

Supporting Statement A
30 CFR Part 250, Application for Permit to Drill (APD, Revised APD), Supplemental APD
Information Sheet, and all supporting documentation
Forms BSEE-0123 and BSEE-0123S
OMB Control Number 1014-0025
Current Expiration Date: April 30, 2020

Terms of Clearance: None.

General Instructions

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

Specific Instructions

Justification

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

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

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

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, 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. Applications for Permit to Drill (APDs) are subject to cost recovery and BSEE regulations specify a service fee for this request.

These authorities and responsibilities are among those delegated to BSEE. The regulations at 30 CFR 250 stipulate the various requirements that must be submitted with an APD, Revised APD, and the supplemental APD information sheet. The forms and the numerous submittals that are included and/or attached to the forms are the subject of this collection. This request also covers any related Notices to Lessees and Operators (NTLs) that BSEE issues to clarify, supplement, or provide additional guidance on some aspects of our regulations.

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 BSEE uses the information to ensure safe drilling operations and to protect the human, marine, and coastal environment. Among other things, BSEE specifically uses the information to ensure: the drilling unit is fit for the intended purpose; the lessee or operator will not encounter geologic conditions that present a hazard to operations; equipment is maintained in a state of readiness and meets safety standards; each drilling crew is properly trained and able to promptly perform well-control activities at any time during well operations; compliance with safety standards; and the current regulations will provide for safe and proper field or reservoir development, resource evaluation, conservation, protection of correlative rights, safety, and environmental protection. We also review well records to ascertain whether drilling operations have encountered hydrocarbons or H₂S and to ensure that H₂S detection equipment, personnel protective equipment, and training of the crew are adequate for safe operations in zones known to contain H₂S and zones where the presence of H₂S is unknown.

This ICR includes forms BSEE-0123 (APD) and BSEE-0123S (Supplemental APD Information Sheet). The BSEE uses the information from these forms to determine the conditions of a drilling site to avoid hazards inherent in drilling operations. Specifically, we use the information to evaluate the adequacy of a lessee's or operator's plan and equipment for drilling, sidetracking, or deepening operations. This includes the adequacy of the proposed casing design, casing setting depths, drilling fluid (mud) programs, cementing programs, and blowout preventer (BOP) systems to ascertain that the proposed operations will be conducted in an operationally safe manner that provides adequate protection for the environment. BSEE also reviews the information to ensure conformance with specific provisions of the lease. In addition, except for proprietary data, BSEE is required by the OCSLA to make available to the public certain information submitted on Forms BSEE-0123 and -0123S.

The forms use and information consist of the following:

BSEE-0123

Heading: BSEE uses the information to identify the type of proposed drilling activity for which approval is requested.

Well at Total Depth/Surface: Information utilized to identify the location (area, block, lease, latitude and longitude) of the proposed drilling activity.

Significant Markers Anticipated: Identification of significant geologic formations, structures and/or horizons that the lessee or operator expects to encounter. This information, in conjunction with seismic data, is needed to correlate with other wells drilled in the area to assess the risks and hazards inherent in drilling operations.

Question/Information: The information is used to ascertain the adequacy of the drilling fluids (mud) program to ensure control of the well, the adequacy of the surface casing compliance with EPA offshore pollutant discharge requirements and the shut in of adjacent wells to ensure safety while moving a rig on and off a drilling location, as well that the worst case discharge scenario information reflects the well and is updated if applicable. This information is also provided in the course of electronically requesting approval of drilling operations via eWell.

BSEE- 0123S

Heading: BSEE uses this information to identify the lease operator, rig name, rig elevation, water depth, type well (exploratory, development), and the presence of H2S and other data which is needed to assess operational risks and safety.

Well Design Information: This engineering data identifies casing size, pressure rating, setting depth and current volume, hole size, mud weight, BOP and well bore designs, formation and BOP test data, and other criteria. The information is utilized by BSEE engineers to verify operational safety and ensure well control to prevent blowouts and other hazards to personnel and the environment. This form accommodates requested data collection for successive sections of the borehole as drilling proceeds toward total depth below each intermediate casing point.

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 our website and submit them electronically as attachments to secure emails. At present, we estimate that we currently collect 99 percent of all information electronically that pertain to 30 CFR Part 250, APDs and all supporting documentation submitted.

BSEE has implemented an internet based system, eWell, that provides respondents with the ability to permit and report well operations electronically using a secure web application. For those respondents with computerized well files, information can be taken directly from that file and imported into the eWell system; respondents generate and submit almost 100 percent of the information via this venue.

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

The information collected is unique to a specific drilling/well operation and does not duplicate any other available information; similar information is not available or discernible from other sources. The DOI and other government agencies have Memoranda of Understanding which define the responsibilities of their agencies with respect to activities in the OCS. These are effective in avoiding duplication of regulations and reporting requirements.

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

This collection of information could have a significant economic effect on a substantial number of small entities. Any direct effects primarily impact the OCS lessees and operators. However, many of the OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration. Because of the factors involved in various types of drilling operations for oil and gas and sulfur, the hour burden on any small entity subject to these regulations 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 operations and the protection of the environment and resources. The information is necessary to carry out the mandate of the OCSLA. The information is generally collected on occasion of the specific drilling activity and initiated by respondents' activity.

In regards to the APD, Revised APD, and the supplemental APD information sheet supporting documentation, if this information were not available, BSEE could not: (1) ensure that drilling operations are planned to minimize the risks to personnel and the environment; (2) require changes to drilling procedures or equipment to determine that levels of safety and environmental protection are maintained; or (3) issue a permit for well operations based on the requirements of 30 CFR 250. Nor could we review information concerning requests for approval or subsequent reporting of well-completion, well-workover, and well-abandonment operations to determine that procedures and equipment are appropriate for the anticipated conditions.

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

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

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

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

When submitting paper copies, respondents are required to submit four copies of BSEE-0123 and BSEE-123S: one approved copy each for the OCS Region, the lessee, the lessee's contractor, and the public. The copy for the public will not include proprietary data that is not subject to release.

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

Respondents are required 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

Not applicable in this collection.

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

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

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

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

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

As required in 5 CFR 1320.11, 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.

Changes from Proposed rule to Final rule:

§ 250.414(c)(2) is new and will allow operators the option to submit the required justification and documentation for a proposed alternative safe drilling margin for BSEE approval at an earlier date prior to the APD. This will increase the annual burden hour by 15 hours.

Based on comments received, BSEE is revising 250.414(c)(2) to allow operators the option to submit the required justification for BSEE approval at an earlier date prior to the APD. The proposed rule indicated that BSEE was considering “whether it should adhere to its practice of identifying a specific drilling margin with an avenue for allowing operators to submit adequate documentation justifying the use of a different drilling margin” (83 FR 22133). The relevant comments informed BSEE’s decision to revise 250.414(c)(2) to permit submission of the alternative drilling margin justification prior to submitting an APD.

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.

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

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

This collection does not include questions of a sensitive nature.

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

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

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

Potential respondents comprise Federal oil and gas and sulfur 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, completing and reviewing the collection of information and are based on informal discussions with the listed respondents in Section A.8. Responses are mandatory or to obtain and retain a benefit; they are submitted generally on occasion and as required in the regulations. We estimate the total annual reporting and recordkeeping burden is 78,069 burden hours. Refer to the following table for a breakdown of the burdens.

[NOTE: In the Burden Table, a Revised APD hour burden is preceded by the letter R]

BURDEN TABLE

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement *	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
Subparts A, C, D, E, G, H, P	Apply for permit to drill, sidetrack, bypass, or deepen a well submitted via Forms BSEE-0123 (APD) and BSEE-0123S (Supplemental APD). (This burden represents only the filling out of the forms, the requirements are listed separately below.)	1	408 applications	408
		\$2,113 fee x 408 = \$862,104		
Subparts D, E, G	Obtain approval to revise your drilling plan or change major drilling equipment by submitting a Revised APD and Supplemental APD [no cost recovery fee for Revised APDs]. (This burden represents only the filling out of the forms, the requirements are listed separately below).	1	662 submittals	662
		Subtotal	1,070 responses	1,070 hours
			\$862,104 non-hour cost burdens	
Subpart A				
125	Submit evidence of your fee for services receipt.	Exempt under 5 CFR 1320.3(h)(1).		0
197	Written confidentiality agreement.	Exempt under 5 CFR 1320.5(d)(2).		0
Subpart C				
300(b)(1), (2)	Obtain approval to add petroleum-based substance to drilling mud system or approval for method of disposal of drill cuttings, sand, & other well solids, including those containing NORM.	150	1 request	150
		Subtotal for C	1 response	150 hours
Subpart D				
408; 414(h)	Request approval of alternate procedures or equipment during drilling operations.	Burden covered under subpart A, 1014-0022		0
409	Request departure approval from the drilling requirements specified in this subpart; identify and discuss.	1	367 approvals	367
410(b); 417(b); 713	Reference well and site-specific information in case it is not approved in your Exploration Plan, Development and Production Plan, Development Operations Coordination	8	1 submittal	8

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement *	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
	Document. Burdens pertaining to EPs, DPPs, DOCDs are covered under BOEM 1010-0151.			
410(d)	Submit to the District Manager: An original and two complete copies of APD and Supplemental APD; separate public information copy of forms per § 250.186.	0.5	380 submittals	190
		R- 0.5	380 submittals	190
411; 412	Submit plat showing location of the proposed well and all the plat requirements associated with this section.	2	380 submittals	760
411; 413; 414; 415; 420	Submit design criteria used and all description requirements;	15	707 submittals	10,605
	drilling prognosis with description of the procedures you will follow; and			
	casing and cementing program requirements.			
411; 416; 731	Submit diverter and BOP systems descriptions and all the regulatory requirements associated with this section.	11	380 submittals	4,180
411; 713	Provide information for using a MODU and all the regulatory requirements associated with this section.	10	682 submittals	6,820
411; 418	Additional information required when providing an APD include, but not limited to, rated capacities of drilling rig and equipment if not already on file; drilling fluids program, including weight materials; directional plot; H2S contingency plan; welding plan; and information we may require per requirements, etc.	20	380 submittals	7,600
414(c)	Request preapproval to use alternative equivalent downhole mud weight prior to submitting APD.	1	15 requests	15
420(a)(7)	Include signed registered professional engineer certification and related information.	3	1,034 certification	3,102
423(c)	Submit for approval casing pressure test procedures and criteria. On casing seal assembly ensure proper installation of casing or liner (subsea BOP's only).	3	527 procedures & criteria	1,581
428(b)	Submit to District Manager for approval revised casing setting depths or hole interval drilling depth; include certification by PE.	125	1 submittal	125
428(k)	Submit a description of the plan to use a valve(s) on the drive pipe during cementing operations for the conductor casing, surface casing, or liner.	125	1 submittal	125
432	Request departure from diverter requirements; with discussion and receive approval.	8	53 requests	424
460(a)	Include your projected plans if well testing along with the required information.	17	2 plans	34
462(c)	Submit a description of your source control and containment capabilities to the Regional Supervisor and receive approval; all required information.	125	1 submittal	125
490(c)	Request to classify an area for the presence of H2S.	3	91 requests	273
	Support request with available information such as G&G data, well logs, formation tests, cores and analysis of formation fluids.	3	73 submittals	219
	Submit a request for reclassification of a zone when a different classification is needed.	1	4 requests	4
Alaska Region: 410; 412 thru	Due to the difficulties of drilling in Alaska, along with the shortened time window allowed for drilling, Alaska hours	2,800	1 request	2,800

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		Non-Hour Cost Burden		
418; 420; 442; 444; 449; 456; 470; 472	are done here as stand-alone requirements. Also, note that these specific hours are based on the first APD in Alaska in more than 10 years.			
Subpart D subtotal			5,445 responses	39,532 hours
Subpart E				
513	Obtain written approval to begin well completion operations. If completion is planned and the data are available you may submit on forms.	3	288 requests	864
		R-3	1 request	3
	Submit description of well-completion, schematics, logs, any H2S.	18.5	295 submittals	5,458
		R-26	1 submittal	26
Subpart E subtotal			585 responses	6,351 hours
Subpart G				
701	Identify and discuss your proposed alternate procedures or equipment.	Burden covered under subpart A, 1014-0022		0
702	Identify and discuss departure requests.	Burden covered under subpart A, 1014-0022		0
713(b)	Submit plat of the rig's anchor pattern for a moored rig approved in your EP, DPP, or DOCD.	125	1 submittal	125
713(e)	Provide contingency plan for using dynamically positioned MODU and all the regulatory requirements associated with this section.	10	682 submittals	6,820
713(g)	Describe specific current speeds when implementing rig shutdown and/or move-off procedures for water depths > 400 meters; discussion of specific measures you will take to curtail rig operations/move-off location.	45	1 submittal	45
720(b)	Request approval to displace kill-weight fluid; include reasons why along with step-by-step procedures.	5	518 approval requests	2,590
721(g)(4)	Submit test procedures and criteria for a successful negative pressure test for approval. If any change, submit changes for approval.	2.5	355 submittals	888
		R-4	1 change	4
731	Submit complete description of BOP system and components; schematic drawings; certification by ITP (additional I3P if BOP is subsea, in HTHP, or surface on floating facility); autoshear, deadman, EDS systems;	114	129 submittal	14,706
		\$31,000 x 129 submittal = \$3,999,000		
733(b)	Describe annulus monitoring plan; and how the well will be secured if leak is detected.	67	1 submittal	67
734(b)	Submit verification report from ITP documenting repairs & that BOP is fit for service	R-64	1 report	64
734(c)	Submit revision, including all verifications required, before drilling out surface casing.	R-66	1 submittal	66
737(a)	Request approval from District Manager to omit BOP pressure test. Indicate which casing strings and liners meet the criteria for this request.	1	358 casing / liner info	358
737(b)(2)	Request approval of test pressures (RAM BOPs).	2	353 requests	706
737(b)(3)	Request approval of pressure test (annular BOPs).	2	380 requests	760
737(d)(2)	Submit test procedures for approval for surface BOP.	2.5	507 submittals	1,268

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement *	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
737(d)(3); (d) (4)	Submit test procedures, including how you will test each ROV intervention function, for approval (subsea BOPs only).	2	507 submittals	1,014
737(d)(12)	Submit test procedures (autoshear and deadman systems) for approval. Include documentation of the controls / circuitry system used for each test; describe how the ROV will be utilized during this operation.	2.5	507 submittals	1,268
738(b)	Submit a revised permit with a written statement from an independent third party documenting the repairs, replacement, or reconfiguration and certifying that the previous certification in § 250.731(c) remains valid.	.5	50 submittals	25
738(m)	Request approval to use additional well control equipment, including BAVO report; as well as other information required by District Manager.	66	1 request	66
738(n)	Submit which pipe/variable bore rams have no current utility or well control purposes.	64	1 submittal	64
Subpart G subtotal			4,177 response	16,396 hours
Subpart H				
807(a)	Submit detailed information that demonstrates the SSSVs and related equipment are capable of performing in HPHT.	13	1 submittal	13
Subpart H subtotal			1 response	13 hours
Subpart P				
Note that for Sulfur Operations, while there may be 49 burden hours listed, we have not had any sulfur leases for numerous years, therefore, we have submitted minimal burden.				
1605(b)(3)	Submit information on the fitness of the drilling unit.	6	1 submittal	6
1617	Submit fully completed application (Form BSEE-0123) include rated capacities of the proposed drilling unit and of major drilling equipment; as well as all required information listed in this section.	40	1 submittal	40
1622(b)	Submit description of well-completion or workover procedures, schematic, and if H2S is present.	3	1 submittal	3
Subpart P subtotal			3 responses	49 hours
Total Burden			11,474 Responses	78,084 Hours
			\$4,861,104 Non Hour Cost Burden	

* In the future, BSEE may require electronic filing of some submissions.

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

The average respondent cost is \$143/hour (rounded). This cost is broken out in the following table using the Society of Petroleum Engineers (SPE) data dated November 2017. See SPE document/website: <http://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)
Permit Specialists / Non-Engineering Technical	76.69	107.35	15%	16.10
Reservoir Engineer(s)	110.16	154.22	15%	23.13
Drilling Engineer	108.30	151.62	40%	60.65
Geologist(s)	94.78	132.69	15%	19.90
Drilling Superintendent /Other or Combination of Above	109.61	153.45	15%	23.02
Weighted Average (\$/hour)				142.80

*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 \$143.00 per hour, we estimate the hour burden as a dollar equivalent to industry is \$11,163,867 (\$143 x 78,069 hours = \$11,163,867).

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 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 burden associated with this collection of information:

1. When respondents submit an APD (BSEE-0123), they submit a \$2,113 fee for initial applications only (there is no fee for a revision) (\$2,113 x 408 applications).
2. The second is being added due to 1014-AA39 rulemaking and is for Independent Third Party costs for \$31,000 (\$31,000 x 129 submittals). 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 burden is \$4,861,104. Refer to the table in Section A.12 to see the fee breakdown. We have not identified any other non-hour cost burdens associated with this collection of information.

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

The average government cost is \$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 (<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>).

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.6* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	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.

To analyze and review the information respondents submit for this collection, we estimate the Government will spend an average of approximately 0.5 hours for each hour spent by lessees. Based on a cost factor of \$84 per hour (rounded), the annual burden on the Government for the regulatory requirements in this collection is \$3,278,940 (78,069 burden hours x 0.5 hours = 39,035 hours x \$84 = \$3,278,940).

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

The current OMB inventory for this collection includes 63,561 burden hours. In this submission, we are requesting a total of 78,084 burden hours. This represents an adjustment increase of 14,592 burden hours. The adjustment increase is due to re-estimating the average number of annual responses. This also represents a program decrease of 69 burden hours due to this final rulemaking, 1014-AA39, Blowout Preventer Systems and Well Control Revisions.

The current OMB non-hour cost burden is \$862,104. In this submission, we are requesting \$4,861,104 in non-hour cost burden. This represents a program increase of \$3,999,000 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.

The 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.

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

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

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