

Supporting Statement A

Oil and Gas, or Geothermal Resources: Transfers and Assignments (43 CFR Subparts 3106, 3135, and 3216)

OMB Control Number 1004-0034

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 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 Mineral Leasing Act (30 U.S.C. 181 *et seq.*), Mineral Leasing Act for Acquired Lands (30 U.S.C. 341-359), National Petroleum Reserve in Alaska Act (42 U.S.C. 6501-6507), and Federal Property and Administrative Services Act of 1949 (40 U.S.C. 101 *et seq.*) authorize the Bureau of Land Management (BLM) to grant oil and gas leases. The Geothermal Steam Act (30 U.S.C. 1001-1028) authorizes the BLM to grant leases for geothermal resources. On occasion, after acquiring one of these leases, a lessee will assign the lease or transfer operating rights (that is, sublease) to another party. BLM regulations at 43 CFR 3106, 3135, and 3216 outline procedures for these transactions.

The BLM must collect information about these types of transactions in order to manage these Federal leases. When a lease is assigned, the assignee assumes the obligation to pay rent, and the rights to assign and relinquish the lease. When operating rights are transferred, the transferee obtains the right to enter the leased lands to conduct drilling and related operations, including production.

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.

The information enables the BLM to process assignments of record title interest or transfers of operating rights (sublease) in a lease for oil and gas or geothermal resources. Each assignment or transfer is a contract between private parties but, by law, must be approved by the Secretary. The BLM uses Forms 3000-3 (Assignment of Record Title Interest) and 3000-3a (Transfer of Operating Rights) to establish a uniform method to comply with the law by which case files and lease activities are maintained.

BLM uses the requested information (name, address, lease serial number, percent of interest, and land description) to communicate with the assignee/transferee; to determine whether the assignee/transferee is qualified to hold a lease in accordance with pertinent legal and regulatory authorities; to record ownership of interests in Federal leases; to enable accurate rental billing of leaseholders; and to verify location of the lands. The assignor/transferor is not required to complete the boxes for "lease effective date" or "new serial number." The BLM supplies this information so that the assignee/transferee is aware of a new lease serial number when the lease is segregated as a result of a partial assignment, and is aware of the anniversary date of the lease for rental payment purposes. Respondents' check boxes are checked to indicate whether the interest conveyed is for an oil and gas or geothermal assignment of record title, operating rights, or overriding royalty transfers. Under the regulations at 43 CFR 3106.4-2, we do not require use of these forms for transfers of royalty interests or payments out of production if such transfers are created or reserved independently of a transfer of record title or of operating rights. However, space is provided for that purpose as a convenience to the transferor.

When a lessee submits an assignment or transfer, the BLM records this information in order to prevent unlawful extraction of mineral resources, and to ensure prompt payment of rentals and royalties for the rights obtained under a Federal lease. This information also ensures that leases are not encumbered with agreements that cause the minerals to be uneconomical to produce, resulting in lost revenues to the Federal Government. In addition, this information enables the BLM to ensure the assignee or transferee is in compliance with bonding requirements, when necessary, before approval of the transfer or assignment.

We require the applicant to submit the following information on Forms 3000-3 and 3000-3a:

Lease Serial Number: We use this information to determine the lease upon which an assignment/transfer for all or part of a record title interest, operating rights, or overriding royalty, or similar interest in a lease to another party will be made.

Lease Effective Date: We need this information to determine if the lease is still in effect.

New Serial Number: We will provide a new serial number and segregate into two separate

leases if the assignee conveys 100 percent record title interest of a portion of the lease to another party.

Assignee/Transferee Name and Address: We need this information to identify ownership of the interest assigned/transferred and the qualifications of the transferee/assignee to take interest. The information is necessary to ensure that the assignee/transferee is qualified to obtain interest in an oil and gas or geothermal lease and that the transfer will not result in holdings in violation of statutory acreage limits.

This assignment/transfer conveys the following interest: We need the legal land description and the percent of interest owned, conveyed, and retained to determine the record title interest, operating rights, or overriding royalty, or similar interest in a lease transferred or assigned to another party.

- 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.**

Forms 3000-3 and 3000-3a are electronically available to the public in fillable and printable format at: <https://www.blm.gov/services/electronic-forms>. This information collection request includes proposed revisions of the forms (see Item # 8, below) that are not yet at the Web site. We will upload the revised forms if we receive OMB's approval.

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

No duplication of information occurs on the information we collect. The requested information is nonrecurring, occasional, and unique to each applicant/operator and to each specific assignment or transfer and is not available from any other data source. No similar information is available or able to be modified. Respondents are individuals who lease Federal lands for purposes of producing or exploring for oil and gas or geothermal resources. Information is kept chronologically in case files and reviewed carefully. The information is required to obtain or retain a benefit. Each BLM State Office has jurisdiction over specific lands so that no duplication occurs with respect to issuing leases, assignments, and transfers.

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

There is not a significant impact on small businesses or other small entities from the information we request on these forms. The required information is the minimum necessary to allow BLM

to approve for administrative purposes assignment and transfer applications. We request only essential information to identify the assignor and assignee or the transferor and transferee, the lands affected, and the interests being assigned or transferred. For example, the legal land description is not necessary if 100 percent interest of the entire lease is conveyed.

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.

Failure to collect the information would cause the BLM and the public to be in violation of the law because pertinent statutes and regulations require us to file, process, and maintain records on assignments and transfers. In addition, the documents are necessary to preserve the assignee/transferee's rights to an interest in a lease. Respondents decide the frequency of assignments and transfers, so the BLM has no control over that aspect of the burden.

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.

On January 26, 2018 the BLM published the required 60-day notice in the Federal Register (83 FR 3765), and the comment period ended March 27, 2018. The BLM received no comments.

The BLM consulted via email with the following three respondents, to obtain their views on the availability of data; frequency of collection; the clarity of instructions; the recordkeeping, disclosure, and reporting formats; and on the data elements to be recorded, disclosed, or reported:

- Attorney at Large
Kensington, MD
- Remote Program Lead
Strata Production Company
Roswell, NM
- Landman
Maximus Operating, Ltd.
Longview, TX

One respondent provided the following comment:

“I have one suggestion for a change to be considered for both of these forms. The caption for the assignor’s/transferor’s signature line on the forms reads, ‘Name of Assignor [or Transferor] as *shown on current lease.*’ This is often meaningless and confusing, since many conveyances do *not* involve the original lessee, who is the only party that is ‘shown on current lease.’ It would improve the form if the caption is changed to just say, “Name of Assignor” (or “Name of Transferor”).”

The BLM agrees with this comment and proposes to modify the forms in accordance with this comment. The BLM believes this change has no effect on the estimated hour or cost burdens.

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.

We protect the respondent's confidentiality to the extent consistent with the Freedom of Information Act (5 U.S.C. 552).

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 ask respondents 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. Instead, this cost should be included under "Annual Cost to Federal Government."**

The BLM estimates 17,626 responses and 8,814 burden hours annually.

Table 12-1, below, shows the BLM’s estimate of the hourly cost burdens for respondents. The mean hourly wages for Table 12-1 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
Hourly Cost Calculation**

A. Occupational Category	B. Mean Hourly Wage	C. Total Mean Hourly Wage (Column B x 1.4)
11-3011 Administrative Service Managers	\$47.56	\$66.58

The estimated annual reporting burdens for this collection are shown below in Table 12-2.

**Table 12-2
Estimates of Hour and Cost Burdens**

A. Type of Response	B. Number of Responses	C. Time Per Response	D. Total Hour(s) (Column B x Column C)	E. Dollar Equivalent (Column D x \$66.58)
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	7,052	30 minutes	3,526	\$234,761.08
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	31	30 minutes	15.5	\$1,031.99
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	10,542	30 minutes	5,271	\$350,943.18
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	30 minutes	0.5	\$33.29
Totals	17,626	—	8,814 hours ¹	\$586,769.54

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**

¹ Arithmetically, this total is 8,813 hours. However, in ROCIS, this total is rounded up to 8,814. We are reporting the total hours as 8,814 hours in the interest of consistency with ROCIS.

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 \$1,674,470 in non-hour costs.

There are no capital or start-up costs involved with this information collection; respondents are not required to purchase additional computer hardware or software to comply with these information collection requirements. Cost-recovery fees are required for each assignment or transfer. The regulations addressing those requirements (43 CFR 3106.3 for oil and gas, and 43 CFR 3216.14 for geothermal resources) incorporate by reference another regulation (43 CFR 3000.12), in which the BLM established or revised certain fees and service charges, and established a method by which those fees and charges are adjusted. 70 FR 58853 (October 7, 2005). In the most recent update, the BLM set the processing fee at \$95. See 81 FR 65558 (September 23, 2016).

The itemized estimated fees and totals are as follows:

**Table 13
Estimated Non-Hour Cost Burdens**

A. Type of Response	B. Number of Responses	C. Fixed Processing Fee	D. Annual Cost Burden of Fixed Processing Fees (Column B x Column C)
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	7,052	\$95	\$669,940
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	31	\$95	\$2,945
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	10,542	\$95	\$1,001,490
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	\$95	\$95
Totals	17,626	—	\$1,674,470

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 total estimated Federal cost is \$388,124.52.

The hourly cost to the Federal Government shown at Table 14-1, below, is based on the U.S. Office of Personnel Management Salary Table at: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2018/RUS_h.pdf. The benefits multiplier of 1.6 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 14-1
Hourly Cost Calculations**

A. Position	B. Grade	C. Hourly Pay Rate	D. Hourly Rate Including Benefits (1.6 x Column C)	E. Percent of the Information Collection Completed by Each Occupation	F. Weighted Average Cost Per Hour (Column D x Column E)
Supervisor	GS-13, Step 1	\$41.81	\$66.90	10%	\$6.69
Geologist	GS-11, Step 1	\$29.33	\$46.93	30%	\$14.08
Land Law Examiner	GS-9, Step 1	\$24.24	\$38.78	60%	\$23.27
Totals	—	—	—	100%	\$44.04

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

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

A. Type of Response	B. Number of Responses	C. Time Per Response	D. Total Time (Column B x Column C)	E. Dollar Equivalent (Column D x \$44.04)
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	7,052	30 minutes	3,526 hours	\$155,285.04
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	31	30 minutes	15.5 hours	\$682.62
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	10,542	30 minutes	5,271 hours	\$232,134.84
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	30 minutes	30 minutes	\$22.02

A. Type of Response	B. Number of Responses	C. Time Per Response	D. Total Time (Column B x Column C)	E. Dollar Equivalent (Column D x \$44.04)
Totals	17,626	—	8,813 hours	\$388,124.52

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

There are no program changes. Cumulatively, the estimated annual responses have been adjusted upward by 3,585, from 14,041 to 17,626 responses. These adjustments have increased the hour burden by 1,793, from 7,021 to 8,814 hours. All of these adjustments are due to the BLM's recent experience with this control number. Cumulatively, the non-hour cost burdens have been adjusted upward by \$410,780, from \$1,263,690 to \$1,674,470. All of these adjustments are due to increases in the number of responses, and to updates of cost-recovery fees, from \$90 to \$95 as explained under Item # 13, above. The itemized adjustments in hour burdens are as follows:

**Table 15-1
Adjustments in Hour Burdens**

A. Type of Response	B. Number of Requested Responses	C. Number of Previously Approved Responses	D. Difference Between Requested and Approved Responses (Column B minus Column C)	E. Difference Between Requested and Approved Hour Burdens (Column D x 30 minutes)
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	7,052	6,316	+ 736	+ 368
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	31	28	+ 3	+ 1.5
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	10,542	7,696	+ 2,846	+ 1,423
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	1	No change	0
Totals	—	—	+3,585	+ 1,793 ²

The itemized adjustments in non-hour cost burdens are as follows:

Table 15-2

²Arithmetically, this total is 1,792.5 hours. However, in ROCIS, this total is rounded up to 1793. We are reporting the total hours as 1,793 hours in the interest of consistency with ROCIS.

Adjustments in Non-Hour Cost Burdens

A. Type of Response	B. Number of Requested Non- Hour Costs	C. Number of Previously Approved Non- Hour Costs	D. Difference Between Requested and Approved Non-Hour Costs (Column B minus Column C)
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	\$669,940	\$568,440	+ \$101,500
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	\$2,945	\$2,520	+ \$425
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	\$1,001,490	\$692,640	+ \$308,850
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	\$95	\$90	+ \$5
Totals	\$1,674,470	\$1,263,690	+ \$410,780

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 data we collect as a result of this information collection will not be published for statistical use.

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.