

Supporting Statement A
30 CFR Part 250, Application for Permit to Modify (APM) and supporting documentation
Form – BSEE-0124
OMB Control Number 1014-0026
Current Expiration Date: July 31, 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 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, 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. Applications for Permit to Modify (APMs) are subject to cost recovery and BSEE regulations specify a service fee for this request under § 250.125.

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 APM. The form and the numerous submittals that are included and/or attached to the form are the subject of this collection. This request also covers 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 well control, completion, workover, and decommissioning operations and to protect the human, marine, and coastal environment. Among other things, BSEE specifically uses the information (see the burden table under A.12 to see what specific information BSEE collects) to ensure: the well control, completion, workover, and decommissioning unit (drilling/well operations) is fit for the intended purpose; equipment is maintained in a state of readiness and meets safety standards; each drilling/well operation 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 the 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.

Also, this ICR includes a form, BSEE-0124, Application for Permit to Modify. In this ICR, we updated the citations listed under No. 18; furthermore, we have added several additional questions (G through M) pertaining to shearing data, BOP testing, casing pressure issues, etc. In some instances, operators are not providing the required information in the application and this would help remind them of the requirement; in other instances the responses to the questions will prioritize BSEE's review, approval, and execution.

Once this IC collection is approved, the revisions will be added to the form and the eWell screen shot(s); the revised PRA statement will be posted on the eWell website.

Application for Permit to Modify, BSEE-0124

The information on this form is used to evaluate and approve the adequacy of the equipment, materials, and/or procedures that the lessee or operator plans to use during drilling plan modifications, changes in major drilling equipment, and plugging back. In addition, except for proprietary data, BSEE is required

by the OCSLA to make available to the public certain information submitted on BSEE-0124.

Heading: - Information to identify the well name, lease operator, type of revision and timing of the proposed modifications.

Well at Total Depth/Surface: - Information utilized by BSEE to identify the unique location (area, block and lease of the proposed activity).

Proposed or Completed Work: - Information identifying the specific activity, revision or modification for which approval is requested. This includes specific identification of equipment, engineering, and pressure test data needed by BSEE to ascertain that operations will be conducted in a manner that ensures the safety of personnel and protection of the environment.

Question Information: - Responses to questions (a) through (m) serve to ascertain compliance with applicable BSEE regulations, requirements, and adherence to good operating practices, as follows:

A) Serves to ensure the submittal of a contingency plan to mitigate the presence of a dangerous concentration of H₂S.

B) Information is needed to monitor possible lease expiration in the event proposed operations/modifications are unsuccessful.

C) Information is needed to ascertain that adjacent wells and/or equipment are shut-in while moving heavy rig equipment on/off location in the interest of personnel safety and protection of the environment.

D) Information is needed to ensure that down-hole commingling of hydrocarbon production from separate sand formations has been reviewed and determined to meet conservation requirements for oil/gas reserves.

E) Information is needed to ensure that wells completed for hydrocarbon production within 500 feet of a block (lease) line have been reviewed to mitigate inequitable drainage of reserves from adjacent leases.

F) Information is needed to ensure that the casing will be cut and removed to a depth 15 feet below the seafloor (mud line) to preclude possible damage to trawl/fishing nets.

G) Information is need to ensure well-control fluids, equipment, and operations be designed, utilized, maintained, and/or tested as necessary to control the well in foreseeable conditions and circumstances, including subfreezing conditions.

H) Ensures that BSEE does the correct review for this type of digital BOP testing.

I) If an engineer is aware that an APM is being submitted to resolve a casing pressure issue, BSEE would then have the ability to prioritize its review, approval, and execution.

J) This is per API RP 2D, which is considered usual and customary business practices, and needs to be made available for BSEE review, when applicable.

K) Information is needed for compliance with NPDES.

L) Ensure size, weight, and grade of workstring/ tubing/coil tubing/snubbing/wireline.

M) Information is needed to ensure if a dynamically positioned vessel/work boat is being used or not during operations.

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.

The BSEE estimates that we currently collect 99 percent of all information electronically that pertain to 30 CFR Part 250, APMs 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.

Submitting electronically is not currently in our regulations; therefore, we still have paper forms.

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 readily available or discernible from other sources. The Department of the Interior 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 modifications to drilling/well 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 APM, if this information were not available, BSEE could not: (1) ensure that modifications to well/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. 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;

Not applicable in this collection.

(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 the APM, Form BSEE-0124: 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 the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2); section 26 of OCSLA (43 U.S.C. 1352); 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.

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 the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2); section 26 of OCSLA (43 U.S.C. 1352); 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 include Federal OCS oil, gas, and sulfur 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 and reviewing the collection of information and are based on informal discussions with the listed respondents in Section A.8. Responses are mandatory and are generally submitted on occasion and vary by section. We estimate the total annual reporting and recordkeeping burden is 17,353 hours. Refer to the following table for a breakdown of the burdens.

BURDEN TABLE

Citation 30 CFR 250 APM's	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burdens		
Subparts D, E, F, G, H, P, Q	Submit APM plans (BSEE-0124). (This burden represents only the filling out of the form, the requirements are listed separately below).	1 hour	2,468 applications	2,468
		2,468 applications x \$125 application fee = \$308,500		
Subparts D, E, F, G, H, P, Q	Submit Revised APM plans (BSEE-0124). (This burden represents only the filling out of the form, the requirements are listed separately below) [no fee charged].	1 hour	1,284 applications	1,284
		Subtotal	3,752 responses	3,752 hour burdens
		\$308,500 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				

Citation 30 CFR 250 APM's	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
				Non-Hour Cost Burdens
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.	154 hours	1 request	154
Subtotal of Subpart C			1 response	154 hour burdens
Subpart D				
460(a); 465	There are some regulatory requirements that give respondents the option of submitting information with either their APD or APM; industry advised us that when it comes to this particular subpart, they submit a Revised APD.	Burden covered under 30 CFR 250, 1014-0025.		0
471(c)	Submit SCCE capabilities for Worst Case Discharge (WCD) rate, and demonstrate that your SCCE capabilities will meet the criteria in §250.470(f) under the changed well design. (Arctic)	10 hours	2 submittals	20
471(c); 470(f); 465(a)	Submit re-evaluation of your SCCE capabilities if well design changes; include any new WCD rate and demonstrate that your SCCE capabilities will comply with § 250.470(f) .	5	2 submittals	10
Subtotal of Subpart D			2 response	20 hour burdens
Subpart E				
513	Obtain written approval for well-completion operations. Submit information, including but not limited to, request for completion (including changes); description of well-completion procedures; statement of expected surface pressure, type and weight of completion fluids; schematic drawing; a partial electric log; H2S presence or if unknown, service fee receipt.	1 hour	175 submittals	175
518(f)	Submit descriptions and calculations of production packer setting depth(s).	1 hour	50 submittals	50
526(a)	Submit a notification of corrective action of the diagnostic test.	15 mins.	68 notifications	17
Subtotal of Subpart E			293 responses	242 hour burdens
Subpart F				
613(a), (b)	Request approval to begin other than normal workover, which includes description of procedures, changes in equipment, schematic, info about H2S, etc.	1 hour	802 requests	802
613(c)	If completing a new zone, submit reason for abandonment and statement of pressure data.	20 mins.	195 submittal	65
613(d)	Submit work as performed 30 days after completing the well-workover operation.	20 mins.	755 submittals	252
619(f)	Submit descriptions and calculations of production packer setting depth(s).	1 hour	50 submittals	50
Subtotal of Subpart F			1,802 responses	1,169 hour burdens
Subpart G				
701	Identify and discuss your proposed alternate procedures or equipment [the request to use alternative procedures/equipment is covered under 1014-0022]	3 hours	78 submittals	234

Citation 30 CFR 250 APM's	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
702	Identify and discuss the departure from requirements [the request to depart from requirements is covered under 1014-0022]	2 hours	55 submittals	110
713	Submit required information to use a MODU for well operations, including fitness & foundation requirements, contingency plan for moving off location, current monitoring (description of specific current speeds & specific measures to curtail rig operations and move off location).	1.5 hours	210 submittals	315
720(b)	Obtain approval to displace kill weight fluid with detailed step-by-step written procedures that include, but are not limited to, number of barriers, tests, BOP procedures, fluid volumes entering and leaving wellbore procedures.	1.5 hours	151 submittals	227
721(g)	Request approval for test procedures and criteria for a successful negative pressure test, including any changes.	1 hour	380 requests	380
731	Submit complete description of BOP system and components; schematic drawings; certification by ITP (additional ITP if BOP is subsea, in HTHP, or surface on floating facility); autoshear, deadman, EDS systems.	5 hours	198 submittals	990
			\$31,000 x 198 submittals = \$6,138,000	
733	Description of annulus monitoring plan and how you will secure the well in the event a leak is detected.	30 mins.	248 submittals	124
737(d)(2)	Submit test procedures for District Manager approval for initial test when using water on surface BOP.	30 mins.	48 submittals	24
737(d)(3)	Submit test procedures for District Manager approval to stump test a subsea BOP; including how you will test each ROV function for approval.	30 mins.	45 submittals	23
737(d)(4)	Submit test procedures for District Manager approval to perform an initial subsea BOP test; including how you will test each ROV function for approval.	30 mins.	48 submittals	24
737(d)(12)	Submit test procedures for District Manager approval, including schematics of the actual controls and circuitry of the system used during an actual autoshear or deadman event.	1 hour	260 submittals	260
738(m)	Request approval from District Manager to utilize other well-control equipment; include report from BAVO on equipment design & suitability; other information required by District Manager.	2 hour	311 requests	622
738(n)	Indicate which pipe/variable bore rams have no current utility or well-control purposes.	45 mins.	261 submittals	196
750(a)(4)	Request approval to conduct operations without downhole check valves, describe alternate procedures and equipment.	1 hour	748 requests	748
Subtotal of Subpart G			3,041 responses	4,277 hour burdens
			\$6,138,000 non-hour costs burden	
Subpart H				
801(h)	Request approval to temporarily remove safety device for non-routine operations.	30 mins.	52 approvals	26
804(a)	Submit detailed information that demonstrates the SSSVs and related equipment capabilities re HPHT; include discussions of design verification analysis and validation, functional	1 hour	18 submittals	18

Citation 30 CFR 250 APM's	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
				Non-Hour Cost Burdens
	listing process, and procedures used; explain fit-for-service.			
Subtotal of Subpart H			70 responses	44 hour burdens
Subpart P				
It needs to be noted that for Sulfur Operations, while there may be burden hours listed that are associated with some form of an APM submittal, we have not had any sulfur leases for numerous years, therefore, we are submitting minimal burden.				
1618(a), (b), (c)	Request approval / submit requests for changes in plans, changes in major drilling equipment, proposals to deepen, sidetrack, complete, workover, or plug back a well, or engage in similar activities; include but not limited to, detailed statement of proposed work changed; present state of well; after completion, detailed report of work done and results w/in 30 days of completion; public information copies.	1 hour	1 plan	1
1619(b)	Submit duplicate copies of the records of all activities related to and conducted during the suspension or temporary prohibition.	25 mins.	1 submittal	1
1622(a), (b)	Obtain written approval to begin operations; include description of procedures followed; changes to existing equipment, schematic drawing; zones info re H2S, etc.	20 mins.	1 approval	1
1622(c)(2)	Submit results of any well tests and a new schematic of the well if any subsurface equipment has been changed.	10 mins.	1 submittal	1
Subtotal of Subpart P			4 responses	4 hour burdens
Subpart Q				
1704	Request approval of well abandonment operations.	20 mins.	705 requests	235
1704(g)	Submit with a final well schematic, description, nature and quantities of material used; relating to casing string - description of methods used, size and amount of casing and depth.	1 hour	430 submittals	430
1712; 1704(g)	Obtain and receive approval before permanently plugging a well or zone. Include in request, but not limited to, reason plugging well, with relevant information; well test and pressure data; type and weight of well control fluid; a schematic listing mud and cement properties; plus testing plans. Submit Certification by a Registered Professional Engineer of the well abandonment design and procedures; certify the design	2.5 hours	251 certifications	628
	Obtain and receive approval before permanently plugging a well or zone. Include in request, but not limited to max surface pressure and determination; description of work; well depth, perforated intervals; casing and tubing depths/details, plus locations, types, lengths, etc.	2.5 hours	438 submittals	1,095
1721; 1704(g)	Submit the applicable information required to temporarily abandon a well for approval; after temporarily plugging a well, submit well schematic, description of remaining subsea wellheads, casing stubs, mudline suspension equipment and required information of this section; submit certification by a Registered Professional Engineer of the well abandonment design and procedures; certify design.	4 hours	1,278 submittals	5,112
1722(a)	Request approval to install a subsea protective device.	1 hour	18 requests	18

Citation 30 CFR 250 APM's	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
1723(b)	Submit a request to perform work to remove casing stub, mudline equipment, and/or subsea protective covering.	1 hour	161 requests	161
1743(a)	Submit signed certification; date of verification work and vessel; area surveyed; method used; results of survey including debris or statement that no objects were recover; a post-trawling plot or map showing area.	2 hours	6 certifications	12
Subtotal of Subpart Q			3,287 responses	7,691 hour burdens
Total Burden			12,252 Responses	17,353 Burden Hours
			\$6,446,500 non-hour cost burdens	

* 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 \$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 to industry is \$2,464,126 (\$142 x 17,353 hours = \$2,464,126).

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 burdens.

1. The 30 CFR 250.125 regulations require a cost recovery fee of \$125 for each APM submittal for an annual total of \$308,500 non-hour cost burdens (2,468 applications x \$125 application fee = \$308,500).
2. The second is being added due to 1014-AA39 rulemaking and is for Independent Third Party costs for \$31,000 (\$31,000 x 198 submittals = \$6,138,000). 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 \$6,446,500. 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 (<https://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 hour for each hour spent by lessees. Based on a cost factor of \$84 per hour, the annual burden on the Government for the regulatory requirements in this collection is \$728,868 (17,353 burden hours x 0.5 hour = 8,677 hours x \$84 = \$728,868).

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

The adjustments are as follows:

(a) The current OMB inventory for this collection is 17,386 burden hours. In this submission, we are requesting a total of 17,353 burden hours. This represents an adjustment decrease of 310 burden hours. The adjustment decrease is due to re-estimating the average number of annual responses. This also represents a program increase of 277 burden hours due to this final rulemaking, 1014-AA39, Blowout Preventer Systems and Well Control Revisions.

(b) The current OMB non-hour cost burden for the APM requirement is \$308,500. In this submission, we are requesting a total of \$6,446,500. This represents a program increase of \$6,138,000 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 Submissions.”

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