Supporting Statement A

Measurement of Gas (43 CFR Subpart 3175)

OMB Control Number 1004-0210

Terms of Clearance: None.

General Instructions

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

Specific Instructions

Justification

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

Information collection activities under OMB Control Number 1004-0210 pertain to the accurate measurement and proper reporting of all natural gas removed or sold from Federal and Indian leases, units, unit participating areas (PAs), and areas subject to communitization agreements (CAs). This information collection applies to operators primarily, and also lessees, purchasers, and transporters.

The following statutes authorize the information collection under control number 1004-0210:

- Allotted Mineral Leasing Act, 25 U.S.C. 396;
- Indian Mineral Leasing Act, 25 U.S.C. 396a et seq.;
- Indian Mineral Development Act, 25 U.S.C. 2101 <u>et</u> seq.;
- Mineral Leasing Act, 30 U.S.C. 181 <u>et seq</u>.;
- Mineral Leasing Act for Acquired Lands, 30 U.S.C. 351 <u>et seq</u>.;
- Federal Oil and Gas Royalty Management Act, 30 U.S.C. 1701 et seq.; and
- Federal Land Policy and Management Act, 43 U.S.C. 1701, et seq.

On November 17, 2016, the BLM published in the *Federal Register* the three following final rules: (1) "Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Site Security" (81 FR 81365), codified at 43 CFR 3170 and 3173; (2) "Onshore Oil and Gas

Operations; Federal and Indian Oil and Gas Leases; Measurement of Oil" (81 FR 81462), codified at 43 CFR 3174; and (3) "Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Measurement of Gas" (81 FR 81516), codified at 43 CFR 3175.

The 2016 Final Rules were prompted by external and internal oversight reviews, which found that many of the BLM's production measurement and accountability policies were outdated and inconsistently applied. The rules also provided a process for approving new measurement technologies that meet defined performance standards. The rules became effective on January 17, 2017.

Since the issuance of the 2016 Final Rules, representatives of the oil and gas industry and other interested stakeholders have raised a number of issues and concerns related to the implementation of the new regulations. The BLM agrees that there have been challenges with implementing some of the provisions of the 2016 Final Rules and has attempted to address some of them through administrative policy directives.¹ However, the BLM only can address other provisions by revising the 2016 Final Rules through a rulemaking action.

Due to Executive Order 13783, "Promoting Energy Independence and Economic Growth" (82 FR 16093) and Secretary Order No. 3349, "American Energy Independence," the BLM reviewed the 2016 Final Rules for opportunities to address implementation challenges and to determine if certain provisions may impose regulatory burdens that unnecessarily encumber energy production, constrain economic growth, and prevent job creation. As a result of this review, the BLM is now proposing to modify certain provisions of 43 CFR subparts 3170, 3173, 3174, and 3175 to reduce unnecessary and burdensome regulatory requirements

In connection with a proposed rule, the Bureau of Land Management (BLM) seeks to revise the control number (1004-0210) pertaining to the measurement of gas at Federal and Indian (except Osage Tribe) oil and gas leases when the final rulemaking becomes effective. The proposed rule would also affect following control numbers:

- Onshore Oil and Gas Operations and Production (1004-0137); and
- Oil and Gas Facility Site Security (1004-0207);
- Measurement of Oil (1004-0209).

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 proposed rule would remove or revise requirements that the BLM has found to be unnecessarily burdensome, unclear, inconsistent, or otherwise problematic. The proposed rule

¹ These administrative policy directives were contained in three Instruction Memoranda (IMs): IM No. 2017-032 (Jan. 17, 2017), IM No. 2018-069 (June 29, 2018), and IM No. 2018-077 (June 29, 2018). All three of these IMs are available on the BLM's website at https://www.blm.gov/policy/instruction-memorandum.

would also adopt updated industry standards, where appropriate, and provide for the use of emerging measurement technologies. The following is an explanation of how the proposed regulatory changes would affect the various subparts' collections of information:

Proposed § 3175.40, Measurement equipment

Existing §§ 3175.40 through 3175.50 pertain to gas-measurement equipment. The proposed rule would revise and replace some of these provisions. The equipment requiring BLM approval would be grouped under revised § 3175.40 and the equipment automatically approved would be grouped under revised § 3175.41. All discussion regarding the testing and PMT review process under existing § 3175.43 through § 3175.49 would be removed and replaced with a statement directing the reader to the PMT section of the www.blm.gov website. The BLM is proposing these changes in order to streamline and better organize the regulations.

Proposed section 3175.40 would replace the following existing regulations and associated IC activities:

- 43 CFR 3175.43 and 3175.130 (Transducers Test Data Collection and Submission for Existing Makes and Models; One-Time);
- 43 CFR 3175.43 and 3175.130 (Transducers Test Data Collection and Submission for Future Makes and Models; Annual);
- 43 CFR 3175.44 and 3175.140 (Flow-Computer Software Test Data Collection and Submission for Existing Makes and Models; One-Time);
- 43 CFR 3175.44 and 3175.140 (Flow-Computer Software Test Data Collection and Submission for Future Makes and Models; Annual);
- 43 CFR 3175.46 (Isolating Flow Conditioners Test Data Collection and Submission for Existing Makes and Models; One-Time);
- 43 CFR 3175.47 (Differential Primary Devices Other Than Flange-Tapped Orifice Plates Test Data Collection and Submission for Existing Makes and Models; One-Time);
- 43 CFR 3175.48 (Linear Measurement Devices Test Data Collection and Submission for Existing Makes and Models; One-Time);
- 43 CFR 3175.48 (Linear Measurement Devices Test Data Collection and Submission for Future Makes and Models; Annual);
- 43 CFR 3175.49 (Accounting Systems Test Data Collection and Submission for Existing Makes and Models; One-Time); and
- 43 CFR 3175.49 (Accounting Systems Test Data Collection and Submission for Future Makes and Models; Annual).

Proposed paragraph (i) of § 3175.40 would change the labels for existing and future "Accounting Systems" to existing and future "Measurement Data Systems."

Proposed § 3175.41, Approved measurement equipment

Like existing §§ 3175.41, 3175.42, and 3175.45, proposed § 3175.41 would provide that the following types of equipment are automatically approved for use if they meet standards prescribed in the regulations at subpart 3175:

• Flange-tapped orifice plates (existing § 3175.41);

- Chart recorders for low- and very-low-volume FMPs (existing § 3175.42); and
- Gas chromatographs (existing § 3175.45).

In addition, proposed § 3175.41 would provide that the following types of equipment would be automatically approved if they meet standards prescribed in the regulations at subpart 3175:

- Transducers, when used at low- and very-low volume FMPs; and (existing §§ 3175.43 and 3175.130); and
- Flow-computer software, when used at low- and very-low volume FMPs (existing §§ 3175.44 and 3175.140).

The existing regulations require BLM approval of all makes and models of transducers and flowcomputer software developed and used at FMPs after January 17, 2017 (i.e., the effective date of the existing rule). Proposed § 3175.41 would reduce the number of makes and model of transducers and flow-computer software that would be subject to these IC activities. BLM proposes to include a new form entitled, Equipment Application Coversheet. Operators would be required to use BLM-approved measurement equipment. However, manufacturers of equipment would need to provide data on testing equipment using the new form. The existing regulations explain that an oil and gas operator may have applied for review and approval because the equipment was old and no longer supported by the manufacturer. The proposed rule provides an exemption for the older equipment. Therefore, it's unlikely the BLM will receive data from an operator.

Proposed § 3175.60, Timeframes for compliance

Subpart 3175, as revised by the proposed rule, would include timeframes for compliance. These timeframes, at proposed 43 CFR 3175.60, would include deadlines that would be one-time-only because they apply only to equipment in operation before the effective date of the rule, if finalized. For some other activities, there would be both an annual burden for some respondents, and a one-time burden in the initial implementation of the rule. Finally, some of these IC activities would apply only annually. The labels for IC activities in subpart 3175 indicate whether the activities are one-time or annual. These proposed changes would not affect the estimated burdens of control number 1004-0210.

Proposed § 3175.80, Flange-tapped orifice plate (primary device)

Proposed § 3175.80 would revise existing IC activities pertaining to inspections and verifications of primary devices. A primary device is the equipment that creates a measurable and predictable pressure drop in response to the flow rate of fluid through the pipeline. Some of these information collection activities are usual and customary because they are required by gas sales contracts and/or industry standards. To the extent they are usual and customary, they are not "burdens" under the PRA (see 5 CFR 1320.3(b)(2)). A description of what is considered usual and customary is given for each applicable activity in the supporting statement.

The proposed regulation would revise the following existing IC activities:

• Schedule of Basic Meter Tube Inspection;

- Basic Inspection of Meter Tubes Data Collection and Submission;
- Detailed Inspection of Meter Tubes Data Collection and Submission; and
- Request for Extension of Time for a Detailed Meter Tube Inspection.

Proposed § 3175.80(j) would add an initial basic meter-tube inspection that would require operators to perform a basic meter-tube inspection within 1 year after installation of a very-high-volume FMP and within 2 years after installation of a high-volume FMP. This requirement would only apply to FMPs installed after the effective date of the final rule.

Proposed § 3175.80(k) would require operators to perform a basic meter-tube inspection every 5 years at both high- and very-high-volume FMPs, and every 10 years at low-volume FMPs. Very-low volume FMPs would continue to be exempt. The BLM would also add a requirement for an initial basic meter-tube inspection for high- and very-high-volume FMPs.

Under proposed § 3175.80(k)(3), paragraphs (i) through (iii) would be added to identify a required course of action based on the results of the basic meter-tube inspection. If the only issue identified on a high- or very-high-volume FMP is an obstruction, proposed paragraph (i) would only require the operator to remove the obstruction; a detailed inspection would no longer be required. Proposed paragraph (ii) would only require the operator to clean the meter tube at low-volume FMPs if the basic meter-tube inspection identified a buildup of foreign substances. If the basic meter-tube inspection at a high- or very-high-volume FMP revealed pitting or a buildup of foreign substances, then the operator would have to perform a detailed meter-tube inspection.

Proposed paragraph (iii) would require a detailed meter-tube inspection if the basic meter-tube inspection revealed pitting or the build-up of foreign substances at a high- or very-high-volume FMP. Proposed paragraph (iii) is essentially the same as the current requirement in existing § 3175.80(i). New paragraph (iv) of proposed § 3175.80(k)(3) would allow the operator to submit an extension request to perform a detailed meter-tube inspection, which is essentially the same as existing § 3175.80(i)(1)(iii).

Proposed § 3175.92, Verification and calibration of mechanical recorders

Proposed § 3175.92(e)(1) would change the amount of time an operator has to notify the BLM prior to performing a verification after installation or following a repair. This rule would change the timeframe to 1 business day. The existing regulation requires a minimum of a 72-hour notice prior to performing the verification. The change to 1 business day would allow operators to provide a more accurate notification.

Proposed § 3175.92(e)(2) would modify the timeframe for notifying BLM of routine verification. Currently, operators must notify the AO at least 72 hours before performing a verification or submit a monthly or quarterly schedule of verifications. The BLM is proposing to modify the requirement to allow operators to either provide at least 72-hours' notice to the AO or submit a list of FMPs that the operator plans to verify over the next month or next quarter. The operator would no longer have to notify the BLM or submit a schedule of when each FMP would be verified. This list would show all verifications planned for that month or quarter, but not the specific day for each location.

<u>Proposed § 3175.101, Installation and operation of electronic gas measurement systems</u> Existing and proposed § 3175.101 define the installation and operation requirements of EGM systems. The proposed rule would clarify parts of the requirements for the connection of EGM devices and modify the on-site information requirements.

Proposed new § 3175.101(b)(4) would modify the existing requirement that operators display the software version at the FMP location. The proposed language would limit that requirement to high- and very-high volume FMPs. The BLM feels that the current requirement imposes an undue burden on operators.

Proposed new § 3175.101(b)(6) would modify a provision in § 3175.101(b)(5) of the existing regulation that requires operators to either display previous-period averages for differential pressure, static pressure, and temperature, or post a QTR on-site that is no more than 31 days old.

The BLM is proposing a modification to the QTR posting requirement in the existing regulations. Instead of requiring operators to post recent QTRs at every location that does not have a flow computer capable of displaying the required average values, the BLM would require operators to submit the most recent QTR when the BLM requests it. Proposed § 3175.101(c)(3) would allow for operators to provide either the FMP elevation or the atmospheric pressure at the FMP. The BLM is proposing to allow atmospheric pressure to be posted at the FMP instead of meter elevation because either value will allow the BLM to verify the flow computer.

Proposed § 3175.101(c)(13) would add a requirement that the operator post the last meter-tube inspection date. The BLM is proposing to add this requirement in order to allow BLM inspectors to verify that the operator is inspecting the meter tube at the frequency required under proposed § 3175.80(l) and (m). The operator would post either the last basic meter-tube inspection date or the last detailed meter-tube inspection date, whichever is more recent.

Proposed § 3175.102, Verification and calibration of electronic gas measurement system Existing and proposed § 3175.102 define the verification and calibration requirements for EGM systems. The proposed update would modify and clarify this section, with a particular focus on the methods used to determine atmospheric pressure, verification frequency, stability and drift, reporting requirements. The proposed rule would also address confusion with respect to notification requirements.

Proposed § 3175.104, Logs and records

Existing section 3175.104 defines the requirements for records and logs pertaining to several categories of equipment. The BLM has determined that the level of detail required in the current regulation is beyond the capabilities of many operators' flow computers. The proposed regulation would modify the existing regulation to allow for the use of existing equipment while preserving accountability requirements.

Proposed section 3175.104 would require the operator to retain, and submit to the BLM upon

request, quantity transaction records (QTRs, configuration logs, event logs, and an alarm log, all of which comply with standards of the American Petroleum Institute (which are incorporated by reference in the proposed rule).

Proposed § 3175.113, Spot samples – general requirements

The BLM is proposing to modify this requirement to allow operators to submit a list of FMPs that the operator plans to sample over the next month or next quarter. The operator would no longer have to notify the BLM or submit a schedule of when each FMP would be sampled. The BLM believes the list of wells an operator intends to sample provides enough information to prioritize which gas samplings the BLM should witness.

Proposed § 3175.113(c)(3) would allow operators to seek approval from the PMT for alternative methods of cleaning sample cylinders.

Under the proposed rule, the BLM would remove § 3175.113(d)(5) and (d)(6) of the existing regulations and replace them with different requirements (§ 3175.113(d)(5) through (d)(8)). These sections of the existing regulations require operators using portable gas chromatographs to run at least three analyses when sampling a low- or very-low-volume FMP and, for high- and very-high-volume FMPs, continue to take samples until the difference between three consecutive samples is 16 British thermal units per standard cubic foot (Btu/scf) or less for high-volume FMPs and 8 Btu/scf or less for very-high volume FMPs. Operators have expressed concern that this requirement not only increases their documentation burdens, but can also be difficult, if not impossible, to achieve.

In 2018, an industry group developed a standard operating procedure (SOP) that contained a number of objective measures to help ensure quality control when using a portable GC. The BLM recommended the use of this SOP in Washington Office Instruction Memorandum (IM) 2018-069. Proposed §§ 3175.113(d)(5) through 3175.113(d)(8) would incorporate many of the recommendations that were included in the SOP.

Proposed § 3175.115, Spot samples – frequency

The BLM would delete existing § 3175.115(b)(5), which requires operators to install composite samplers or on-line GCs at very-high-volume FMPs when the BLM determines that the required level of average annual heating value uncertainty at an FMP cannot be achieved through spot sampling. The BLM is proposing to delete this requirement because it believes that the proposed increase in average annual heating value uncertainty would render this requirement largely unnecessary.

Proposed § 3175.115(d) would increase the amount of time operators would have to install a composite sampling system or on-line GC from 30 days after the due date of the next sample to 90 days after the due date of the next sample. This proposed change is based on industry concerns that the lead-time operators need to plan for, order, and install on-line GCs or composite sampling systems is commonly greater than 30 days. During this 90-day period an operator would not have to take spot samples.

Proposed § 3175.116, Composite sampling methods

Proposed § 3175.116(c) would add a requirement that sample cylinders used in composite sampling systems comply with the general spot-sample requirements under § 3175.113(c). The BLM believes that the omission of these requirements for composite sample systems was an oversight and will not add any additional burdens to industry, as they represent common industry best practice. To reduce unnecessary burden on industry while still meeting the desired intent of a more detailed analysis, the BLM proposes to only require C_9 + analysis.

Proposed § 3175.118, Gas chromatograph requirements

Under existing § 3175.118(e) operators are required to perform extended analyses in accordance with GPA 2286-14. This proposed rule would remove this requirement.

Proposed § 3175.120, Gas analysis report requirements

Proposed § 3175.120(a)(18) would remove the requirement that the gas analysis report must show the un-normalized mole percent for each component analyzed and instead only require the sum of the un-normalized mole percents from all analyzed components. The BLM is proposing to remove the requirement for gas analysis reports to include the un-normalized mole percent of each component because the BLM does not use this information and collecting it is an unnecessary burden on operators.

Proposed § 3175.125, Calculation of heating value and volume

The proposed rule would clarify the requirement for averaging the heating value between two royalty measurement points. Under proposed § 3175.125(b)(1), the existing requirement for calculating and reporting an average heating value would only apply if a lease, unit PA, or CA has more than one FMP that doesn't yet have an FMP number. The BLM proposes this change to reduce unnecessary reporting burdens on industry by removing the requirement to report the average heating value for a lease, unit PA, or CA once the BLM assigns individual FMP numbers.

Proposed § 3175.140, Temporary measurement

The BLM is proposing to add a new section under § 3175.140 to address temporary measurement. Temporary measurement is defined in 43 CFR 3170.10 as a meter that is in place for less than 3 months. Temporary measurement typically applies to a gas meter that is part of a measurement skid used to measure the oil and gas from a newly drilled well before the permanent measurement facility is installed. The existing rule does not address temporary measurement.

Under proposed § 3175.140, a temporary gas meter would have to meet all the requirements of an FMP except for the routine verifications required for mechanical recorders and EGM systems, basic meter-tube inspections, and detailed meter-tube inspections.

Proposed § 3175.150, Immediate assessments

The proposed rule would remove two of the 10 immediate assessments, both related to mechanical recorders. The first is for failure to conduct a mechanical recorder verification after installation or following repair as required under § 3175.92(a), and the second is for failure to

conduct a routine mechanical recorder verification as required under § 3175.92(b). The BLM is proposing to remove these immediate assessments because mechanical recorders are becoming less prevalent and are typically only found on very-low-volume FMPs where the risk of royalty loss is minimal.

It is also important to point out the some of the recordkeeping requirements in the proposed rule are "usual and customary" within the meaning of 5 CFR 1320.3(b)(2), since they are commonly found in gas sales contracts and/or industry standards. Therefore, they are not among the "burdens" that must be disclosed under the Paperwork Reduction Act. Some other proposed activities in the regulations are usual and customary only in part. The burdens of those activities are analyzed to the extent they are not usual and customary.

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.

We anticipate that most respondents will choose to comply with the information collection requirements electronically, even where regulations do not require them to do so.

Existing section 3175.120(f) requires electronic submission of gas analysis reports via the BLM's Gas Analysis Reporting and Verification System (GARVS). Proposed section 3175.120(f) would remove a double reference to the ability to request a variance to remove the GARVS requirement. This change is made to clarify the language.

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

No duplication of information occurs on the information collection activities in the proposed rule. The requested information is unique to each respondent and is not available from any other data source.

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

Nearly all the respondents that would be subject to the proposed rule are small businesses or other small entities. The BLM has developed the proposed rule with the objective of seeking the minimum amount of information consistent with the goals of the rulemaking. The information collection requirements for small businesses and other small entities are the same as for other respondents.

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 we did not collect the information, or collected it less frequently, oil and gas leasing activities and operations could not occur on Federal or Indian leases in compliance with pertinent statutes and policies.

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

* requiring respondents to report information to the agency more often than quarterly;

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

* requiring respondents to submit more than an original and two copies of any document;

* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

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

* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

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

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

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

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

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

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

As required in 5 CFR 1320.11, BLM is providing for and has described the 60-day review and comment process in the preamble of the proposed rule. We will address the comments received on the information collection in the final rule.

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

We would not provide payments or gifts to the respondents.

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

The proposed rule would provide no assurance of confidentiality to respondents.

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

We would not require respondents to answer questions of a sensitive nature.

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

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

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

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

Under the proposed rule, the BLM estimates the following annual burdens for respondents:

- 1. 258,933 responses;
- 2. 109,151 hours; and
- 3. *\$*7,411,445 in dollar equivalents.

Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information.

Table 12-1 shows how the BLM has calculated the estimated weighted average hourly wage for industry of \$67.91. The BLM determined the mean hourly wages for that calculation by using national Bureau of Labor Statistics data at <u>https://www.bls.gov/oes/current/oes_nat.htm</u>. The benefits multiplier of 1.4 is supported by information at <u>http://www.bls.gov/news.r/ecec.nr0.htm</u>.

Table 12-1Estimated Weighted Average Hourly Costs for Industry

A. Position	B. Mean Hourly Pay Rate	C. Hourly Rate with Benefits (Column B x 1.4)	D. Percent of Collection Time	E. Weighted Average Hourly Cost (Column C x Column D)
General Office Clerk (43-9061)	\$17.48	\$24.47	10%	\$2.45
Engineer (17-2199)	\$49.26	\$68.96	80%	\$55.17
Engineering Manager (11-9041)	\$73.52	\$102.93	10%	\$10.29
Totals			100%	\$67.91

Table 12-2 itemizes the estimated hour burdens.

Table 12-2					
Estimates of Respondents' Annual Hour and Cost Burdens					

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Dollar Equivalents (Column D x \$67.91)
Measurement Equipment at FMPs That Requires BLM Approval 43 CFR 3175.41 NEW FORM – Equipment Application Annual	3	80	240	\$16,298
Schedule of Basic Meter-Tube Inspection 43 CFR 3175.80(k)(4) Annual	1210	1	1210	\$82,171
Basic Inspection of Meter Tubes —Data Collection and Submission 43 CFR 3175.80(k)	605	1	605	\$41,086
Detailed Inspection of Meter Tubes — Data Collection and Submission 43 CFR 3175.80(l) and (m)	150	1	150	\$10,187
Request for Extension of Time for a Detailed Meter Tube Inspection 43 CFR 3175.80(k)(3)	30	1	30	\$2,037
Maintenance of Data at an FMP 43 CFR 3175.101(b) through (d)	68,684	0.1	6,868	\$466,406
Redundancy Verification Check for Electronic Gas Measurement (EGM) Systems 43 CFR 3175.102(e)(2)	500	1	500	\$33,955
Notification of Verification 43 CFR 3175.92(d) and 3175.102(e)	8,200	1	8,200	\$555,862
Quantity Transaction Record 43 CFR 3175.104(a)	3,185	0.5	1,593	\$108,181

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Dollar Equivalents (Column D x \$67.91)
Configuration Log 43 CFR 3175.104(b)	3,185	0.5	1,593	\$108,181
Logs and Records 43 CFR 3175.104 Annual	3	80	240	\$16,298
Logs and Records 43 CFR 3175.104 One-Time	28	80	2,240	\$152,118
Notification of Schedule for Spot Sampling 43 CFR 3175.113(b)	9,000	1	9,000	\$611,190
Documentation of Sample Cylinder Cleaning for Spot Sampling 43 CFR 3175.113(c)(3)	600	0.5	300	\$20,373
Evacuation and Pre-charge for the Helium Pop Method – Documentation 43 CFR 3175.114(a)(2) Annual	7,573	0.1	757	\$51,408
O-ring and Lubricant Composition for the Floating Piston Method – Documentation 43 CFR 3175.114(a)(3) Annual	3,787	0.1	379	\$25,738
Gas Analysis — Spot Sampling 43 CFR 3175.115(a) and (b) and 3175.116	75,000	0.5	37,500	\$2,546,625
On-Line Gas Chromatograph Specifications 43 CFR 3175.117(c)	10	1	10	\$679
Gas Chromatograph Verification 43 CFR 3715.118(c)(1) and (d)	20	1	20	\$1,358

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Dollar Equivalents (Column D x \$67.91)
Gas Analysis Report — Entry into Gas Analysis Reporting and Verification System (GARVS) 43 CFR 3175.119(a) and 3175.120(f)	75,000	0.5	37,500	\$2,546,625
Gas Analysis — Extended Gas Analysis 43 CFR 3175.119(b)	2160	.1	216	\$14,669
Totals	0		0	\$0

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

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

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

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

The BLM estimates a total of \$10,996,945 in non-hour costs. The BLM anticipates some capital costs under provision (a) of the non-hourly cost burdens associated with the proposed rule, because some operators that are unable to supply the necessary hourly recordkeeping information required under 43 CFR §3173 to qualify for commingling and allocation (CAA) or off lease measurement agreements will have to install new metering equipment to remain in-compliance with BLM regulations.

The following non-hour cost burdens are associated with this control number.

A. Type of Response	B. Description of Non-Hour Costs	C. Number of Actions	D. Cost Per Action	E. Total Cost
Measurement Equipment at FMPs 43 CFR 3175.40 Annual	Test measurement equipment at a qualified testing facility	3 tests	\$20,000 per test	\$60,000
Basic Inspection of Meter Tubes – Data Collection and Submission 43 CFR 3175.80(k) Annual	 Perform basic meter tube inspections for FMPs as required: Low-volume: Every 5 years or 20% each year; High-volume: Every 2 years or 50% each year, and; Very-high- volume: Every year or 100% each year. 	605 basic meter tube inspections per year	\$167 per basic meter tube inspection	\$101,035

Table 13Estimates of Non-Hour Burdens

A.	B.	С.	D.	Ε.
Type of Response	Description of	Number of	Cost Per	Total Cost
Detailed Inspection of Meter Tubes 43 CFR 3175.80(l) and (m) Annual	 Description of Non-Hour Costs Perform detailed meter tube inspections for FMPs as estimated: Low-volume: Every 10 years or 10% each year; High-volume: Every 4 years or 25% each year, and; Very-high- volume: Every 4 years or 25% each year 	150 detailed meter tube inspections per year	\$937 per detailed meter tube inspection	\$140,550
Maintenance of Data at FMPs 43 CFR 3175.91(b) and 3175.101(d) Annual	Maintain data card in the field at all FMPs	68,684 total FMPs	\$40 per FMP	\$2,747,360
Sample Cylinder Cleaning – Documentation 43 CFR 3175.113(c)(3) Annual	– Documentation 3 CFR 3175.113(c)(3) Annual Annual Sampling (151,461 estimated sampling year)		\$20 per cylinder cleaning	\$12,000
Gas Analysis – Spot Sampling 43 CFR 3175.115(a) and (b) Annual	Perform spot sampling beyond what is usual and customary for low-volume, high-volume, and very-high-volume FMPs	75,000 spot samples per year	\$100 per spot sample	\$7,500,000

A.	B. C.		D.	Ε.
Type of Response	Description of Number of		Cost Per	Total Cost
	Non-Hour Costs	Actions	Action	
Gas Chromatograph Verification 43 CFR 3175.118(c) and (d) Annual	Perform gas chromatograph verification every other time a portable sampler is used on each of an estimated 50 FMPs or every other time a laboratory sampler is used on each of an estimated 80 FMPs	20 total verifications per year	\$200 per verification	\$4,000
Perform extended analysis when the concentration of Gas AnalysisPerform extended analysis when the concentration of C6+ exceeds 0.543 CFR 3175.119 Annualmole percent, or periodically test and adjust the C6+ value.		2,160 extended gas analyses per year	\$200 per extended gas analysis	\$432,000
Totals				0

These costs represent only a subset of the non-hourly cost provisions that operators bear under the proposed rule, which are further detailed in the Regulatory Impact Analysis. Again, it bears mentioning that these are the overall costs that operators from each listed provision, but are generally less than what operators would currently have to bear absent the proposed rule's (generally) cost-reducing amendments.

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.

Under the proposed rule, the BLM estimates the following annual burdens for the government:

- 1. 258,933 responses;
- 2. 163,727 hours; and
- 3. \$9,304,271 in dollar equivalents.

The estimated annual Federal cost is \$9,137,604. The costs shown according to calculations in Tables 14-1 total \$9,304,271. In addition, there is a one-time cost of \$500,000 for the BLM to contract for development of the Gas Analysis Reporting and Verification System (GARVS). GARVS is a database and analysis software that electronically receive gas analysis reports from operators, analyzing the content of those reports, and notifying the BLM of potential violations. When annualized over three years, the one-time cost of GARVS development equals \$166,667 per year.

GARVS also will require additional Federal hourly burdens for the BLM's production accounting staff to resolve potential violations identified by GARVS. This cost factored in the estimated annual Federal cost.

Several regulations do not involve immediate Federal processing because they require operators to maintain records and make them available to the BLM at a later date at the request of the BLM (usually during production audits). Those burdens to the respondent and to the Federal government are included in the estimated burdens for "Required Recordkeeping and Records Submission" for 43 CFR 3170.7, a regulation that is part of the regulations for site security and control no. 1004-0207.

The remaining information collection activities require some degree of Federal review and processing, or require the development of software. The PMT approval process for flow conditioners, differential primary devices other than flange-tapped orifice plates, linear meters, accounting systems, transducers, and flow computer software, all require the PMT to receive test data and analyze that data. Based on this review, the PMT will recommend the approval of the device, approval of the device with conditions, or denial of the device. The BLM Director will review the recommendation from the PMT and make a final decision. If approved, the device will be added to the list of approved devices at www.blm.gov. All these costs are considered to included in the estimated annual Federal cost.

The estimated hourly cost to the Federal Government of \$55.81, as shown below in Table 14-1, is based on data from the Office of Personnel and Management (OPM) at_ https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/20Tables/ html/RUS_h.aspx.

To analyze and review the information respondents submit, we estimate the Government will spend an average of approximately 1.5 hours for each hour spent by respondents. The total estimated Government time is 163,727 hours (rounded) (1.5 hours x 109,151 burden hours).

The benefits multiplier of 1.6 is implied by information at <u>http://www.bls.gov/news.release/ecec.nr0.htm</u>.

Table 14-1Weighted Average Hourly Cost Calculation

A. Position	B. Mean Hourly Pay Rate	C. Hourly Rate with Benefits (Column B x 1.6)	D. Percent of Collection Time	E. Weighted Average Hourly Cost (Column C x Column D)
General Office Clerk GS-6, step 5	\$21.14	\$33.82	10%	\$3.38
Professional GS-11, step 5	\$34.76	\$55.62	80%	\$44.50
Managerial GS-13, step 5	\$49.54	\$79.26	10%	\$7.93
Totals		—	100%	0

Based on a cost factor of \$55.81 per hour, the cost to the Government is \$9,137,604 (\$55.81 x 163,727 hours).

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

The current OMB inventory includes 430,782 responses, 95,068 annual burden hours and \$24,600,894 in non-hour cost burden for the related collection of information. We expect the burden estimate for the proposed rule will be 66,507 hours, which reflects a decrease of 28,561 hour burdens. Also, we expect the number of responses to drop to 246,726, which reflects a decrease of 184,056 responses. Lastly, we expect the non-hour cost burden to lower to \$10,996,945, which reflects a decrease of \$13,603,949.

From approved annual burden hours under 1004-0210, the rule proposes removal of the following burdens:

- Transducers Test Data Collection and Submission for Existing Makes and Models (-1,600 annual burden hours
- Transducers Test Data Collection and Submission for Future Makes and Models (-16 annual burden hours)
- Flow-computer software Test Data Collection and Submission foe Existing Makes and Models (-800 annual burden hours)
- Flow-computer software Test Data Collection and Submission for Future Makes and Models (-160 annual burden hours)
- Isolating Flow Conditioners Test Data Collection and Submission for Existing Makes and Models (-240 annual burden hours)
- Differential Primary Devices Other than Flange-Tapped Orifice Plates Test Data Collection and Submission for Existing Makes and Models (-240 annual burden hours)
- Linear Measurement Devices Test Data Collection and Submission for Existing Makes and Models (-400 annual burden hours)

- Linear Measurement Devices Test Data Collection and Submission for Future Makes and Models (-80 annual burden hours)
- Accounting Systems Test Data Collection and Submission for Future Makes and Models (-1600 annual burden hours)
- Accounting Systems Test Data Collection and Submission for Future Makes and Models (-160 annual burden hours)
- Sample Separator Cleaning Documentation (-757 annual burden hours)
- Gas Analysis Composite Sampling (-21 annual burden hours)

Proposed rule introduces changes in burden hours for the following:

- Measurement Equipment at FMPs (NEW Form, "Equipment Application Coversheet") (+240 hours)
- Schedule of Basic Meter Tube Inspection (-6,278 annual burden hours)
- Basic Inspection Meter Tubes Data Collection and Submission (-331 annual burden hours)
- Detailed Inspections of Meter Tubes Data Collection and Submission (-2,082 annual burden hours)
- Request for Extension of Time for a Detailed Meter Tube Inspection (-528 annual burden hours)
- Notification of Verification (+7,028 annual burden hour)
- Notification of Schedule for Spot Sampling (+7,486 annual burden hours)
- Sample Cylinder Cleaning Documentation (-7,273 annual burden hours)
- Gas Analysis Spot Sampling (+29,222 annual burden hours)
- On-line Gas Chromatograph Specifications (-10 annual burden hours)
- Gas Chromotograph Verification Documentation (-1,211 annual burden hours)
- Gas Analysis Report (-8,586 annual burden hours)
- Logs and Records Annual (+240 annual burden hours)
- Logs and Records One-Time (+2,240 annual burden hours)

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 BLM will not publish the results of this collection.

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

The BLM will display the expiration date of the OMB approval on the forms included in this information collection.

18. Explain each exception to the topics of the certification statement identified in

"Certification for Paperwork Reduction Act Submissions."

There are no exceptions to the certification statement.