

Supporting Statement A
30 CFR 250, Subpart G, Well Operations and Equipment
Rig Movement Notification Report, Form BSEE-0144
OMB Control Number 1014-0028
OMB Expiration Date: July 31, 2019

Terms of Clearance: None.

General Instructions

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

Specific Instructions

Justification

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

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

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior's implementing policy, the Bureau of Safety and Environmental Enforcement (BSEE) is required to charge fees for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Various applications and/or permits are subject to cost recovery, and BSEE regulations specify service fees for these requests.

In addition to the general rulemaking authority of OCSLA, section 301(a) of the Federal Oil and

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

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

BSEE uses the information to ensure safe drilling, workover, completion, and decommissioning operations and to protect the human, marine, and coastal environment. BSEE analyzes and evaluates these information/requirements to reduce the likelihood of a similar Deepwater Horizon event and to reduce the risk of fatalities, injuries, and spills. BSEE also utilizes these requirements in the approval, disapproval, or modification process for well operations.

Specifically, BSEE uses the information in Subpart G to ensure:

- certain well designs and operations have been reviewed by appropriate third parties/engineers/classification societies that, after one year, have been approved by BSEE;
- rig tracking data is available to locate rigs during major storms;
- casing or equipment repairs are acceptable and tested;
- up-to-date engineering documents are available;
- the BOP and associated components are fit for service for its intended use;
- that the BOP will function as intended;
- that BOP components are properly maintained and inspected;
- the proper engineering reviews and approvals for all BOP designs, repairs, and modifications are met.

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We use the information to schedule inspections and verify that the equipment being used complies with approved permits. The information on this form is used by all 3 regions, but primarily in the GOM, to ascertain the precise arrival and departure of all rigs in OCS waters in the GOM. The accurate location of these rigs is necessary to facilitate the scheduling of inspections by BSEE personnel.

Information on form BSEE-0144:

General Information - Identifies the date, lease operator, rig name/type/representative, and rig telephone number;

Rig Arrival Information - Identifies the rig arrival date; what type of work will be scheduled; if the rig is new to OCS and location rig came from; relevant well information; duration of operations, and optional information;

Rig Departure Information - Identifies the rig departure date, well status, relevant well information, being skidded, obstruction issues, and optional information;

Rig Stacking Information – Identifies rig arrival/departure date, warm or cold stacked and location, any modification, repairs, or construction and the date, relevant well information, optional information, obstruction issues;

Certification Statement declaring the information submitted is complete and accurate to the best of signatory's knowledge; and

BSEE OCS Contact Information.

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.

BSEE encourages respondents to use the forms available on the website and submit them electronically as attachments to secure emails; or to use eWell--an internet based system that provides respondents with the ability to submit most of the forms listed in this collection electronically using a secure web application in lieu of submitting paper forms. We estimate that an average of 90 percent of submittals pertaining to this collection will be submitted electronically.

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

The DOI has several Memoranda of Understanding (MOU) that define the responsibilities of each agency with respect to activities in the OCS. These MOUs are effective in avoiding duplication of regulations and reporting requirements. The information collected is specific to a well, a lessee/operator, or a particular request for BSEE approval and is unique to the site and well operation.

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

This collection of information could have an economic effect on a number of small entities. Any direct effects primarily impact the OCS lessees and operators. However, many of these OCS lessees and operators may have less than 500 employees and would be considered small businesses as defined by the Small Business Administration. Regulations require safe work practices and protection of the environmental resources; therefore, the hour burden on any small entity subject to these regulations and associated collections of information cannot be reduced to accommodate them.

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 BSEE did not collect the information, we could not determine whether lessees and operators are properly providing for the safety of drilling, workover, completion, and decommissioning operations; and the protection of the environment and resources. The information is generally collected on occasion of drilling activity and initiated by respondents' activity. During drilling operations, respondents must submit reports on a daily (or weekly in the Gulf of Mexico (GOMR)) basis. We must have accurate and timely information on the condition of the drilling site to be able to make informed decisions on requests for alternative compliance and departures and for inspection purposes. Respondents maintain the information reported on a daily basis, and the burden of submitting to BSEE is not substantial. Quarterly reporting would be ineffectual.

BSEE also needs this information for the approval, disapproval, or modification process for well operations; to ensure cement jobs are adequate for the well conditions, and that industry can demonstrate source control and containment capabilities; information on production packer setting depth would ensure consistent permitting.

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

(a) requiring respondents to report information to the agency more often than quarterly; Depending on the operation, respondents will have to submit a Rig Movement Notification Report (BSEE-0144) every time a rig is moved on or off location (again, depending on the operation being performed, some respondents will submit more than quarterly, but is generally on occasion).

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
Not applicable in this collection.

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

document;

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

- Respondents must maintain design, maintenance, inspection, and repair records for the service life of the equipment. Results of BOP inspections and maintenance actions may have to be retained for more than 2 years, if so directed, due to any potential operational design parameter issues.

- A detailed report documenting the once every 5-year inspection, along with any problems and corrections will need to be maintained from one inspection to the next to verify any recordable actions between inspections.

- Respondents are required to retain some well completion/well workover records until the well is permanently plugged or abandoned or the records are forwarded with a lease assignment. This could be longer than 3 years; however, it is critical that the records be available that relate to any alteration of the completion configuration or that affect activities on a hydrocarbon-bearing zone.

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

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

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

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

Not applicable in this collection.

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 1320.11, soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and in response to the PRA statement associated with the collection over the past 3 years and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

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

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of

information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.11, BSEE provided a 60-day review and comment process through the preamble of the proposed rulemaking, dated May 11, 2018 (83 FR 22128). In addition, 30 CFR 250.199 explains that BSEE will accept comments at any time on the information collected and the burden. We display the OMB control number and provide the address for sending comments to BSEE. We received five comments pertaining to IC in response to the proposed rule from respondents covered under these regulations. Please see the Section-By-Section Summary and Responses to Comments on the Proposed Rule in the Final Rule.

Comments pertaining to the IC in the proposed rule were received by:

Cook Inlet Regional Citizens Advisory Council
W&T Offshore, Inc.
Coalition to Protect America's National Parks
NRDC
Murphy Exploration and Production Co.

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

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

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

We protect information considered proprietary under the Freedom of Information Act (5 U.S.C. 552) and DOIs implementing regulations (43 CFR 2), and under regulations at 30 CFR Part 250.197, *Data and information to be made available to the public or for limited inspection*, 30 CFR Part 252, *OCS Oil and Gas Information Program*.

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

The collection does not include sensitive or private questions.

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

(a) Indicate the number of respondents, frequency of response, annual hour burden, and

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

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

Potential respondents comprise Federal oil and gas OCS lessees and operators. It should be noted that not all of the potential respondents will submit information at any given time and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing the collection of information. Responses to this collection of information are mandatory, or are required to obtain or retain a benefit. Submissions are generally on occasion, daily, weekly, monthly, quarterly, biennially, and as a result of situations encountered depending upon the requirement. We estimate the total annual reporting and recordkeeping burden is 160,842 hours. Refer to the chart for a breakdown of the burden hours.

BURDEN TABLE

BSEE-Approved Verification Organization = BAVO; is being replaced with Independent Third Party (ITP).

| 30 CFR 250 Subpart G | Reporting & Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours (rounded) |
|---|--|--|---------------------------------|-------------------------------|
| 701; 720(a); 730(d)(1) (250.141) | Request alternative procedures or equipment from District Manager; along with any supporting documentation/ information required. | Burden cover under 1014-0022. | | 0 |
| 702 (250.142) | Request departures from District Manager; include justification; and submit supporting documentation if applicable. | Burden cover under 1014-0022. | | 0 |
| 710(a) | Instruct crew members in safety requirements of operations - record dates and times of meetings, include potential hazards; make available to BSEE. | 0.75 | 7,512 meetings | 5,634 |
| 710(b); 738(p) | Prepare a well-control drill plan for each well, including but not limited to instructions re components of BOP, procedures, crew assignments, established times to complete assignments, etc. Keep/post a copy of the plan on the rig at all times; post on rig floor/bulletin board. | 0.5 | 308 plans | 154 |
| 711(b), (c) | Record in the daily report: time, date, and type of drill conducted; time re diverter or BOP components; total time for entire drill. | 1 | 8,320 drills | 8,320 |
| 712(a), (b), (f) | Notify BSEE of all rig movements on or off locations. | 0.1 | 20 notices | 2 |
| | Rig movements reported on Rig Movement Notification Report (Form BSEE-0144). Including MODUs, platform rigs; snubbing units, lift boats, wire-line units, and coiled tubing units 24 hours prior to movement; if the initial date changes by more than 24 hours, submit updated BSEE-0144. | 0.2 | 151 forms | 30 |
| | | 0.2 | 832 forms | 166 |
| 712(c), (e) | Notify District Manager if MODU or platform rig is to be warm or cold stacked on Form BSEE-0144; notify District Manager where the rig is coming from when entering OCS waters. | 0.5 | 50 notifications | 25 |
| 712(d) | Prior to resuming operations, report to District Manager any construction repairs or modifications that were made to the MODU or rig. | 2 | 10 responses | 20 |
| 713 | Submit MODU information if being used for well operations with your APD/APM. | Burden covered under 1014-0025 for APD; and 1014-0026 for APM. | | 0 |
| 713(a), (b) | Collect and report additional information for Fitness/Foundation requirements if sufficient information is not available. | 5 | 30 responses | 150 |
| | | | 466 responses | 2,330 |
| 713(b) | Reference to Exploration Plan, Development and Production Plan, and Development Operations Coordination Document (30 CFR 550, Subpart B). | Burden covered under 1010-0151. | | 0 |
| 713(c)(1) | Submit 3rd party review of drilling unit according to 30 CFR 250, Subpart I. | Burden covered under 1014-0011. | | 0 |
| 713(c)(2); (417(c)(2)) | Have a Contingency Plan that addresses design and operating limitations of MODU. | Burden covered under 1014-0025. | | 0 |
| 713(d) (417(d)) | Submit current certificate of inspection/ compliance from USCG and classification; submit documentation of operational limitations by a classification society. | Burden covered under 1014-0025. | | 0 |
| 714 | Develop and implement dropped objects plan with supporting documentation/ information; any additional information required by the District Manager; make available to BSEE upon request. | 40 | 40 plans | 1,600 |
| 715 | GPS for MODUs 1. Notify BSEE with tracking/locator data | 1 | 1 rig | 1 |

(c)

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

The average respondent cost is \$142/hour (rounded). This cost is broken out in the below table using the Society of Petroleum Engineers Salary Survey data dated September 2017. See SPE.org website: <https://www.spe.org/industry/docs/2017-Salary-Survey-Highlight-Report.pdf>

| Position | Base Pay Hourly Rate (\$/hr) | Hourly Rate including Benefits (1.4* x \$/hr) | Percent of time spent on collection | Weighted Average (\$/hour/rounded) |
|-----------------------------------|-------------------------------------|--|--|---|
| Non-Engineering Technical | \$76.69 | \$107.36 | 15% | \$16.10 |
| Engineers - Drilling | \$108.30 | \$151.62 | 67% | \$101.59 |
| Geologist | \$94.80 | \$132.72 | 18% | \$23.89 |
| Weighted Average (\$/hour) | | | | \$141.58 |

*A multiplier of 1.4 (as implied by BLS news release USDL-18-1499, September 18, 2018 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$142 per hour, we estimate the hour burden as a dollar equivalent is \$22,839,564 (\$142 x 160,842 hours = \$22,839,564).

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

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

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

(c) Generally, estimates should not include purchases of equipment or services, or portions

thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have identified two non-hour cost burdens:

1. Since the lessees and operators have already installed the GPS systems, we estimate a non-hour cost burden of \$102,500 which consists of:
 - replacing/repairing locator devices and/or adding devices for new MODUs added to the group; 20 devices per year for replacement and/or new x \$325.00 = \$6,500*.
 - paying monthly rental fees for GPS tracking purposes only, 40 rigs x \$50/month = (\$600/year per 1 rig) = \$24,000*.
 - or
 - paying rental fees for the GPS devices themselves as well as associated tracking information. 40 rigs @ \$1,800 per year = \$72,000*.
2. The second is being added due to 1014-AA39 rulemaking and is for Independent Third Party costs for \$765,000 (150 verifications x \$5,100 (ITP fee) = \$765,000). The estimate for an Independent Third Party is based on and provided by BSEE's Subject Matter Experts (SMEs) and their experience with the requirements, and ITP work involved/to be done. The SMEs regularly talk with the third parties and operators so they have a better understanding of the tasks needed to fulfill the regulations. There is no public information available to cite for the estimate of ITP costs.

The total non-hour cost burdens are \$867,500. We have not identified any other non-hour cost burdens associated with this collection of information. See burden table in A.12 for a breakdown of the burdens.

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.

To analyze and review the information required by Subpart G, we estimate the Government will spend an average of approximately 0.75 hour for each hour spent by the respondents for a total of 120,632 (rounded) hours.

The average government cost is \$84/hour (rounded). This cost is broken out in the below table using the Office of Personnel Management salary data for the REST OF THE UNITED STATES (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>).

| Position | Grade | Hourly Pay rate | Hourly rate including | Percent of time spent | Weighted Average |
|----------|-------|-----------------|-----------------------|-----------------------|------------------|
|----------|-------|-----------------|-----------------------|-----------------------|------------------|

| | | (\$/hour estimate) | benefits (1.6* x \$/hour) | on collection | (\$/hour) |
|-----------------------------------|---------|--------------------|---------------------------|---------------|----------------|
| Clerical | GS-7/5 | \$22.46 | \$35.94 | 5% | \$1.80 |
| Petroleum Engineer | GS-13/5 | \$47.38 | \$75.81 | 60% | \$45.49 |
| Supv. Petroleum Engineer | GS-15/5 | \$65.86 | \$105.38 | 35% | \$36.88 |
| Weighted Average (\$/hour) | | | | | \$84.17 |

*A multiplier of 1.6 (as implied by BLS news release USDL-18-1499, September 18, 2018 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$84 per hour, we estimate the total annual cost to Government is \$10,133,088 (160,842 hours x 0.75 = 120,632 (rounded) hours x \$84 = \$10,133,088).

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

(a) The current OMB inventory for this collection is 87,628 burden hours. In this submission, we are requesting a total of 160,842 burden hours. This represents an adjustment increase of 69,166 burden hours. The adjustment increase is due to relocating hour burdens from multiple separate subparts (ICRs) throughout 30 CFR 250 created from the original BOP rule (1014-AA11). This also represents a program increase of 4,048 burden hours due to this final rulemaking, 1014-AA39, Blowout Preventer Systems and Well Control Revisions.

(b) The OMB non-hour cost burden is an adjustment increase of \$102,500 and also comes from multiple subparts throughout 30 CFR 250 that were approved in other ICRs. In this submission, we are requesting a total of \$867,500. This represents a program increase of \$765,000 for Independent Third Party costs being added due to this final rulemaking, 1014-AA39, Blowout Preventer Systems and Well Control Revisions.

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

BSEE will not tabulate or publish the data.

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

BSEE will display the OMB control number and approval expiration date.

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

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