

**SUPPORTING STATEMENT  
ENVIRONMENTAL PROTECTION AGENCY**

**NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)**

**1. Identification of the Information Collection**

**1(a) Title of the Information Collection**

NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal),  
EPA ICR Number 1788.12, OMB Control Number 2060-0417.

**1(b) Short Characterization/Abstract**

The National Emission Standards for Hazardous Air Pollutants (NESHAP) for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) were proposed on February 06, 1998, and promulgated on June 17, 1999, only for major sources. On July 8, 2005, a supplemental proposal was proposed for area sources with the final rule, effective date on January 03, 2007. The rule was subsequently amended on August 16, 2012 to include emission sources for which standards were not previously developed. These regulations apply to emission points located at both new and existing oil and natural gas production facilities that are both major and area sources. A major source of hazardous air pollutants (HAP) is one that has the potential to emit 10 tons or more of any single HAP or 25 tons or more of total HAP per year; an area source is one with the potential to emit less than this. New facilities include those that commenced either construction or reconstruction after the date of proposal. This information is being collected to assure compliance with 40 CFR Part 63, Subpart HH.

In general, all NESHAP standards require initial notifications, performance tests, and periodic reports by the owners/operators of the affected facilities. They are also required to maintain records of the occurrence and duration of any malfunction in the operation of an affected facility, or any period during which the monitoring system is inoperative. These notifications, reports, and records are essential in determining compliance, and are required of all affected facilities subject to NESHAP.

Any owner/operator subject to the provisions of this part shall maintain a file containing these documents and retain the file for at least five years following the generation date of such maintenance reports and records. All reports are sent to the delegated state or local authority. If there is no such delegated authority, the reports are sent directly to the U.S. Environmental Protection Agency's (EPA) regional offices.

The "Affected Public" are oil and natural gas production facilities. The "burden" to the Affected Public may be found below at the end of this document in Table 1: Annual Respondent Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal). The "burden" to the Federal Government is attributed entirely to work performed by either Federal employees or government contractors and can be found below at the end of this document in Table 2: Average Annual EPA Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal). There are approximately 4,510 oil and natural gas production facilities, which are owned and operated by the oil and natural gas production industry. None of the 4,510 facilities in the United States are owned by either state,

local, tribal or the Federal government. They are all owned and operated by privately-owned, for-profit businesses. We assume that they will all respond to EPA inquiries.

Over the next three years, approximately 4,669 respondents per year will be subject to these standards, including the 4,510 existing respondents and 169 additional new respondents per year that will become subject to these same standards. The 169 new respondents include: 28 new major source respondents, 3 new area source respondents, and 138 new area source respondents that only maintain records. The estimate of the number of existing respondents has been adjusted to correct an error in previous ICRs in which the number of existing respondents were double counted. The estimate of the number of existing major source respondents and the industry growth rate has also been adjusted based on a review of the number of reported major source facilities in ECHO.

The Office of Management and Budget (OMB) approved the currently active ICR without any “Terms of Clearance”.

## **2. Need for and Use of the Collection**

### **2(a) Need/Authority for the Collection**

The EPA is charged under Section 112 of the Clean Air Act, as amended, to establish standards of performance for each category or subcategory of major sources and area sources of hazardous air pollutants. These standards are applicable to new or existing sources of hazardous air pollutants and shall require the maximum degree of emission reduction. In addition, section 114(a) states that the Administrator may require any owner/operator subject to any requirement of this Act to:

(A) Establish and maintain such records; (B) make such reports; (C) install, use, and maintain such monitoring equipment, and use such audit procedures, or methods; (D) sample such emissions (in accordance with such procedures or methods, at such locations, at such intervals, during such periods, and in such manner as the Administrator shall prescribe); (E) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; (F) submit compliance certifications in accordance with Section 114(a)(3); and (G) provide such other information as the Administrator may reasonably require.]

In the Administrator's judgment, HAP emissions from oil and natural gas production either cause or contribute to air pollution that may reasonably be anticipated to endanger public health and/or welfare. Therefore, the NESHAP were promulgated for this source category at 40 CFR Part 63, Subpart HH.

### **2(b) Practical Utility/Users of the Data**

The recordkeeping and reporting requirements in these standards ensure compliance with the applicable regulations which were promulgated in accordance with the Clean Air Act. The collected information is also used for targeting inspections and as evidence in legal proceedings.

Performance tests are required in order to determine an affected facility's initial capability to comply with the emission standards. Continuous emission monitors are used to ensure compliance with these standards at all times. During the performance test a record of the operating parameters under which compliance was achieved may be recorded and used to determine compliance in place of a continuous emission monitor.

The notifications required in these standards are used to inform the Agency or delegated authority when a source becomes subject to the requirements of the regulations. The reviewing authority may then inspect the source to check if the pollution control devices are properly installed and operated, leaks are being detected and repaired, and that these same standards are being met. The performance test may also be observed.

The required semiannual reports are used to determine periods of excess emissions, identify problems at the facility, verify operation/maintenance procedures, and for compliance determinations.

### **3. Non-duplication, Consultations, and Other Collection Criteria**

The requested recordkeeping and reporting are required under 40 CFR Part 63, Subpart HH.

#### **3(a) Non-duplication**

If the subject standards have not been delegated, the information is sent directly to the appropriate EPA regional office. Otherwise, the information is sent directly to the delegated state or local agency. If a state or local agency has adopted its own similar standards to implement the Federal standards, a copy of the report submitted to the state or local agency can be sent to the Administrator in lieu of the report required by the Federal standards. Therefore, duplication does not exist.

#### **3(b) Public Notice Required Prior to ICR Submission to OMB**

An announcement of a public comment period for the renewal of this ICR was published in the *Federal Register* (83 FR 24785) on May 30, 2018. No comments were received on the burden published in the *Federal Register* for this renewal.

#### **3(c) Consultations**

The Agency has consulted industry experts and internal data sources to project the number of affected facilities and industry growth over the next three years. The primary source of information as reported by industry, in compliance with the recordkeeping and reporting provisions in these standards, is the Integrated Compliance Information System (ICIS). ICIS is

EPA's database for the collection, maintenance, and retrieval of compliance data for industrial and government-owned facilities. The growth rate for the industry is based on our consultations with the Agency's internal industry experts. Approximately 4,669 respondents will be subject to these same standards over the three-year period covered by this ICR.

Industry trade associations and other interested parties were provided an opportunity to comment on the burden associated with these standards as they were being developed and these same standards have been reviewed previously to determine the minimum information needed for compliance purposes. In developing this ICR, we contacted both the American Petroleum Institute, at (202) 682-8000, and the Natural Gas Supply Association, at (202) 326-9300.

It is our policy to respond after a thorough review of comments received since the last ICR renewal, as well as for those submitted in response to the first *Federal Register* notice. In this case, no comments were received.

### **3(d) Effects of Less-Frequent Collection**

Less-frequent information collection would decrease the margin of assurance that facilities are continuing to meet these standards. Requirements for information gathering and recordkeeping are useful techniques to ensure that good operation and maintenance practices are applied and emission limitations are met. If the information required by these standards was collected less frequently, the proper operation and maintenance of control equipment and the possibility of detecting violations would be less likely.

### **3(e) General Guidelines**

These reporting or recordkeeping requirements do not violate any of the regulations promulgated by OMB under 5 CFR Part 1320, Section 1320.5.

These standards require the respondents to maintain all records, including reports and notifications for at least five years. This is consistent with the General Provisions as applied to the standards. EPA believes that the five-year records retention requirement is consistent with the Part 70 permit program and the five-year statute of limitations on which the permit program is based. The retention of records for five years allows EPA to establish the compliance history of a source, any pattern of non-compliance and to determine the appropriate level of enforcement action. The EPA has found that the most flagrant violators have violations extending beyond five years. In addition, the EPA would be prevented from pursuing the violators due to the destruction or nonexistence of essential records.

### **3(f) Confidentiality**

Any information submitted to the Agency for which a claim of confidentiality is made will be safeguarded according to the Agency policies set forth in Title 40, chapter 1, part 2, subpart B - Confidentiality of Business Information (CBI) (see 40 CFR 2; 41 FR 36902, September 1, 1976; amended by 43 FR 40000, September 8, 1978; 43 FR 42251, September 20, 1978; 44 FR 17674, March 23, 1979).

### 3(g) Sensitive Questions

The reporting or recordkeeping requirements in the standard do not include sensitive questions.

## 4. The Respondents and the Information Requested

### 4(a) Respondents/SIC Codes

The respondents to the recordkeeping and reporting requirements are oil and natural gas production facilities. The United States Standard Industrial Classification (SIC) codes and the corresponding North American Industry Classification System (NAICS) codes for the respondents affected by the standard are listed below:

Standard (40 CFR Part 63, Subpart HH)	SIC Codes	NAICS Codes
Natural Gas Extraction	1321	211130
Crude Petroleum Extraction	1311	211120

### 4(b) Information Requested

#### (i) Data Items

In this ICR, all the data that are recorded or reported is required by the NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH).

A source must make the following reports:

Notifications and Reports		
Item	Major Sources	Area Sources
Initial notification	§63.775(b)(1), §63.9(b)(2)	§63.775(c)(1)
Notification of intent to construct/reconstruct	§63.5(d), §63.9(b)(4)	§63.9(b)(5)
Notification of actual startup date	§63.9(b)(4), §63.9(b)(5)(ii)	§63.9(b)(5)
Notification of date of CMS performance evaluation	§63.775(b)(2), §63.8(e)(2), §63.9(g)(1)	§63.775(c)(2)
Notification of intent to conduct a performance test	§63.775(b)(3), §63.7(b), §63.9(e)	§63.775(c)(3)
Notification of compliance status	§63.775(b)(4), §63.9(h), §63.775(d)	§63.775(c)(4)
Periodic reports	§63.775(b)(5), §63.769(c), §63.772(f), §63.775(e)(1)-(2)	§63.775(c)(5), §63.775(e)(3)
Results of performance test	§63.7(g), §63.10(d)(2)	
Notification of change in compliance demonstration method for control device	§63.772(f), §63.775(e)	

<b>Notifications and Reports</b>		
<b>Item</b>	<b>Major Sources</b>	<b>Area Sources</b>
performance		
Notification of process change	§63.775(f)	
Malfunction report and Affirmative Defense report	§63.775(b)(6), §63.762(d)(2)	§63.775(c)(6), §63.762(d)(2)
Semiannual excess emissions and continuous monitoring system performance report	§63.8(c)(8), §63.10(e)(3)	
Semiannual HAP summary report	§63.10(e)(3)	

A source must keep the following records:

<b>Recordkeeping</b>	
Record retention	§63.10(b)(1), §63.774(b)(1)
Copies of notifications and reports and supporting documentation	§63.10(b)(2)(xiv)
Records of performance tests, other compliance demonstrations, and performance evaluations (area sources)	§63.10(b)(2)(vii)-(ix)
Record related to control equipment inspections (area sources)	§63.774(b)(5-8) §63.773(c)(7)
Records related to CMS (area sources)	§63.10(b)(2)(vi), (x), (xi), §63.10(c), §63.774(b)(3-4)
Records required if complying via process modification (area sources)	§63.774(b)(10-11), §63.771(e)
Records required if complying via benzene emission limit (area sources)	§63.774(c)
Records related to equipment that is exempt or subject to other standards	§63.764(e), §63.774(d) §63.774(b)(9)
Affirmative Defense	§63.762(d)
Records of exempt glycol dehydration units	§63.764(e)(1), §63.774(d)(1)
Records of exempt ancillary equipment and compressors	§63.764(e)(2), §63.774(d)(2)
Records of glycol dehydration unit baseline operations (alternative standards)	§63.771(e)(1), §63.774(b)(10)
Records of conditions for which glycol dehydration unit baseline operations shall be modified to achieve 95% HAP emission reduction (alternative standards)	§63.771(e)(2), §63.774(b)(11)
Records to demonstrate that glycol dehydration unit	§63.771(e)(3), §63.774(b)(11)

<b>Recordkeeping</b>	
operates under conditions for HAP reduction (alternative standards)	
Documentation of control device design analysis	§63.769(c), §63.772(e)(4)
Records relating to malfunction periods; maintenance; compliance measurements; performance tests and evaluation; calibrations and adjustments	§63.10(b)(2), §63.774(b)(2), §63.774(g)
Records of periods when monitoring systems are not operating (breakdowns, repairs, , malfunctions, etc.)	§63.10(c), §63.774(b)(3), §63.774(g)
Records of control device operating parameters – continuous and daily average (except flares)	§63.774(b)(4)(i-ii)
Records of flare design, visible emissions, heat content, flow-rate, exit velocity, pilot flame outages (flares only)	§63.774(b)(4)(i-ii), §63.774(e)
Records of 365 days rolling average condenser efficiency (condensers only)	§63.774(b)(4)(ii)(B)
Records of flow indicator operation, flow detection, vent stream diversions	§63.774(b)(4)(iii)
Records of inspections of seals or closure mechanisms, records of broken/changed/checked out seals/valves/locks	§63.774(b)(4)(iv)
Records of unsafe-to-inspect parts	§63.773(c)(7), §63.774(b)(5)
Records of difficult-to-inspect parts	§63.773(c)(7), §63.774(b)(6)
Records of leak or defect detection and repair	§63.769(c), §61.246, §63.773(c)(7), §63.774(b)(7)
Records of inspections during which no leaks or defects were detected	§63.773(c)(7), §63.774(b)(8)
Records of compliance with benzene emission limit (alternative standards)	§63.774(c)
Site-specific performance evaluation test plan	§63.7(c)(2), §63.8(d)(2), §63.8(e)(3)(i)
Records of results of performance test	§63.7(g)(3)
Continuous monitoring system quality control program	§63.8(d)
Records of continuous monitoring system performance	§63.10(c)

### Electronic Reporting

Some of the respondents are using monitoring equipment that automatically records parameter data. Although personnel at the affected facility must still evaluate the data, internal automation has significantly reduced the burden associated with monitoring and recordkeeping at a plant site. As part of the final changes to this rule in the August 16, 2012 amendments, all

performance test reports are required to be submitted electronically to EPA's WebFIRE database by using the Compliance and Emissions Data Reporting Interface (CEDRI) that is accessed through EPA's Central Data Exchange (CDX). The EPA believes that the standardization achieved through electronic reporting will reduce the burden both to industry and the Agency. All other reports will continue to be submitted as required currently.

### (ii) Respondent Activities

<b>Respondent Activities</b>
Familiarization with the regulatory requirements.
Install, calibrate, maintain, and operate continuous parameter monitoring systems and/or flare.
Perform initial performance test, Reference Methods 1 or 1A; 2, 2A, 2C, or 2D; 3A or 3B; 3C; 4; 10; 18; ASTM D6420-99; 21; 22; 25A; and 301 test, and repeat performance tests if necessary.
Write the notifications and reports listed above.
Enter information required to be recorded above.
Submit the required reports developing, acquiring, installing, and utilizing technology and systems for collecting, validating, and verifying information.
Develop, acquire, install, and utilize technology and systems for processing and maintaining information.
Develop, acquire, install, and utilize technology and systems for disclosing and providing information.
Train personnel to be able to respond to a collection of information.
Transmit, or otherwise disclose the information.

## 5. The Information Collected: Agency Activities, Collection Methodology, and Information Management

### 5(a) Agency Activities

EPA conducts the following activities in connection with the acquisition, analysis, storage, and distribution of the required information:

<b>Agency Activities</b>
Review notifications and reports, including performance test reports, and excess emissions reports, required to be submitted by industry.



<b>Agency Activities</b>
Audit facility records.
Input, analyze, and maintain data in the Enforcement and Compliance History Online (ECHO) and ICIS.
Maintain data in the Central DATA Exchange (CDX).

### **5(b) Collection Methodology and Management**

Following notification of startup, the reviewing authority could inspect the source to determine whether the pollution control devices are properly installed and operated. Performance test reports are used by the Agency to discern a source's initial capability to comply with the emission standards and to note the operating conditions under which compliance was achieved. Data and records maintained by the respondents are tabulated and published for use in compliance and enforcement programs. The semiannual reports are used for problem identification, as a check on source operation and maintenance, and for compliance determinations.

Information contained in the reports is reported by state and local governments in the ICIS Air database, which is operated and maintained by EPA's Office of Compliance. ICIS is EPA's database for the collection, maintenance, and retrieval of compliance data for industrial and government-owned facilities. The EPA uses ICIS for tracking air pollution compliance and enforcement by local and state regulatory agencies, EPA regional offices and EPA headquarters. The EPA and its delegated Authorities can edit, store, retrieve and analyze the data.

The records required by this regulation must be retained by the owner/operator for five years.

### **5(c) Small Entity Flexibility**

A majority of the respondents are large entities (i.e., large businesses). However, the impact on small entities (i.e., small businesses) was taken into consideration during the development of the regulation. Due to technical considerations involving the process operations and the types of control equipment employed, the recordkeeping and reporting requirements are the same for both small and large entities. The Agency considers these to be the minimum requirements needed to ensure compliance and, therefore, cannot reduce them further for small entities. To the extent that larger businesses can use economies of scale to reduce their burden, the overall burden will be reduced.

### **5(d) Collection Schedule**

The specific frequency for each information collection activity within this request is shown below at the end of this document in Table 1: Annual Respondent Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

## 6. Estimating the Burden and Cost of the Collection

Table 1 documents the computation of individual burdens for the recordkeeping and reporting requirements applicable to the industry for the subpart included in this ICR. The individual burdens are expressed under standardized headings believed to be consistent with the concept of ‘Burden’ under the Paperwork Reduction Act. Where appropriate, specific tasks and major assumptions have been identified. Responses to this information collection are mandatory.

The Agency may neither conduct nor sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

### 6(a) Estimating Respondent Burden

The average annual burden to industry over the next three years from these recordkeeping and reporting requirements is estimated to be 54,400 hours (Total Labor Hours from Table 1 below). These hours are based on Agency studies and background documents from the development of the regulation, Agency knowledge and experience with the NESHAP program, the previously-approved ICR, and any comments received.

### 6(b) Estimating Respondent Costs

#### (i) Estimating Labor Costs

This ICR uses the following labor rates:

Managerial	\$141.06 (\$67.17+ 110%)
Technical	\$120.27 (\$57.27 + 110%)
Clerical	\$58.67 (\$27.94 + 110%)

These rates are from the United States Department of Labor, Bureau of Labor Statistics, June 2019, “Table 2. Civilian Workers, by occupational and industry group.” The rates are from column 1, “Total compensation.” The rates have been increased by 110 percent to account for the benefit packages available to those employed by private industry.

#### (ii) Estimating Capital/Startup and Operation and Maintenance Costs

The type of industry costs associated with the information collection activities in the subject standard are both labor costs which are addressed elsewhere in this ICR and the costs associated with continuous monitoring. The capital/startup costs are one-time costs when a facility becomes subject to these regulations. The annual operation and maintenance costs are the ongoing costs to maintain the monitors and other costs such as photocopying and postage.

#### (iii) Capital/Startup vs. Operation and Maintenance (O&M) Costs

Capital/Startup vs. Operation and Maintenance (O&M) Costs						
(A)	(B)	(C)	(D)	(E)	(F)	(G)

<b>Capital/Startup vs. Operation and Maintenance (O&amp;M) Costs</b>						
Continuous Monitoring Device	Capital/Startup Cost for One Respondent	Number of New Respondents	Total Capital/Startup Cost, (B X C)	Annual O&M Costs for One Respondent	Number of Respondents with O&M	Total O&M, (E X F)
THC analyzer (major source) <sup>1</sup>	\$10,200	28	\$285,600	\$1,020	596	\$607,920
Monitoring equipment (CMS) <sup>2,3</sup>	\$1,015	31	\$31,465	\$134	677	\$90,718
Postage cost <sup>4</sup>	NA	0	\$0	\$7.63	2,819	\$21,509
<b>Total<sup>5</sup></b>			<b>\$317,000</b>			<b>\$720,000</b>

<sup>1</sup> Cost information for THC analyzer is from the EPA Air Pollution Control Cost Manual, January 2002, "Table 4.12: Default Analyzer and Monitor Equipment Costs for CEMS (\$)." EPA assumes all major sources utilize an organic monitoring device to measure the concentration level of organic compounds in the exhaust vent system. EPA estimates the cost for a TOC/HAP monitor based on the cost of a total hydrocarbon (THC) analyzer.

<sup>2</sup> We assume that all new major sources (28) and 2 percent of new area sources (3) are required to purchase CMS per year.

<sup>3</sup> We assume the average number of existing major sources (596), 2% of existing area sources (78), and 3 new area sources (596+78+3=677) have O&M costs associated with CMS.

<sup>4</sup> We estimate an average of 2,819 responses (reports).

<sup>5</sup> Totals have been rounded to 3 significant figures. Figures may not add exactly due to rounding.

The total capital/startup costs for this ICR are \$317,000. This is the total of column D in the above table.

The total operation and maintenance (O&M) costs for this ICR are \$720,000. This is the total of column G.

The average annual cost for capital/startup and operation and maintenance costs to industry over the next three years of the ICR is estimated to be \$1,040,000. These are the recordkeeping costs.

### **6(c) Estimating Agency Burden and Cost**

The only costs to the Agency are those costs associated with analysis of the reported information. EPA's overall compliance and enforcement program includes such activities as the examination of records maintained by the respondents, periodic inspection of sources of emissions, and the publication and distribution of collected information.

The average annual Agency cost during the three years of the ICR is estimated to be \$302,000.

This cost is based on the average hourly labor rate as follows:

Managerial	\$66.62 (GS-13, Step 5, \$41.64 + 60%)
Technical	\$49.44 (GS-12, Step 1, \$30.90 + 60%)

Clerical \$26.75 (GS-6, Step 3, \$16.72 + 60%)

These rates are from the Office of Personnel Management (OPM), 2019 General Schedule, which excludes locality rates of pay. The rates have been increased by 60 percent to account for the benefit packages available to Federal government employees. Details upon which this estimate is based appear below at the end of this document in Table 2: Average Annual EPA Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

#### 6(d) Estimating the Respondent Universe and Total Burden and Costs

Based on our research for this ICR, on average over the next three years, approximately 596 existing major source respondents and 3,914 existing area source respondents will be subject to these standards. It is estimated that an additional 28 new major source respondents and 141 new area source respondents per year will become subject to requirements under the rule. The overall average number of respondents, as shown in the table below, is 4,669 per year.

The number of respondents is calculated using the following table.

Number of Respondents								
Year	(A)			(B)		(C)	(D)	(E)
	Number of New Respondents <sup>1,2</sup>			Number of Existing Respondents <sup>3</sup>		Number of Existing Respondents that keep records but do not submit reports <sup>3,4</sup>	Number of Existing Respondents That Are Also New Respondents <sup>5</sup>	Number of Respondents (E=A+B-D)
	Major	Area	Area - Only Keep Records	Major	Area	Area	Major	Area + Major
1	28	3	138	578	3,773	3,698	10	4,510
2	28	3	138	596	3,914	3,836	10	4,669
3	28	3	138	614	4,055	3,974	10	4,828
Average	28	3	138	596	3,914	3,836	10	4,669

<sup>1</sup> New respondents include sources with constructed or reconstructed affected facilities.

<sup>2</sup> We assume that there are 141 new area source respondents and 28 new major source respondents.

<sup>3</sup> All major sources and 2 percent of area sources will maintain records and submit reports.

<sup>4</sup> We assume that 98 percent of area sources will only be required to maintain records.

<sup>5</sup> We estimate 10 of the 28 new major source respondents are existing respondents that become new respondents due to construction or reconstruction, while 18 of the 28 new major source respondents are new facilities. Of the 10 existing respondents that become new major source respondents due to construction/reconstruction, we assume that all 10 of these existing respondents are already existing major sources.

Column D is subtracted to avoid double-counting respondents. As shown above, the average Number of Respondents over the three-year period of this ICR is 4,669.

The total number of annual responses per year is calculated using the following table:

<b>Total Annual Responses</b>				
(A)	(B)	(C)	(D)	(E)
Information Collection Activity	Number of Respondents	Number of Responses	Number of Existing Respondents That Keep Records But Do Not Submit Reports	Total Annual Responses E=(BxC)+D
<b>Major sources</b>				
Notification of construction/reconstruction	28	1	0	28
Notification of actual startup	28	1	0	28
Notification of date of CMS performance evaluation	28	1	0	28
Notification of date of performance test	28	1	0	28
Notification of compliance status report	28	1	0	28
Affirmative defense and malfunction reports	596	2	0	1,192
Semiannual periodic report	596	2	0	1,192
<b>Area sources</b>				
Notification of intent to construct	3	1	0	3
Notification of actual startup date	3	1	0	3
Notification of intent to conduct performance test	16	1	0	16
Notification of date of CMS performance evaluation	16	1	0	16
Notification of compliance status	16	1	0	16
First periodic report	3	1	0	3
Subsequent periodic reports	78	1	0	78
Affirmative defense and malfunction reports	16	10	0	160
			<b>Total</b>	<b>2,819</b>

The number of Total Annual Responses is 2,819.

The total annual labor costs are \$6,300,000. Details regarding these estimates may be found below at the end of this document in Table 1: Annual Respondent Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

#### **6(e) Bottom Line Burden Hours and Cost Tables**

The detailed bottom line burden hours and cost calculations for the respondents and the Agency are shown below in Tables 1 and 2 at the end of this document, respectively, and summarized below.

#### **(i) Respondent Tally**

The total annual labor hours are 54,400 hours (rounded). Details regarding these estimates may be found below in Table 1: Annual Respondent Burden and Cost – NESHAP for

Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

We assume that burdens for managerial tasks take 5% of the time required for technical tasks because the typical tasks for managers are to review and approve reports. Clerical burdens are assumed to take 10% of the time required for technical tasks because the typical duties of clerical staff are to proofread the reports, make copies and maintain records.

Furthermore, the annual public reporting and recordkeeping burden for this collection of information is estimated to average 19.3 hours per response.

The total annual capital/startup and O&M costs to the regulated entity are \$1,040,000. The cost calculations are detailed in Section 6(b)(iii), Capital/Startup vs. Operation and Maintenance (O&M) Costs.

### **(ii) The Agency Tally**

The average annual Agency burden and cost over next three years is estimated to be 6,250 labor hours at a cost of \$302,000; see below in Table 2: Average Annual EPA Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

We assume that burdens for managerial tasks take 5% of the time required for technical tasks because the typical tasks for managers are to review and approve reports. Clerical burdens are assumed to take 10% of the time required for technical tasks because the typical duties of clerical staff are to proofread the reports, make copies and maintain records.

### **6(f) Reasons for Change in Burden**

This ICR reflects an increase in burden from the most recently-approved ICR. This increase is not due to any program changes. The adjustment increase in burden from the most recently-approved ICR is due to an increase in the number of new and modified sources. The industry growth rate from the prior ICRs was adjusted to more accurately reflect current estimates of affected facilities from data reported to EPA's ECHO database. There is a projected industry growth; an additional 18 new major sources and 141 new area sources are expected to become subject to these same rules each year. The adjustment to burden also corrects an error in the calculations for the number of respondents from the prior ICR, which double-counted existing respondents that became 'new respondents' due to construction, reconstruction, and/or modification. The number of respondents required to perform O&M on CMS monitoring equipment has been increased to include area sources with monitoring requirements. Overall, there is an increase in the number of respondents, resulting in an estimated increase in the respondent labor hours, O&M costs, and number of responses. Finally, the burden to develop a startup, shutdown and malfunction (SS&M) plan has been removed, consistent with the vacatur of those provisions (*Sierra Club v. EPA*, 551 F.3d 1019) (D.C. Cir. 2008). Items which were previously reported under the SS&M provisions are now reported under the affirmative defense and malfunction reports, so that burden has not changed.

### **6(g) Burden Statement**

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 19.3 hours per response. ‘Burden’ means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information either to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An agency may neither conduct nor sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB Control Number. The OMB Control Numbers for EPA regulations are listed at 40 CFR Part 9 and 48 CFR Chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OECA-2012-0669. An electronic version of the public docket is available at <http://www.regulations.gov/>, which may be used to obtain a copy of the draft collection of information, submit or view public comments, access the index listing of the contents of the docket, and to access those documents in the public docket that are available electronically. When in the system, select “search,” then key in the docket ID number identified in this document. The documents are also available for public viewing at the Enforcement and Compliance Docket and Information Center in the EPA Docket Center (EPA/DC), WJC West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the docket center is (202) 566-1752. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OECA-2012-0669 and OMB Control Number 2060-0417 in any correspondence.

## **Part B of the Supporting Statement**

This part is not applicable because no statistical methods were used in collecting this information.

**Table 1: Annual Respondent Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Burden item	Technical Person hours per occurrence	No. of occurrences per respondent per year	Technical Person hours per respondent per year (C=AxB)	Respondents per year <sup>a</sup>	Technical person-hours per year (E=CxD)	Management person hours per year (Ex0.05)	Clerical person hours per year (Ex0.1)	Total Cost Per Year <sup>b</sup>
1. Applications	N/A							
2. Surveys and studies	N/A							
3. Reporting requirements								
a. Familiarize with rule requirement <sup>c</sup>								
New sources	4	1	4	169	676	33.8	67.6	\$90,036.44
Existing sources (major source only)	1	1	1	596	596	29.8	59.6	\$79,381.24
b. Required activities	N/A							
<i>Major sources</i>								
i. Notification of construction/reconstruction <sup>c</sup>	2	1	2	28	56	2.8	5.6	\$7,458.64
ii. Notification of actual startup <sup>c</sup>	2	1	2	28	56	2.8	5.6	\$7,458.64
iii. Notification of date of CMS performance evaluation <sup>c</sup>	2	1	2	28	56	2.8	5.6	\$7,458.64
iv. Notification of date of performance test <sup>c</sup>	2	1	2	28	56	2.8	5.6	\$7,458.64
v. Notification of compliance status report <sup>c</sup>	4	1	4	28	112	5.6	11.2	\$14,917.28
vi. Affirmative Defense and malfunction reports <sup>e</sup>	2	2	4	596	2,384	119	238	\$317,524.96
vii. Semiannual periodic report <sup>e</sup>	2	2	4	596	2,384	119	238	\$317,524.96
<i>Area sources</i>								
i. Notification of intent to construct <sup>c</sup>	2	1	2	3	6	0.3	0.6	\$799.14



ii. Notification of actual startup date <sup>c</sup>	1	1	1	3	3	0.15	0.3	\$399.57
iii. Notification of intent to conduct performance test <sup>c, f</sup>	2	1	2	16	32	1.6	3.2	\$4,262.08
iv. Notification of date of CMS performance evaluation <sup>c, f</sup>	2	1	2	16	32	1.6	3.2	\$4,262.08
v. Notification of compliance status <sup>f</sup>	10	1	10	16	160	8	16	\$21,310.40
vi. First periodic report <sup>g</sup>	4	1	4	3	12	0.6	1.2	\$1,598.28
vii. Subsequent periodic reports <sup>g</sup>	2	1	2	78	157	8	16	\$20,852.23
viii. Affirmative Defense and malfunction reports <sup>h</sup>	2	10	20	16	320	16	32	\$42,620.80
c. Create information	N/A							
d. Gather existing information <sup>c</sup>	8	1	8	169	1352	67.6	135	\$180,072.88
e. Affirmative defense <sup>d</sup>	N/A							
<b>Subtotal for Reporting Requirements</b>						<b>9,717</b>		<b>\$1,125,397</b>
4. Recordkeeping requirements								
a. Familiarize with rule requirement								
Major source <sup>i</sup>	4	1	4	28	112	5.6	11.2	\$14,917.28
Area source <sup>i</sup>	4	1	4	141	564	28.2	56.4	\$75,119.16
b. Plan activities								
Major source	16	1	16	28	448	22.4	44.8	\$59,669.12
Area source								
i. Sources required to operate add-on controls <sup>j</sup>	16	1	16	81	1300	65	130	\$173,210.93
ii. Sources required to implement MP <sup>k</sup>	4	1	4	138	552	27.6	55.2	\$73,520.88
c. Implement activities								
Major source	N/A							
Area source								
i. Performance test <sup>l</sup>	35	1	35	16	560	28	56	\$74,586.40
ii. Design analysis <sup>l</sup>	12	1	12	65	783	39	78	\$104,335.72
iii. Control equipment leak	3	2	6	81	488	24	49	\$64,954.10

monitoring <sup>j</sup>								
iv. Operate and maintain CMS <sup>j, m</sup>	2	12	24	81	1951	98	195	\$259,816.40
d. Develop record system								
Major source								
i. Control equipment <sup>c</sup>	8	1	8	28	224	11.2	22.4	\$29,834.56
ii. Equipment inspection and monitoring <sup>n</sup>	13	1	13	596	7748	387	775	\$1,031,956.12
Area source								
Control equipment <sup>o</sup>	8	1	8	16	128	6.4	12.8	\$17,048.32
e. Time to enter information								
Major source								
<sup>n, p</sup> i. Control equipment monitoring	1	2	2	596	1192	59.6	119	\$158,762.48
ii. Control device CMS <sup>n, p, q</sup>	1	12	12	596	7152	358	715	\$952,574.88
iii. Equipment inspection and monitoring <sup>n, p, q</sup>	1	12	12	596	7152	358	715	\$952,574.88
Area source								
i. Control equipment leak monitoring <sup>j, r</sup>	1	2	2	81	163	8	16	\$21,651.37
ii. CMS measurements <sup>j</sup>	1	12	12	81	975	49	98	\$129,908.20
f. Time to train personnel								
Major source <sup>c, s</sup>	8	1	8	28	224	11.2	22.4	\$29,834.56
Area source <sup>c, s</sup>	8	1	8	3	24	1.2	2.4	\$3,196.56
g. Maintain records (area source) <sup>j, t</sup>	20	1	20	81	1626	81	163	\$216,513.66
h. Retain records of emission <sup>u</sup>	1	1	1	3,836	3836	192	384	\$510,879.55
i. Retrieve records/reports <sup>j, v</sup>	20	1	20	81	1626	81	163	\$216,513.66
<b>Subtotal for Recordkeeping Requirements</b>						<b>44,651</b>		<b>\$5,171,378.79</b>
<b>Total Labor Burden and Costs (rounded)<sup>w</sup></b>						<b>54,400</b>		<b>\$6,300,000</b>
<b>Total Capital and O&amp;M Cost (rounded)<sup>w</sup></b>								<b>\$1,040,000</b>
<b>GRAND TOTAL (rounded)<sup>w</sup></b>								<b>\$7,340,000</b>

**Assumptions:**

<sup>a</sup> We assume that on average there are 4,669 existing sources (596 existing major sources and 3,914 existing area sources) during the three-year period of this ICR. We assume that an additional 169 new respondents (28 new major source respondents and 141 new area source respondents) per year will become subject to new requirements under the rule over the three years of this ICR due to new construction. We assume that all 141 of the new area source respondents are newly constructed area sources, while 18 of the 28 new major source respondents are newly constructed (greenfield) major sources. The remaining 10 new major source respondents are existing major sources that perform construction or reconstruction and are required to file reports as though they were new major source respondents.

<sup>b</sup> This ICR uses the following labor rates for privately-owned sources: \$141.06 for managerial, \$120.27 for technical, and \$58.67 for clerical labor. These rates are from the United States Department of Labor, Bureau of Labor Statistics, June 2019, “Table 2. Civilian Workers, by occupational and industry group.” The rates are from column 1, “Total compensation.” The rates have been increased by 110 percent to account for the benefit packages available to those employed by private industry.

<sup>c</sup> New respondents are comprised of: 28 new major source respondents that are required to file reports, 3 new area source respondents that are required to file reports, and 138 new area source respondents that only maintain records, for a total of 169 new respondents per year on average. For existing respondents, we assume only major source respondents will need to re-familiarize with the regulatory requirement. Most area source respondents only have recordkeeping requirements.

<sup>d</sup> Not applicable.

<sup>e</sup> We assume that affirmative defense and malfunction reports may be included as part of the semiannual periodic reports. In addition, we estimate two hours are required to complete each report. All existing major sources are subject to malfunction and semiannual reports.

<sup>f</sup> We assume that 11% of new area sources are located within an urbanized area (UA)/urban cluster (UC) plus offset boundary and have facilities subject to control, monitoring, and recordkeeping requirements.

<sup>g</sup> We assume that 2% of existing area sources and 3 new area sources will complete this activity.

<sup>h</sup> We assume that affirmative defense and malfunction reports may be included as part of the semiannual periodic reports. We assume that 2% of existing area sources and 3 new area sources will complete this activity. In addition, we estimate two hours are required to complete each report.

<sup>i</sup> We assume that it will take each of the new sources (28 major and 141 area) four hours to read instructions.

<sup>j</sup> We assume that 2% of the 3,914 existing area sources (78 sources) and 3 new area sources will complete this activity.

<sup>k</sup> This applies to new area sources that only keep records.

<sup>l</sup> Performance of control devices can be evaluated with performance tests or design analysis. The estimated hours per activity and number of sources are based on estimates from EPA ICR Number 1788.09 and 2440.02.

<sup>m</sup> We assume that it will take each respondent two hours twelve times per year to implement this activity.

<sup>n</sup> This applies to the existing major sources.

- <sup>o</sup> The 11% of new area sources doing a performance test on control equipment need to develop a record system. The estimated hours per activity and number of sources are based on estimates from EPA ICR Number 1788.09 and 2440.02.
- <sup>p</sup> We assume that all of the major sources will each take one hour to enter information.
- <sup>q</sup> We assume that each respondent will be required to enter information twelve times per year.
- <sup>r</sup> We assume that each respondent will be required to enter information two times per year.
- <sup>s</sup> We assume that new respondents subject to reporting requirements will take eight hours to train personnel in the recordkeeping system.
- <sup>t</sup> We assume that it will take 20 hours for each respondent to maintain records.
- <sup>u</sup> We assume that 98% of the 3,914 existing area source respondents are subject only to the recordkeeping requirements. These sources will take one hour each year to process records of emissions.
- <sup>v</sup> We assume that each respondent will take twenty hours once per year to retrieve records/reports.
- <sup>w</sup> Totals have been rounded to 3 significant figures. Figures may not add exactly due to rounding.

**Table 2: Average Annual EPA Burden and Cost – NESHP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)**

Activity	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	EPA person-hours per occurrence	No. of occurrences per plant per year	EPA person-hours per plant per year	Plants per year <sup>a</sup>	Technical person-hours per year	Management person-hours per year	Clerical person-hours per year	Cost, \$ <sup>b</sup>
			(C=AxB)		(E=CxD)	(Ex0.05)	(Ex0.1)	
<b>Major source</b>								
Initial notification <sup>c</sup>	2	1	2	28	56	2.8	5.6	\$3,104.98
Preconstruction review application <sup>c</sup>	4	1	4	28	112	5.6	11.2	\$6,209.95
Performance test notification <sup>c</sup>	2	1	2	28	56	2.8	5.6	\$3,104.98
Compliance status notification <sup>c</sup>	4	1	4	28	112	5.6	11.2	\$6,209.95
Affirmative Defense and malfunction reports <sup>d</sup>	2	2	4	596	2,384	119.2	238.4	\$132,183.26
Semiannual periodic reports <sup>e</sup>	2	2	4	596	2,384	119.2	238.4	\$132,183.26
<b>Area sources</b>								
Notification of intent to construct	2	1	2	3	6	0.3	0.6	\$332.68
Notification of actual startup date	2	1	2	3	6	0.3	0.6	\$332.68
Notification of intent to conduct performance test <sup>f</sup>	2	1	2	16	32	1.6	3.2	\$1,774.27
Notification of date of CMS performance evaluation	2	1	2	16	32	1.6	3.2	\$1,774.27
Notification of compliance status	4	1	4	16	64	3.2	6.4	\$3,548.54
Periodic reports - first and subsequent <sup>g</sup>	2	1	2	81	163	8.1	16	\$9,013.30
Affirmative Defense and malfunction reports <sup>h</sup>	2	1	2	16	32	1.6	3.2	\$1,774.27
<b>TOTAL (rounded)<sup>i</sup></b>						<b>6,250</b>		<b>\$302,000</b>

**Assumptions:**

- <sup>a</sup> We assume that on average there are 4,6698 existing sources (596 existing major sources and 3,914 existing area sources) during the three-year period of this ICR. We assume that an additional 169 new respondents (28 new major source respondents and 141 new area source respondents) per year will become subject to new requirements under the rule over the three years of this ICR due to new construction. We assume that all 141 of the new area source respondents are newly constructed area sources, while 18 of the 28 new major source respondents are newly constructed (greenfield) major sources. The remaining 10 new major source respondents are existing major sources that perform construction or reconstruction and are required to file reports as though they were new major source respondents.
- <sup>b</sup> This ICR uses the following labor rates: \$66.62 for managerial, \$49.44 for technical, and \$26.75 for clerical labor. These rates are from the Office of Personnel Management (OPM), 2019 General Schedule, which excludes locality rates of pay. The rates have been increased by 60 percent to account for the benefit packages available to government employees.
- <sup>c</sup> We have assumed that this is a one-time only activity for each facility.
- <sup>d</sup> We have assumed that affirmative defense and malfunction reports may be included as part of the semiannual periodic reports.
- <sup>e</sup> We have assumed that each respondent will take two hours two times per year to complete the semiannual periodic reports.
- <sup>f</sup> We have assumed that each of the respondents will take two hours once per year to complete requirements.
- <sup>g</sup> We assume that 2% of existing area sources and 3 new area sources will complete this activity.
- <sup>h</sup> We have assumed that it will take two hours once per year to review reports.
- <sup>i</sup> Totals have been rounded to 3 significant figures. Figures may not add exactly due to rounding.