar equivalent is \$113,919 (\$127 x 897 = \$113,919).

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

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

Not applicable in this collection.

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

Not applicable in this collection.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not

associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices.

There are no non-hour cost burdens associated with this collection.

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

The average government cost is \$64/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the REST OF THE UNITED STATES (<http://www.opm.gov/oca/13tables/>).

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.6 x \$/hour)*	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$19.01	\$30.42	5%	\$1.52
Petroleum Engineer	GS-13/5	\$40.10	\$64.16	80%	\$51.33
Supv. Petroleum Engineer	GS-14/5	\$47.39	\$75.82	15%	\$11.37
Weighted Average (\$/hour)					\$64

* A multiplier of 1.6 (as implied by BLS news release USDL 16-1808, September 8, 2016 (see <http://www.bls.gov/news.release/ecec.nr0.htm>) was added for benefits.

To analyze and review the information respondents submit for Subpart P, the government will spend an average of approximately 1 hour for each hour spent by respondents. The total estimated government time is 897 hours. Based on a cost factor of \$64 per hour, the total annual estimated burden on the government is \$57,408 (897 burden hours x 1 hour = 897 hours x \$64 = \$57,408).

15. Explain the reasons for any program changes or adjustment.

The current OMB inventory for this collection is 903 burden hours. In this submission, we are requesting a total of 897 burden hours. This represents a program change decrease of 6 burden hours; and is due to splitting out the Application for Permits to Drill (APDs) into its own collection (1014-0025)(-4 hours) and removing the General Departure and/or alternative Compliance requests associated with Subpart P into its own collection (1014-0022)(-2 hours). There are no active sulfur leases in operation on the OCS at this time.

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

BSEE will not tabulate or publish the data.

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

There are no forms in this information collection request; however, BSEE displays the OMB control number at § 250.199.

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

We are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”