

Supporting Statement A

Measurement of Oil (43 CFR Parts 3160 and 3170)

OMB Control Number 1004-0209

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

General Instructions

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

Specific Instructions

Justification

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

The Bureau of Land Management (BLM) is finalizing a rule to replace Onshore Oil and Gas Order Number 4, Measurement of Oil (Order 4) with new regulations that will be codified in the Code of Federal Regulations (CFR). The rule establishes minimum standards for the measurement of oil produced from Federal and Indian (except Osage Tribe) leases.

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

- Allotted Mineral Leasing Act, 25 U.S.C. 396;
- Indian Mineral Leasing Act, 25 U.S.C. 396a et seq.;
- Indian Mineral Development Act, 25 U.S.C. 2101 et seq.;
- Mineral Leasing Act, 30 U.S.C. 181 et seq.;
- Mineral Leasing Act for Acquired Lands, 30 U.S.C. 351 et seq.;
- Federal Oil and Gas Royalty Management Act, 30 U.S.C. 1701 et seq.; and
- Federal Land Policy and Management Act, 43 U.S.C. 1701 et seq.

- 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.

Some of the activities in this rule will be one-time-only because they apply only to equipment in operation before the effective date of the final rule. For some other activities, there will be both an annual burden for some respondents, and a one-time burden for virtually all respondents in the initial implementation. Finally, some of the information collection activities apply only annually.

Request for Exception to Uncertainty Requirements (43 CFR 3174.4(a)(2)) One-Time; and Request for Exception to Uncertainty Requirements (43 CFR 3174.4(a)(2)) Annual

The final rule, at 43 CFR 3174.4(a), requires each Facility Measurement Point (FMP) to achieve certain overall uncertainty levels. An operator may seek an exception to the prescribed uncertainty levels by submitting a request for BLM State Director approval. The operator must show that meeting the required uncertainty level would involve extraordinary cost or unacceptable adverse environmental effects. The State Director may grant such a request only with written concurrence of the BLM Director.

Documentation of Tank Calibration Table Strapping (43 CFR 3174.5(c)(3)) Annual

Section 3174.5(c)(3) requires submission of tank calibration tables to the BLM within 45 days after calibration. This provision ensures that BLM personnel will have the latest charts when conducting inspections or audits.

Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment (43 CFR 3174.6(b)(5)(ii)(A)) One-Time ; and Log of ATG Verification Annual (43 CFR 3174.6(b)(5)(ii)(C))Annual

The procedures for oil measurement by tank gauging must comply with the requirements outlined in 43 CFR 3174.6. Beginning two years after the effective date of these regulations, only the specific makes and models of automatic tank gauging (ATG) that are identified and described at <http://www.blm.gov> are approved for use, unless the BLM approves an alternative means of oil measurement under 43 CFR 3174.13

The “documentation of testing” provision authorizes operators or manufacturers to conduct tests and submit the results in support of a request under section 3174.13.

The “logging” provision requires an operator to inspect its ATG equipment and verify its accuracy to within $\pm 1/4$ inch of a manual gauge at least once a month, or prior to sales, whichever is later. In addition, the BLM may request inspection and verification at any time.

If the operator finds an ATG to be out of tolerance, the operator must calibrate the ATG prior to sales, and must maintain a log of field verifications. That operator must make the log available

to the BLM upon request. The log must include the following information

- The date of verification;
- The as-found manual gauge readings;
- The as-found ATG readings; and
- Whether the ATG was field-calibrated.

If the ATG was field-calibrated, the as-left manual gauge readings and as-left ATG readings must be recorded. This information collection activity enables the BLM to ensure the accuracy of tank gauging by ATGs.

Notification of LACT System Failure (43 CFR 3174.7(e)(1)) Annual

Section 3174.7(e)(1) requires the operator to notify the BLM within 72 hours upon discovery of any lease automatic custody transfer (LACT) system failures or equipment malfunctions which may have resulted in measurement error. As defined at proposed section 3174.1, a LACT system consists of components designed to provide for the unattended custody transfer of oil produced from a lease, unit Participating Area (PA), or Communitized Area (CA) to the transporting carrier while providing a proper and accurate means for determining the net standard volume and quality, and fail-safe and tamper-proof operations. This information collection requirement enables the BLM to verify that operators account for all oil volumes.

Positive Displacement (PD) Meters and Coriolis Meters

Section 3174.8(a)(1) requires each custody transfer meter to be a positive displacement (PD) meter or a Coriolis meter. Beginning two years after the effective date of these regulations, only the specific makes, models, and sizes of PD meters and Coriolis meters and associated software that are identified and described at <http://www.blm.gov> are approved for use. The following information-collection provisions authorize operators or manufacturers to conduct tests and submit the results in support of a request under section 3174.13.

- a. Documentation of Testing for Approval of a Positive Displacement (PD) Meter (43 CFR 3174.8(a)(1)) One-Time;***
- b. Documentation of Testing for Approval of a Positive Displacement (PD) Meter (43 CFR 3174.8(a)(1)) Annual;***
- c. Documentation of Testing for Approval of a Coriolis Meter (43 CFR 3174.9(b)) One-Time; and***
- d. Documentation of Testing for Approval of a Coriolis Meter (43 CFR 3174.9(b)) Annual***

Documentation of Coriolis Meter Specifications and Zero Verification Procedure (43 CFR 3174.10(b)(2) and (d)) Annual;
Zero Verification Log (43 CFR 3174.10(b)(2) and (e)(4)) Annual; and
Audit Trail Requirements for Coriolis Measurement System (CMS) (43 CFR 3174.10(b)(2))

and (f) Annual

Section 3174.10(b)(2) requires the operator to submit Coriolis meter specifications to the BLM upon request. The meter specifications of a Coriolis meter must clearly identify the make and model of the Coriolis meter to which they apply and must include the following:

- The reference accuracy for both mass flow rate and density, stated in either percent of reading, percent of full scale, or units of measure;
- The effect of changes in temperature and pressure on both mass flow and fluid density readings;
- The stability of the zero reading for volumetric flow rate;
- Design limits for flow rate and pressure; and
- Pressure drop through the meter as a function of flow rate and fluid viscosity.

Section 3174.10(d) requires the operator to provide the BLM with a copy of the zero value verification procedure upon request.

Section 3174.10(e)(4) requires the operator to maintain a log of all meter factors, zero verifications, and zero adjustments. For zero adjustments, the log must include the zero value before adjustment and the zero value after adjustment. The log must be made available to the BLM upon request.

Section 3174.10(f) requires the operator to record and retain, and submit to the BLM upon request, the following information:

- Quantity transaction record (QTR) in accordance with the requirements for a measurement ticket (at 43 CFR 3174.12(b));
- Configuration log that contains and identifies all constant flow parameters used in generating the QTR;
- Event log of sufficient capacity to record all events such that the operator can retain the information under the recordkeeping requirements of 43 CFR 3170.7; and
- Alarm log that records the type and duration of any of the following alarm conditions:
 - Density deviations from acceptable parameters; and
 - Instances in which the flow rate exceeded the manufacturer's maximum recommended flow rate or were below the manufacturer's minimum recommended flow rate.

These information collection activities assist the BLM in ensuring real-time, on-line measurement of oil.

Onsite Display Requirements (43 CFR 3174.10(e)) Annual

Section 3174.10(e) requires a Coriolis meter to display the following specified values and corresponding units without using data collection units, laptop computers, or any special

equipment:

- The instantaneous density of liquid;
- The instantaneous indicated volumetric flow rate through the meter;
- The meter factor;
- The instantaneous pressure;
- The instantaneous temperature;
- The cumulative gross standard volume through the meter; and
- The previous day's gross standard volume through the meter.

This information collection activity assists the BLM in using a Coriolis meter onsite to verify amounts of oil produced.

Meter Prover Calibration Documentation (43 CFR 3174.11(b)) Annual

Section 3174.11 (b) requires that the meter prover used to determine the meter factor has a valid certificate of calibration available for review by the BLM on site. The certificate must show that the prover, identified by serial number assigned to and inscribed on the prover, was calibrated in accordance with the standards listed at section 3174.11.

***Meter Proving and Volume Adjustments Notification (43 CFR 3174.11(i)(1)) Annual; and
Meter Proving Reports (43 CFR 3174.11(i)(3)) Annual***

Section 3174.11 specifies the minimum requirements for conducting volumetric meter proving for all facility measurement point (FMP) meters. Meter proving verifies the accuracy of a meter.

Under 43 CFR 3174.11(i)(1), an operator must report to the BLM all meter-proving and volume adjustments after any LACT system or CMS malfunction. The operator must use the appropriate form in API 12.2.3 or API 5.6 (both incorporated by reference at 43 CFR 3174.3), or use a similar format showing the same information as the API form, provided that the calculation of meter factors maintains the proper calculation sequence and rounding.

A meter-proving report must show the:

- Unique meter ID number;
- Lease number, CA number, or unit PA number;
- The temperature from the test thermometer and the temperature from the temperature averager or temperature transducer;
- For pressure transducers, the pressure applied by the pressure test device and the pressure reading from the pressure transducer at the three points required under paragraph (g)(3) of this section;
- For density verification (if applicable), the instantaneous flowing density (as determined by Coriolis meter), and the independent density measurement, as compared under 43

- CFR 3174.(h); and
- The “as left” fluid flow rate and fluid pressure, if the back-pressure valve is adjusted after proving as described in 43 CFR 3174.11(c)(9).

Under section 3174.11(i)(3), the operator must submit the meter-proving report to the BLM no later than 14 days after the meter proving. The proving report may be either in a hard copy or electronic format. This information collection activity assists the BLM in verifying the accuracy of volumetric meter proving.

***Tank Gauging Run Tickets (43 CFR 3174.12(a)); and
LACT or CMS Run Tickets (43 CFR 3174.12(b))***

A run ticket is the evidence of receipt or delivery of oil issued by a pipeline, other carrier, or purchaser. The amount of oil transferred from storage is recorded on a run ticket. The amount of payment for oil is based upon information contained in the run ticket. Both of these information-collection activities are authorized by control number 1004-0137, and need no further analysis in this request.

***Request to Use Alternative Oil Measurement System (43 CFR 3174.13) One-Time; and
Request to Use Alternate Oil Measurement System (43 CFR 3174.13) Annual***

Section 3174.13 requires prior BLM approval for any method of oil measurement other than tank gauging, LACT system, or CMS at an FMP. Any operator requesting approval to use alternate oil measurement equipment must submit to the BLM:

- Performance data;
- Actual field test results;
- Laboratory test data; or
- Any other supporting data or evidence that demonstrates that the proposed alternate oil measurement equipment would meet or exceed the objectives of the applicable minimum requirements at 43 CFR subpart 3174 and would not affect royalty income or production accountability.

The specific burdens of documenting testing in support of requests for approval of alternative oil measurement systems are disclosed under the following headings:

- Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment (43 CFR 3174.6(b)(5)(ii)(A)) One-Time ;
- Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment (43 CFR 3174.6(b)(5)(ii)(A)) Annual;
- Documentation of Testing for Approval of a Positive Displacement (PD) Meter (43 CFR 3174.8(a)(1)) One-Time;
- Documentation of Testing for Approval of a Positive Displacement (PD) Meter (43 CFR 3174.8(a)(1)) Annual;

- Documentation of Testing for Approval of a Coriolis Meter (43 CFR 3174.9(b)) One-Time; and
- Documentation of Testing for Approval of a Coriolis Meter (43 CFR 3174.9(b)) Annual

The PMT will review and make recommendations in response to requests to use alternate oil measurement equipment. This information collection activity enables the BLM to consider approving new technologies not yet addressed in its regulations.

Approval for Slop or Waste Oil (43 CFR 3174.14) Annual

When production cannot be measured due to spillage or leakage, the amount of production must be determined by using any method the BLM approves or prescribes. This category of production includes, but is not limited to, oil that is classified as slop oil or waste oil.

No oil may be classified or disposed of as waste oil unless the operator can demonstrate to the satisfaction of the BLM that it is not economically feasible to put the oil into marketable condition.

The operator may not sell or otherwise dispose of slop oil without prior written approval from the BLM. Following the sale or disposal of slop oil, the operator must notify the BLM in writing of the volume sold or disposed of and the method used to compute the volume. This information collection activity enables the BLM to determine whether or not to approve the sale or disposal of slop or waste oil.

- 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.**

Section 3174.5(c)(3) allows the submission of tank tables in paper or electronic format.

Section 3174.11(i)(3) allows the submission of proving reports in hard copy or electronic format.

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

No duplication of information occurs in the information to be collected. The information is unique to each respondent and lease and is not available from any other data source. No similar information is available or able to be modified.

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

A preponderance of firms involved in developing oil and gas resources are small entities as defined by the Small Business Administration. All respondents, regardless of size, are required to comply with the proposed information collection requirements. The information we require from all respondents is limited to the minimum necessary to ensure accurate oil measurement.

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, or collected it less frequently, oil and gas leasing activities and operations could not occur on Federal or Indian trust leases in compliance with pertinent statutes.

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

- * **requiring respondents to report information to the agency more often than quarterly;**
- * **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- * **requiring respondents to submit more than an original and two copies of any document;**
- * **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- * **in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- * **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- * **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- * **requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize

public comments received in response to that notice and in response to the PRA statement associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

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

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

The preamble to the proposed rule solicited public comments on the information collection. All comments – both those pertaining to information collection and other comments -- are addressed in the final rule. Due to the large number of public comments, the specific comments may be obtained by entering “RIN 1004-AE16” in the Search function at <https://www.regulations.gov/searchResults?rpp=25&po=0&s=RIN%2B1004-AE16&fp=true&ns=true>, and then clicking on “Open Docket Folder.”

Documentation of Tank Calibration Table Strapping (43 CFR 3174.5(c)(3))

As proposed, section 3174.5(c)(3) would have required operators to submit sales tank calibration charts (tank tables) to the BLM within 30 days after calibration. The BLM received several comments on this provision. A few commenters recommended extending the 30-day time period to 45 days to allow for more coordination time between transporter and operator. After considering these comments, the BLM agrees that transporters and operators may need more time to submit the tank tables to the BLM. As a result of these comments, the final rule now requires that tank tables must be submitted to the AO within 45 days after calibration. Tank tables may be in paper or electronic format.

A couple of commenters said this requirement is another example of the BLM getting into the day-to-day operations of industry. They said there is absolutely no reason for the BLM to have these charts, that they serve no purpose, suggested that this requirement is excessively prescriptive, and they asked the BLM to justify the need for the charts. Oil tanks are constructed to API standards and have a common, industry-wide standard strapping chart, the commenters said, and these tanks are not proven once installed.

The BLM disagrees with these comments, as the tank calibration charts (tank tables) are in fact unique for each tank, and therefore there should not be a common, industry-wide standard

strapping chart in use where tank gauging is the method of measurement at an FMP. The BLM has a long history of using the tank tables on a daily basis for production verification efforts, such as during production inspections and records-analysis audits. No changes were made to the final rule as a result of these comments.

Notification of LACT System Failure (43 CFR 3174.7(e)(1))

All components of a LACT system must be accessible for inspection by the BLM, and that the BLM be notified of all LACT system failures that may have resulted in measurement error. Numerous commenters stated that the term “notify” in 43 CFR 3174.7(e)(1) was ambiguous and requested that the BLM define what forms of notification are acceptable and the time frame for notifying the AO. The BLM agrees that this term needs to be defined and has defined “notify” to mean “to contact by any method, including but not limited to electronically (email), in-person, by telephone, by Form 3160-5 (Sundry Notice), letter, or Incident of Noncompliance.” This definition has been added to the definitions listed in 43 CFR 3170.3, part of the rulemaking that is replacing Order 3.

Numerous commenters stated that the 24-hour time frame in proposed paragraph (e)(1) regarding notifying the BLM of LACT system failure was: (i) Impractical, (ii) Too restrictive; (iii) Potentially unnecessary if the failure was small (less than 0.05 percent); (iv) Unlikely to significantly affect the net oil volume; (v) Too expensive for operators to implement because additional monitoring equipment would be required; and (vi) Would require speculation on the part of the operators as to when a malfunction occurred when no one was present at the time of the malfunction. Most commenters suggested requiring reporting within 7 days after discovery.

The BLM agrees in part, and paragraph (e)(1) of the final rule now requires notification within 72 hours after discovery. This time frame will ensure that the BLM is able to verify that all oil volumes are properly derived and accounted for, and verify any alternative measurement method, meter repairs, or meter provings within a reasonable time frame without placing unnecessary burdens on the operator. Requiring notification within 72 hours will allow operators to deal with urgent situations while still being able to timely notify the BLM.

Audit Trail Requirements for Coriolis Measurement System (43 CFR 3174.10(b)(2) and (f))

One commenter recommended that the BLM remove the requirement for maintaining and submitting to the BLM upon request the Coriolis meter specifications found in § 3174.10(b). The commenter said this requirement is not necessary for uncertainty-based measurement limits. The BLM disagrees. In order for the BLM to conduct a complete inspection of the CMS, it is necessary that all information required by this section be available to ensure that the Coriolis meter is operating within its design parameters, on which the uncertainty for the meter is based. No change in the final rule was made as a result of this comment.

Section 3174.10(f) requires that audit trail information listed in § 3174.10(f)(1) through (f)(4) be retained for the time period required in § 3170.7, which is part of the rulemaking to replace

Order 3. One commenter said that the requirements in § 3174.10(f)(2) and (f)(4) may force operators to add a flow computer to a Coriolis LACT, which exceed the requirements of a PD LACT. This comment does not make sense because a Coriolis meter almost always has a flow computer. If an operator chooses to configure a Coriolis meter in a LACT without utilizing a flow computer, and display only a totalizer reading, then the requirements of § § 3174.10(f)(2) and (f)(4) would not apply. No change resulted from this comment.

Onsite Data Display Requirements (43 CFR 3174.10(e))

The BLM received several comments stating that the requirement for a log to be maintained onsite containing the meter factor, zero verification, and zero adjustments is not practical. Because this information will not need to be readily available onsite for the BLM to complete an inspection, the BLM agrees with the commenters and has changed the final rule in § 3174.10(e) (4) to require that the log containing the meter factor, zero verification, and zero adjustments must be made available upon request.

One commenter stated that the requirement in paragraph (e)(2) for the meter to display the instantaneous pressure has no valid use. The BLM disagrees with this statement as this information is needed as part of routine inspections conducted by the AO to verify the flowing volume in a meter. No changes were made as a result of this comment.

Another commenter said that some Coriolis meters do not have the ability to display the density in pounds per barrel as originally required by the proposed rule. After contacting Coriolis system manufacturers, the BLM has confirmed that not all Coriolis meters have the ability to display this particular unit of measurement. Therefore, as a result of this comment, the requirement to display the density in pounds per barrel has been removed and other units of measurement (pounds per gallon or degrees API) have been added in § 3174.10(e)(2)(i).

One commenter said that daily volume totals may not be available for display. The BLM contacted manufacturers and confirmed that Coriolis meters are capable of displaying daily volume totals. As a result, there was no change in the final rule as a result of this comment.

General Comments on 43 CFR 3174.11

In addition to the comments on specific provisions above, the BLM received a few general comments on § 3174.11 that are relevant to information-collection activities. One commenter said the new regulations would impact marginal-producing wells and may force a premature abandonment of wells and a loss of public hydrocarbon resources. The commenter proposed that marginal and/or existing wells be exempt from both subpart 3174 and subpart 3175. The BLM disagrees that these regulations will force operators to abandon marginal wells. If an operator believes these regulations will force it to abandon a marginal well, that operator can obtain a variance from the regulations under § 3170.6, which is part of the rulemaking that is replacing Order 3. The BLM made no change to the final rule in response to this comment.

Request to Use Alternate Oil Measurement System (43 CFR 3174.13)

Section 3174.13 requires prior approval from the BLM national office before using an alternate oil measurement system. One commenter suggested that field-office staff is often in a better position than national office staff to collaborate with operators on pilot projects intended to prove alternative measurement methods. The BLM disagrees. Field-office staffs typically do not have the necessary time and measurement expertise to conduct a complete analysis for approval of new technology. This rule includes a process for the BLM – through the PMT – to assess new technology and approve it when appropriate. Additionally, this rule responds in part to concern on the part of the United States Government Accountability Office ; the Department of the Interior’s Office of the Inspector General (OIG); and the Secretary’s Royalty Policy Committee, Subcommittee on Royalty Management that the BLM lacked uniform national standards governing measurement. Leaving decisions about new equipment to field office staff would not address that concern.

Several commenters wanted to know what they will have to do to get equipment approved for use through the PMT and included on the BLM website. One commenter objected to any requirement that operators pay for third-party testing of equipment in order to receive approval by the PMT. Upon reviewing the rule and careful consideration of this comment, the BLM re-evaluated the approval process for equipment and transducers that will be listed on the BLM website and changed the rule to clarify that an operator requesting approval must submit performance data, actual field test results, laboratory test data, or any other supporting data or evidence that demonstrates that the proposed equipment will meet or exceed this rule’s objectives. The final rule is revised by adding in § 3174.2(g) to explain how operators and manufacturers can obtain BLM approval for ATG equipment and specific meters, including approval of a particular make, model, and size, by submitting test data used to develop performance specifications to the PMT for review. Neither the proposed nor the final rule requires operators to pay for third parties to test equipment in order to receive PMT approval. However, should the submitted data fail to demonstrate to the PMT that the proposed equipment will meet or exceed this rule’s objectives, the BLM may require additional testing before it grants approval.

One commenter objected to the creation of the PMT, claiming it will stifle innovation, not provide timely reviews, and discourage development of new technology by increasing “red tape.” The BLM disagrees and in fact believes the PMT will increase the utilization of new technology and expedite new approvals. The BLM believes that once the PMT is fully staffed, reviews could take 30 to 60 days, assuming that operators and manufacturers have performed the proper testing and that all pertinent data is submitted to the PMT. Once the PMT reviews the data and makes a recommendation, and the BLM approves a piece of equipment, it is approved for use across the country on all Federal and Indian onshore leases and no further approvals are required. This is not the case for the current variance process, which requires approval by each field office for each instance such equipment is proposed for use, resulting in a duplicative approval process with inconsistent results.

This commenter also said the BLM, the public, and industry would benefit from allowing companies to determine how they will meet the requirements of the regulation once it is in place, without the agency determining what equipment it will allow to fulfill the requirements of its regulation. The BLM agrees that a company should have the flexibility to determine how to best satisfy the performance requirements of the rule, but disagrees that the BLM should not be evaluating and approving equipment. The BLM has an affirmative obligation to determine that measurements on Federal oil and gas leases are meeting the applicable performance and verifiability standards. The final rule provides flexibility by including provisions that allow for variances for alternatives that meet or exceed the minimum requirements of the regulations and by including the PMT approval process in the rules to evaluate and approve new technology and measurement methods. The BLM believes that the final rule has already addressed the intent of this comment--to allow flexibility in measurement approaches. No change to the rule resulted from this comment.

One commenter suggested that the BLM should list approved technology and not specific makes and models of equipment. The BLM partly agrees with the commenter, in that the PMT will be evaluating new technology and the list will include new technology as it is approved, but it will be approved and listed by make and model of the specific equipment based on the performance data. The BLM believes that there will always be manufacturing control and software differences that affect individual meter performance between competing manufacturers and these differences need to be captured in the uncertainty calculator. No changes to the rule resulted from these comments.

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

We do not provide payments or gifts to the respondents.

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

The regulations provide no assurance of confidentiality to respondents.

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

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

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

- * **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- * **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
- * **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

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

Table 12-1
Estimated Weighted Average Hourly Costs

| A. Position and Occupation Code | B. Mean Hourly Pay Rate | C. Hourly Rate with Benefits (Column B x 1.4) | D. Percent of Collection Time Completed by Each Occupation | E. Weighted Average Hourly Costs (Column C x Column D) |
|----------------------------------------------------|----------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| General Office Clerk (43-9061) | \$15.33 | \$21.46 | 10% | \$2.15 |
| Engineer (17-2199) | \$47.19 | \$66.07 | 80% | \$52.85 |
| Engineering Manager (11-9041) | \$68.10 | \$95.34 | 10% | \$9.53 |
| Totals | | | 100% | \$64.53 |

Hour and cost burdens to respondents include time spent for compiling and preparing information. The weighted average hourly wage associated with these information collections is shown at Table 12-1, above. The frequency of response for each of the information collections is “on occasion.”

Table 12-2 itemizes the estimated hour and cost burdens for the proposed information collection activities.

Table 12-2
Estimated Hour Burdens

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$64.53) |
|-----------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|-------------------------------|------------------------------------------------------------------|
| Request for Exception to Uncertainty Requirements 43 CFR 3174.4(a)(2) One-Time | 5 | 40 | 200 | \$12,906 |

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$64.53) |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------------|----------------------------------------------------------|
| Request for Exception to Uncertainty Requirements 43 CFR 3174.4(a)(2) Annual | 2 | 40 | 80 | \$5,162 |
| Documentation of Tank Calibration Table Strapping 43 CFR 3174.5(c)(3) Annual | 10,000 | .25 | 2,500 | \$161,325 |
| Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment 43 CFR 3174.6(b)(5)(ii)(A) One-Time | 5 | 80 | 400 | \$25,812 |
| Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment 43 CFR 3174.6(b)(5)(ii)(A) Annual | 1 | 80 | 80 | \$5,162 |
| Log of ATG Verification 43 CFR 3174.6(b)(5)(ii)(C) Annual | 18 | 0.1 | 2 | \$129 |
| Notification of LACT System Failure 43 CFR 3174.7(e)(1) Annual | 100 | 0.25 | 25 | \$1,613 |
| Documentation of Testing for Approval of a Positive Displacement (PD) Meter 43 CFR 3174.8(a)(1) One-Time | 10 | 80 | 800 | \$51,624 |
| Documentation of Testing for Approval of a Positive Displacement (PD) Meter 43 CFR 3174.8(a)(1) Annual | 1 | 80 | 80 | \$5,162 |
| Documentation of Testing for Approval of a Coriolis Meter 43 CFR 3174.9(b) One Time | 10 | 80 | 800 | \$51,624 |

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$64.53) |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|-------------------------------|------------------------------------------------------------------|
| Documentation of Testing for Approval of a Coriolis Meter 43 CFR 3174.9(b) Annual | 1 | 80 | 80 | \$5,162 |
| Documentation of Coriolis Meter Specifications and Zero Verification Procedure 43 CFR 3174.10(b)(2) and (d) Annual | 100 | 0.1 | 10 | \$645 |
| Zero Verification Log 43 CFR 3174.10(b)(2) and (e)(4) Annual | 100 | 0.1 | 10 | \$645 |
| Audit Trail Requirements for Coriolis Measurement System (CMS) 43 CFR 3174.10(b)(2) and (f) Annual | 500 | 0.25 | 125 | \$8,066 |
| Onsite Data Display Requirements 43 CFR 3174.10(e) Annual | 500 | 0.1 | 50 | \$3,227 |
| Meter Prover Calibration Documentation 43 CFR 3174.11(b) Annual | 150 | 0.5 | 75 | \$4,840 |
| Meter Proving and Volume Adjustments Notification 43 CFR 3174.11(i)(1) Annual | 60 | 0.1 | 6 | \$387 |
| Meter Proving Reports 43 CFR 3174.11(i)(3) Annual | 123 | 0.25 | 31 | \$2,000 |
| Request to Use Alternate Oil Measurement System 43 CFR 3174.13 One Time | 5 | 80 | 400 | \$25,812 |
| Request to Use Alternate Oil Measurement System 43 CFR 3174.13 Annual | 1 | 80 | 80 | \$5,162 |

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$64.53) |
|------------------------------------------------------------|---------------------------|--------------------------|-------------------|-------------------------------------------------|
| Approval for Slop or Waste Oil 43 CFR 3174.14 Annual | 50 | 1 | 50 | \$3,227 |
| Totals | 11,742 | — | 5,884 | \$379,692 |

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.

The BLM estimates \$5,580,305 in non-hour costs for gathering of information. Testing, calibration, verification, and meter proving activities are involved. No filing fees are associated with the proposed rule.

The costs are itemized below in Table 13.

Table 13
Estimates of Non-Hour Cost Burdens

| A. Type of Response | B. Description of Non-Hour Cost Burden | C. Number of Actions | D. Cost per Action | E. Total Cost |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|--------------------------|
| Documentation of Tank Calibration Table Strapping 43 CFR 3174.5(c)(3) Annual | Strapping of 10,000 tanks to acquire tank measurements for calculating tank calibration tables (\$400 per tank) | 10,000 | \$400 | \$4,000,000 |
| Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment 43 CFR 3174.6(b)(5)(ii)(A) One-Time | Testing of 5 ATG equipment makes and models at a qualified test facility (\$40,000 per test) | 5 | \$40,000 | \$200,000 |
| Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment 43 CFR 3174.6(b)(5)(ii)(A) Annual | Testing of 1 ATG equipment make and model at a qualified test facility (\$40,000 per test) | 1 | \$40,000 | \$40,000 |
| Log of ATG Verification 43 CFR 3174.6(b)(5)(ii)(C) Annual | Perform 18 ATG verification procedures | 18 | \$22.50 | \$405 |
| Documentation of Testing for Approval of a Positive Displacement (PD) Meter 43 CFR 3174.8(a)(1) One-Time | Testing of 10 Positive Displacement (PD) Meter makes and models at a qualified test facility (\$40,000 per test) | 10 | \$40,000 | \$400,000 |
| Documentation of Testing for Approval of a Positive Displacement (PD) Meter 43 CFR 3174.8(a)(1) Annual | Testing of 1 Positive Displacement (PD) Meter make and model at a qualified test facility (\$40,000 per test) | 1 | \$40,000 | \$40,000 |
| Documentation of Testing for Approval of a Coriolis Meter 43 CFR 3174.9(b) One Time | Testing of 10 Coriolis Meter makes and models at a qualified test facility (\$40,000 per test) | 10 | \$40,000 | \$400,000 |

| A. Type of Response | B. Description of Non-Hour Cost Burden | C. Number of Actions | D. Cost per Action | E. Total Cost |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------|------------------|
| Documentation of Testing for Approval of a Coriolis Meter 43 CFR 3174.9(b) Annual | Testing of 1 Coriolis Meter make and model at a qualified test facility (\$40,000 per test) | 1 | \$40,000 | \$40,000 |
| Documentation of Coriolis Meter Specifications and Zero Verification Procedure 43 CFR 3174.10(b)(2) and (d) Annual | Perform 100 zero verification procedures | 100 | \$22.50 | \$2,250 |
| Meter Prover Calibration Documentation 43 CFR 3174.11(b) Annual | Perform 150 calibrations of meter prover (\$1000 per calibration) | 150 | \$1,000 | \$150,000 |
| Meter Proving Reports 43 CFR 3174.11(i)(3) Annual | Perform 123 meter proving operations (\$550 per proving) | 123 | \$550 | \$67,650 |
| Testing of Alternate Oil Measurement System 43 CFR 3174.13 One Time | Testing of 5 alternative measurement system make and model at a qualified test facility (\$40,000 per test) | 5 | \$40,000 | \$200,000 |
| Testing of Alternate Oil Measurement System 43 CFR 3174.13 Annual | Testing of 1 alternative measurement system make and model at a qualified test facility (\$40,000 per test) | 1 | \$40,000 | \$40,000 |
| Total Cost | — | — | — | \$5,580,305.00 |

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.

Table 14-1 shows the BLM’s estimate of the hourly cost burdens to the Federal government. The hourly pay rates (Column B) are based on U.S. Office of Personnel Management data for:

- The “Rest of the U.S.” at http://www.opm.gov/policy-data-oversight/pay-leave/ssalaries-wages/salary-wages/salary-tables/pdf/2016/RUS_h.pdf; and

- Metropolitan areas (for example, Denver and Las Vegas) where BLM employees will process information collected in accordance with this rule.

The resulting adjusted hourly pay rates reflect an average (i.e., 15.79 percent) of two upward adjustments to the base pay rate for federal employees – 14.35 percent for the “Rest of the U.S.” and 17.23 percent for Federal employees in certain metropolitan areas.

The benefits multiplier of 1.6 is implied by information at:
<http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 14-1
 Estimated Weighted Average Federal Hourly Costs**

| A. Position and Pay Grade | B. Hourly Pay Rate | C. Hourly Rate with Benefits (Column B x 1.6) | D. Percent of the Information Collection Completed by Each Occupation | F. Weighted Average Hourly Costs (Column C x Column D) |
|------------------------------------------|-----------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Clerical GS-5, step 5 | \$17.77 | \$28.44 | 10% | \$2.84 |
| Professional GS-9, step 5 | \$26.92 | \$43.07 | 80% | \$34.46 |
| Managerial GS-13, step 5 | \$46.43 | \$74.29 | 10% | \$7.43 |
| Totals | | | 100% | \$44.73 |

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

**Table 14-2
 Estimated Federal Hour Burdens**

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$44.73) |
|-----------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-------------------------------|------------------------------------------------------------------|
| Request for Exception to Uncertainty Requirements 43 CFR 3174.4(a)(2) One-Time | 5 | 40 | 200 | \$8,946 |

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$44.73) |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-------------------------------|------------------------------------------------------------------|
| Request for Exception to Uncertainty Requirements 43 CFR 3174.4(a)(2) Annual | 2 | 40 | 80 | \$3,578 |
| Documentation of Tank Calibration Table Strapping 43 CFR 3174.5(c)(3) Annual | 10,000 | 0.5 | 5000 | \$223,650 |
| Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment 43 CFR 3174.6(b)(5)(ii)(A) One-Time | 5 | 120 | 600 | \$26,838 |
| Documentation of Testing for Approval of Automatic Tank Gauging (ATG) Equipment 43 CFR 3174.6(b)(5)(ii)(A) Annual | 1 | 120 | 120 | \$5,368 |
| Log of ATG Verification 43 CFR 3174.6(b)(5)(ii)(C) Annual | 18 | 1 | 18 | \$805 |
| Notification of LACT System Failure 43 CFR 3174.7(e)(1) Annual | 100 | 1 | 100 | \$4,473 |
| Documentation of Testing for Approval of a Positive Displacement (PD) Meter 43 CFR 3174.8(a)(1) One-Time | 10 | 120 | 1200 | \$53,676 |
| Documentation of Testing for Approval of a Positive Displacement (PD) Meter 43 CFR 3174.8(a)(1) Annual | 1 | 120 | 120 | \$5,368 |
| Documentation of Testing for Approval of a Coriolis Meter 43 CFR 3174.9(b) One Time | 10 | 120 | 1200 | \$53,676 |

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$44.73) |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-------------------------------|------------------------------------------------------------------|
| Documentation of Testing for Approval of a Coriolis Meter 43 CFR 3174.9(b) Annual | 1 | 120 | 120 | \$5,368 |
| Documentation of Coriolis Meter Specifications and Zero Verification Procedure 43 CFR 3174.10(b)(2) and (d) Annual | 100 | 1 | 100 | \$4,473 |
| Zero Verification Log 43 CFR 3174.10(b)(2) and (e)(4) Annual | 100 | 1 | 100 | \$4,473 |
| Audit Trail Requirements for Coriolis Measurement System (CMS) 43 CFR 3174.10(b)(2) and (f) Annual | 500 | 1 | 500 | \$22,365 |
| Onsite Data Display Requirements 43 CFR 3174.10(e) Annual | 500 | 1 | 500 | \$22,365 |
| Meter Prover Calibration Documentation 43 CFR 3174.11(b) Annual | 150 | 0.5 | 75 | \$3,355 |
| Meter Proving and Volume Adjustments Notification 43 CFR 3174.11(i)(1) Annual | 60 | 2 | 120 | \$5,368 |
| Meter Proving Reports 43 CFR 3174.11(i)(3) Annual | 123 | 1 | 123 | \$5,502 |
| Request to Use Alternate Oil Measurement System 43 CFR 3174.13 One Time | 5 | 120 | 600 | \$26,838 |

| A. Type of Response | B. Number of Responses | C. Hours Per Response | D. Total Hours | E. Dollar Equivalent (Column D x \$44.73) |
|--------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-------------------------------|------------------------------------------------------------------|
| Request to Use Alternate Oil Measurement System 43 CFR 3174.13 Annual | 1 | 120 | 120 | \$5,368 |
| Approval for Slop or Waste Oil 43 CFR 3174.14 Annual | 50 | 2 | 100 | \$4,473 |
| Totals | 11,742 | — | 11,096 | \$496,326.00 |

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

The program changes in the rule are due to the addition of new requirements that are necessary in order to update the BLM's regulations on measurement of oil.

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

The BLM will not publish the results of this collection.

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

The BLM will display the expiration date of the OMB approval.

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

There are no exceptions to the certification statement.