



*Independent Statistics & Analysis*

U.S. Energy Information  
Administration

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# Supporting Statement for Survey Clearance

## **Part A: Justification**

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*Form EIA-914 Monthly Crude Oil and Lease Condensate, and Natural Gas  
Production Report*

**OMB No. 1905-0205**

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## Introduction

The U.S. Energy Information Administration (EIA) is the statistical and analytical agency within the U.S. Department of Energy (DOE). It collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding regarding energy and its interaction with the economy and the environment.

EIA requests a three- year extension with revisions from the Office of Management and Budget (OMB) to continue Form EIA-914, *Monthly Crude Oil and Lease Condensate, and Natural Gas Production Report*.

Form EIA-914 survey collects monthly data on natural gas production (that is, natural gas gross withdrawals and natural gas lease production), crude oil and lease condensate production, and crude oil and lease condensate sales by API gravity category in seventeen states/areas as follows: Arkansas, California (including State Offshore), Colorado, Gulf of Mexico Federal Offshore, Kansas, Louisiana (including State Offshore), Montana, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Texas (including State Offshore), Utah, West Virginia, Wyoming, and “Other States” (defined as all remaining states, excluding Alaska).

Form EIA-914 survey frame will remain a cut-off sample of well operators selected monthly from current commercially available crude oil and lease condensate, and natural gas production information supplemented with operators that report on Form EIA-23L, *Annual Survey of Domestic Oil and Gas Reserves* (OMB No. 1905-0057). Form EIA-23L is an annual survey that focuses on crude oil and natural gas reserves, while Form EIA-914 is a monthly survey that focuses on natural gas, crude oil, and lease condensate production. The main change to Form EIA-914 is to collect data individually for 4 states and 1 offshore area formally collected under the “Other States” group (Alabama, federal offshore Pacific, Michigan, Mississippi, and Virginia). Crude oil and lease condensate production will be collected as a single volume as before.

## Changes

The title of the survey is changing to clarify that crude oil and lease condensate are to be reported together, not separately. The new title is, *Monthly Crude Oil and Lease Condensate, and Natural Gas Production Report*.

Additionally, for existing parts 2 and 3, instead of selecting one pre-existing comment in the comments box, the box will allow for selection of multiple frequently-used default comments, as well as the option to input customized comments. This allows the respondent to easily give more thorough comments than before and allows EIA to generate statistics on these comments.

For Sections 2, 3, and 4, of the form, EIA will increase the number of states/areas for which production will be separately collected and reported. The following states or areas: Alabama, federal offshore Pacific, Michigan, Mississippi, and Virginia will be reported separately and no longer included in the “Other States” group. This separation of reporting reduces the number of states that are included in the “Other States” reporting category from 19 (including federal Pacific) to 14. Pulling these 5 states/areas out of the “Other States” group reduces this group’s oil production by roughly 75% and gas production

by roughly 80%. It is easier for respondents to report for individual states because aggregation is not necessary and this reduces the potential for errors in reporting. Production for these 5 states will now be estimated using the Classical Ratio Estimator rather than the calendar year average ratio applied to the "Other States" group.

## A.1. Legal Justification

The authority for this mandatory data collection is provided by the following provisions:

- a. 15 U.S.C. §772(b) states:
  - a. "All persons owning or operating facilities or business premises who are engaged in any phase of energy supply or major energy consumption shall make available to the Administrator such information and periodic reports, records, documents, and other data, relating to the purposes of this Act, including full identification of all data and projections as to source, time and methodology of development; as the Administrator may prescribe by regulation or order as necessary or appropriate for the proper exercise of functions under this chapter."
- b. 15 U.S.C. §764(b) states that to the extent authorized by subsection (a), the Administrator shall:
  - a. (1) advise the President and the Congress with respect to the establishment of a comprehensive national energy policy in relation to the energy matters for which the Administration has responsibility, and, in coordination with the Secretary of State, the integration of domestic and foreign policies relating to energy resource management;
  - b. (2) assess the adequacy of energy resources to meet demands in the immediate and longer range future for all sectors of the economy and for the general public;
  - c. (3) develop effective arrangements for the participation of State and local governments in the resolution of energy problems;
  - d. (4) develop plans and programs for dealing with energy production shortages; ...
  - e. (5) promote stability in energy prices to the consumer, promote free and open competition in all aspects of the energy field, prevent unreasonable profits within the various segments of the energy industry, and promote free enterprise;
  - f. (6) assure that energy programs are designed and implemented in a fair and efficient manner so as to minimize hardship and inequity while assuring that the priority needs of the Nation are met;
  - g. (9) collect, evaluate, assemble, and analyze energy information on reserves, production, demand, and related economic data;
  - h. (12) perform such other functions as may be prescribed by law."
- c. As the authority for invoking subsection (b), above, 15 U.S.C. §764(a) states:
  - a. "Subject to the provisions and procedures set forth in this Act, the [Secretary] shall be responsible for such actions as are taken to assure that adequate provision is made to meet the energy needs of the Nation. To that end, he shall make such plans and direct and conduct such programs related to the production, conservation, use, control, distribution, rationing, and allocation of all forms of energy as are appropriate in connection with only those authorities or functions-
    - i. (1) specifically transferred to or vested in him by or pursuant to this chapter;

- ii. (3) otherwise specifically vested in the Administrator by the Congress."
- d. Additional authority for this information collection is provided by 15 U.S.C. §790(a) which states;
  - a. "It shall be the duty of the Director to establish a National Energy Information System... [which] shall contain such information as is required to provide a description of and facilitate analysis of energy supply and consumption within and affecting the United States on the basis of such geographic areas and economic sectors as may be appropriate... to meet adequately the needs of..."
    - i. (1) the Department of Energy in carrying out its lawful functions;
    - ii. (2) the Congress;
    - iii. (3) other officers and employees of the United States in whom have been vested, or to whom have been delegated energy-related policy decision-making responsibilities;
    - iv. (4) the States to the extent required by the Natural Gas Act [15 U.S.C. §717 et seq.] and the Federal Power Act [16 U.S.C. §791a et seq.].
  - b. "At a minimum, the System shall contain such energy information as is necessary to carry out the Administration's statistical and forecasting activities, and shall include... such energy information as is required to define and permit analysis of;
    - i. (1) the institutional structure of the energy supply system including patterns of ownership and control of mineral fuel and non-mineral energy resources and the production, distribution, and marketing of mineral fuels and electricity;
    - ii. (2) the consumption of mineral fuels, non-mineral energy resources, and electricity by such classes, sectors, and regions as may be appropriate for the purposes of this chapter;
    - iii. (5) industrial, labor, and regional impacts of changes in patterns of energy supply and consumption;
    - iv. (6) international aspects, economic and otherwise, of the evolving energy situation; and
    - v. (7) long-term relationships between energy supply and consumption in the United States and world communities."

## A.2. Needs and Uses of Data

The purpose of Form EIA-914 is to collect and disseminate data on crude oil and lease condensate, and natural gas production in the lower 48 states on a timely basis in order to meet EIA's mission to provide credible, reliable, and timely energy information and energy data users' needs. Timely and accurate information on monthly crude oil and lease condensate, and natural gas production in the United States is necessary to discern critical monthly production levels, variations, and trends - information that is crucial for informed decision and policy making before and during peak demand periods. The information collected from this survey is used to monitor crude oil and lease condensate, and natural gas production, and is used by EIA to assess domestic supplies. Federal and state agencies, Congress, industry analysts, educators, and the general public all rely on the impartial information EIA provides.

Further, collecting API gravity information for state-level production provides information about the quality and changing trends in the quality of domestic oil production, informing topics of increasing

public interest, such as optimizing domestic refining capabilities and evaluating the qualities of imported oil needed.

1. The data series from this survey provide additional benefits, such as:
  - a. A database for use in forecasting, policy making, planning, and analysis.
  - b. An official data bank available to Congress and other government agencies for crude oil and lease condensate, and natural gas production in the United States.
  - c. A source of data for other government agencies, business firms, trade associations, and private research and consulting organizations for analysis, projections, and monitoring purposes.
2. The data collected by Form EIA-914 will be used by EIA to generate robust estimates that are the official EIA crude oil and lease condensate, and natural gas production figures. These estimates will become inputs into the following EIA website products:
  - a. [Monthly Crude Oil and Lease Condensate, and Natural Gas Production Report](#)
  - b. [Natural Gas Monthly](#)
  - c. [Petroleum Supply Monthly](#)
  - d. [Monthly Energy Review](#)
  - e. [Natural Gas Annual](#)
  - f. [Petroleum Supply Annual, Volume 1](#)
  - g. [Petroleum Supply Annual, Volume 2](#)
  - h. [Annual Energy Outlook](#)
  - i. [Short-Term Energy Outlook](#)
  - j. [State Energy Data System](#)

Numerous other EIA information products are affected by these production data and the estimates they support. All EIA publications are available on [EIA.gov](#).

3. Form EIA-914 is used for many purposes, including the following:
  - a. Develop and make available to the Congress, the states, and the public a timely, transparent, and accurate quantified assessment of monthly crude oil and lease condensate, and natural gas production.
  - b. Generate and distribute national crude oil and lease condensate, and natural gas production and consumption balances in a timely manner.
  - c. Improve state-level coverage of crude oil and lease condensate data collection.
  - d. Provide crude oil and lease condensate, and natural gas production data to EIA forecasting models, such as the [Short-Term Energy Outlook \(STEO\)](#) and the National Energy Modeling System (NEMS).
  - e. Respond to Congressional and internal departmental requests for analysis of policy and regulatory issues associated with crude oil and lease condensate, and natural gas production (e.g., to inform the growing discussion about U.S. refining capacity and changing crude oil imports).

EIA's crude oil, and lease condensate, and natural gas production estimates are also published in papers, trade journals, and technical reports, and are cited and republished in reports by consulting firms and financial institutions. For example:

- a. [The Energy Collective](#)
- b. [Reuters](#)
- c. [Hellenic Shipping News Worldwide](#)
- d. [Investor Village](#)

### A.3. Use of Technology

EIA uses an Internet Data Collection (IDC) system for Form EIA-914. The IDC system reduces respondent burden by identifying and correcting potential errors, as the system runs edit checks at the time of submission to EIA. The IDC system also eliminates the respondent processing steps associated with sending the paper forms back to EIA by U.S. Mail or email, as the respondent will use the IDC to complete the form online. In addition, the IDC system permits EIA to conduct timely communications with all respondents via automatic generation of e-mail messages.

EIA offers a secure file transfer option so that respondents may generate a specifically formatted file directly from their data systems and electronically transmit this file to EIA. This feature reduces data entry errors and the time it takes respondents to prepare a survey form for each submission.

### A.4. Efforts to Identify Duplication

Providing comprehensive detailed data in a single place and in a standard format provides users with timely and accurate information that is easy to use. EIA gathers similar data in a monthly or annual format from other sources, but the data from third parties are not validated for accuracy or completeness, are not provided to EIA on a consistent and timely basis, and, therefore, do not meet the needs of EIA's data users.

Data similar to the monthly crude oil and lease condensate, and natural gas production information proposed for collection on the expanded Form EIA-914 are gathered by EIA from the following sources:

- e. States that reported monthly to EIA on a voluntary basis (natural gas production only, on the discontinued Form EIA-895, Annual Quantity and Value of Natural Gas Production Report).
- f. Bureau of Safety and Environmental Enforcement (BSEE) in the Department of Interior for the Federal Offshore Gulf of Mexico and Federal Offshore California.
- g. Manual downloads by EIA staff of data from state websites (for crude oil and lease condensate, and natural gas; each state has different reporting period aggregations and reports finalized data up to two years after the initially reported production period).
- h. Form EIA-23L, Annual Survey of Domestic Oil and Gas Reserves (aggregated annual reporting of crude oil and lease condensate, and natural gas production for the previous reporting year).
- i. Purchased production data from Drilling Info (a private company) in a common format, but it has the same timing limitations as stated in "c" above.



Before data from Form EIA-914 became available, EIA published monthly and annual estimates of U.S. crude oil and lease condensate, and natural gas production using data from state websites, Form EIA-895, Form EIA-182, and BSEE. While some of these sources provided sufficient and timely data, most reported data were incomplete or were not timely for direct dissemination by EIA. Form EIA-914 was created and expanded to replace the state level data sources with more timely and more accurate data. EIA is aware of two private companies that provide these data for all states (Drilling Info and IHS), their data are incomplete and not timely. Other companies provide state-level data, but coverage is limited and insufficient for our purposes.

### **A.5. Provisions for Reducing Burden on Small Businesses**

Form EIA-914 survey sample will comprise approximately 500 of the over 12,000 active operators of crude oil and natural gas wells in the United States. EIA conducts the survey using a cut-off sample of operators to help ensure that the impact, if any, on smaller entities is minimized.

### **A.6. Consequences of Less-Frequent Reporting**

EIA anticipates retaining its 60-day publication lag for a reporting month for Form EIA-914 for both natural gas, and crude oil and lease condensate. Less frequent reporting on Form EIA-914 would prevent EIA from meeting its mandate of providing timely, essential, and reliable energy information.

### **A.7. Compliance with 5 CFR §1320.5**

The proposed expanded Form EIA-914 data will be collected consistent with the guidelines in 5 C.F.R. 1320.5, to reduce the public's paperwork burden.

### **A.8. Summary of Consultations Outside of the Agency**

A request for comments from interested persons was published on April 4, 2017 in a Federal Register Notice at 82 FRN 16383. Comments from 8 parties were received in response to this Federal Register Notice. These comments, along with EIA's responses, are included as supplemental documents to this ICR filing. Additionally, EIA consulted with relevant major industry organizations in the development of the proposed changes to Form EIA-914.

In April 2017, EIA notified 491 current respondents to Form EIA-914 of the proposed changes to the form and explained the different aspects of the changes. EIA also notified over 32,000 subscribers of the EIA natural gas and petroleum electronic publications of the proposed changes.

On May 11, 2017 EIA met with representatives from the Natural Gas Supply Association (NGSA), Independent Petroleum Association of America (IPAA), and the American Petroleum Institute (API) to discuss the changes to the form solicit feedback. In response to a request from API, EIA extended the time period to submit comments from June 5th to June 30, 2017. In this meeting trade representatives expressed concerns over EIA's proposal to collect data from stabilizer activity.

In August 2017, EIA met again with the three trade associations (NGSA, IPAA, and API) for more discussion about the proposed changes to Form EIA-914. As a result, EIA withdrew its proposal to add Schedule 5 for collecting information on stabilizer activity. EIA will continue to work with trade associations and their experts to study the feasibility of gathering information on stabilizers.

## A.9. Payments or Gifts to Respondents

There will not be any payments made or gifts given to respondents as an incentive to complete Form EIA-914

## A.10. Provisions for Protection of Information

Form EIA-914 information is collected in accordance with the provisions of Title V of the E-Government Act, Confidential Information Protection and Statistical Efficiency Act, (Pub. L. 107-347). This information will be treated as confidential and used exclusively for statistical purposes. The pledge made to survey respondents is as follows:

“The information you provide on Form EIA-914 will be used for statistical purposes only and is confidential by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 and other applicable federal laws, your responses will not be disclosed in identifiable form without your consent. Per the Federal Cybersecurity Enhancement Act of 2015, federal information systems are protected from malicious activities through cybersecurity screening of transmitted data. Every EIA employee, as well as every agent, is subject to a jail term, a fine, or both if he or she makes public ANY identifiable information you reported.”

Statistical disclosure limitation techniques are applied to the statistical aggregates to preserve the confidentiality of the information.

## A.11. Justification for Sensitive Questions

The form contains no questions of a sensitive nature.

## A.12. Estimate of Respondent Burden Hours and Cost

EIA Form Number/Title	Annual Reporting Frequency	Number of Respondents	Annual Number of Responses	Burden Hours Per Response	Annual Burden Hours
Form EIA-914, Monthly Crude Oil, Lease Condensate, and Natural Gas Production Report	12	500	6,000	4.00	24,000
			0		0
<b>TOTAL</b>		<b>500</b>	<b>6,000</b>		<b>24,000</b>

The overall annual burden cost for this ICR is estimated to be \$1,767,840. This amount is based on a 4 hour burden per response. The annual burden cost is calculated by 24,000 hours x \$73.66 per hour = \$1,767,840.

The 4 hours of average burden per form also takes into account the wide range of companies involved in oil and gas production. Most of the participants in the 2016 cognitive research study stated that they were able to gather and report the required data to EIA in 30 minutes to 3 hours. For the purposes of calculating burden, these reporting times were uniformly changed to 2.5 hours. These organizations report for less than six states and make up approximately 93% of the respondent sample. One respondent who reported for more than six states with very large production numbers stated that it took their organization 18 hours to complete Form EIA-914. Companies with similar profiles make up 7% of the reporting sample. A weighted average of these larger companies and a 2.5 hour reporting period

for smaller companies yields a burden of 4 hours. EIA contends that the 2.5 hour reporting burden overstates the burden for companies will crude oil and/or natural production in 5 states or less because half of those participants reported a reporting burden of 1 hour or less.

Additionally, the number of respondents was reduced from 600 to 500. Recent low oil prices have caused some consolidation in the industry which has reduced the current sample to about 375. However, the program office is using 500 to calculate respondent burden in case the oil prices rise, causing the industry expansion and add more companies to the reporting sample.

### **A.13. Annual Cost to the Federal Government**

The average annual cost including personnel, systems development and maintenance, data collection, processing, estimation, and dissemination is \$1,673,675 per year.

a. Personnel:

- Contractors: \$1,260,000
- Federal Employees:\$413,675
  - o  $(2.7 \text{ FTE} \times 40 \text{ hours} \times 52 \text{ weeks}) \times \$73.66 = \$413,674.56$

b. Total Annual Cost to the Federal Government: \$1,673,675

### A.14. Changes in Burden

Provide estimates of annualized cost to the Federal government.

Form EIA-914, Monthly Crude Oil, Lease Condensate, and Natural Gas Production Report	12	600	500	7,200	6,000	4	4	28,800	24000	-4800	0
	0		0	0	0		0	0	0		0
	0		0	0	0		0	0	0		#REF!
	0		0	0	0		0	0	0		#REF!
	0		0	0	0		0	0	0		#REF!
	0		0	0	0		0	0	0		#REF!
	0		0	0	0		0	0	0		#REF!
	0		0	0	0		0	0	0		#REF!

### **A.15. Reasons for Changes in Burden**

The sample size was reduced from 600 to 500, which reduces the reporting burden. The net effect is an annual reduction in total burden of 4,800 hours.

Burden hours per response was not increased by the requirement for respondents to report the 5 states separated from the “Other States” group. Respondents have to determine and report the production for every state whether they are consolidated in the “Other States” group or listed separately. Separating these 5 states from the “Other States” group increases the sample by only 9 which is not significant enough to increase the response burden.

### **A.16. Collection, Tabulation, and Publication Plans**

1. Data collection due date: Forty calendar days after the end of the report month (e.g., March 12 for the reporting month of January). The due date for the new form has not changed from the previous collection cycles.

2. Publication schedule: During normal survey operations, state-level crude oil and lease condensate, and natural gas production data are to be published at the end of the second month following the reporting month (e.g., January aggregate data are to be reported at the end of March). These data will be published on the Monthly Crude Oil and Lease Condensate, and Natural Gas Production web page as well as in other EIA web pages, reports, and publications mentioned above.

### **A.17. OMB Number and Expiration Date**

The OMB approval expiration date and OMB number will be displayed on Form EIA-914 and its instructions.

### **A.18. Certification Statement**

EIA takes no exception to the certification statement.