**Supporting Statement A**

**Risk Management, Financial Assurance and Loss Prevention**

**(Proposed Rulemaking 1010-AE00)**

**30 CFR 550, Subpart A, General, and Subpart K, Oil and Gas Production Requirements**

**OMB Control Number 1010-0114**

**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.

**Introduction**

The Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) prepared a notice of proposed rulemaking, entitled Risk Management, Financial Assurance and Loss Prevention. BOEM is submitting this information collection clearance package to request OMB approval for revision of OMB control number 1010-0114. The information collection activities related to this rulemaking for 30 CFR parts 550 and 556 were approved under OMB control number 1010-0006 (expiration January 31, 2023), Leasing of Sulfur or Oil and Gas in the Outer Continental Shelf (30 CFR 550, 556 and 560); and OMB control number 1010-0114 (expiration February 28, 2023), 30 CFR 550, Subpart A, General, and Subpart K, Oil and Gas Production Requirements.

BOEM has recognized the need to develop a comprehensive program to help in identifying, prioritizing, and managing the financial risks associated with oil and gas activities on the OCS. BOEM’s goal for this program is to protect American taxpayers from exposure to financial or environmental risks from nonperformance of obligations associated with OCS leases and grants while also assuring that its financial assurance program does not negatively impact offshore investment or operations.

By moving forward with the proposed regulations for the financial assurance program, BOEM would be able to more effectively address a number of complex financial issues. The proposed regulations would establish new criteria that will reduce regulatory burdens and compliance costs on Federal OCS oil, gas, and sulfur lessees, and right-of-use and easement grant and pipeline right-of-way grant holders, would be required to provide bonds or other security to ensure compliance with their Outer Continental Shelf (OCS) obligations to BOEM. This proposed rule would streamline its evaluation criteria for determining whether oil, gas and sulfur lessees, right-of-use and easement grant holders, and pipeline right-of-way holders may be required to provide additional bonds or other security, above the prescribed amounts for base bonds, to ensure compliance with their Outer Continental Shelf Obligations. BOEM’s portion of the proposed rule would also remove restrictive provisions for third-party guarantees and decommissioning accounts, and would add new criteria under which BOEM could cancel additional bonds and third-party guarantees.

**Specific Instructions**

**A. Justification**

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

This ICR covers 30 CFR 550, Subpart A, General, and Subpart K, Oil and Gas Production Requirements, that deal with general regulatory requirements of oil, gas, and sulfur operations on the OCS.

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq*. and 43 U.S.C. 1801 *et seq*.), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to administer leasing of the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-use and easement, or pipeline right-of-way. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation’s energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; and to preserve and maintain free enterprise competition.

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (P.L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that provide special benefits. Under the Department of the Interior's policy implementing this Act, BOEM is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large.

In order to administer OCS leasing, BOEM’s regulations require bonds or other forms of financial assurance from OCS lessees and grant holders. This financial assurance is to protect the public from nonperformance by lessees, right-of-use and easement grant holders and pipeline right-of-way grant holders.

Executive Order 13795 of April 28, 2017, and Secretarial Order 3350 of May 1, 2017, mandated that BOEM review NTL No. 2016-N01 and provide to the Assistant Secretary – Land and Mineral Management, the Deputy Secretary and the Counselor to the Secretary for Energy Policy, a report describing the results of the review and options for revising or rescinding the NTL. These orders require BOEM to determine whether modifications are necessary, and if so, to what extent, to ensure operator compliance with lease terms while minimizing unnecessary regulatory burdens. They also required BOEM to review its financial assurance regulatory policy to determine the extent to which additional regulation is necessary.

The Deputy Secretary recommended that BOEM develop a rulemaking to address the issue. BOEM provided the Deputy Secretary with rulemaking options, including recommended revisions of 30 CFR Part 556, Subpart I—Bonding or Other Financial Assurance, as well as the corresponding sections of 30 CFR Part 550, Subparts A and J, pertaining to bonding and other security requirements for right-of-use and easement grants and pipeline right-of-way grants. On May 29, 2018, the Deputy Secretary requested BOEM to carry out this rulemaking.

***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.***

BOEM’s goal for its financial assurance program continues to be the protection of the American taxpayers from exposure to financial loss associated with OCS development, while ensuring that the financial assurance program does not detrimentally affect offshore investment or position the American offshore exploration and production companies at a competitive disadvantage.

The BOEM uses the information collected under Subpart A and K regulations to ensure that operations on the OCS are carried out in a safe and environmentally sound manner, do not interfere with the rights of other users on the OCS, and balance the protection and development of OCS resources.

BOEM uses the information in subpart A, as related to Right-of-Use Easements (RUEs), to determine if an application for RUEs complies with the OCS Lands Act, other applicable laws, and BOEM regulations; and does not unreasonably interfere with the operations of any other lessee.

The proposed rulemaking slightly impacts the collections of information approved by OMB under this control number as explained below:

* Proposed § 550.160(b) would be revised to clarify that a right-of-use and easement grant holder must exercise the grant according to the terms of the grant and the applicable regulations of part 550, as well as the requirements of part 250, subpart Q. The annual burden hour would not change based on this clarification.
* Proposed §550.160(c) would be revised to update the lessee qualification requirements previously provided in §556.35 (now obsolete), with associated burden hours “to establish a regional Company File as required by BOEM,” to reflect the requirements in BOEM’s existing regulations at §556.400 through 402, which requires a lessee to demonstrate qualifications to hold a lease on the OCS and to obtain a BOEM qualification number. The burden is currently identified in OMB Control Number 1010-0114, and although the description of the lessee qualification requirements has changed slightly, the annual burden would not change.
* Proposed §550.160(c) would also clarify that the criteria to determine when the holder of a right-of-use and easement grant that serves an OCS lease may be required to provide security by replacing a vague reference to “bonding requirements” with a cross-reference to §550.166(d) and its criteria. The annual burden hour would not change based on this clarification.
* Proposed §550.166 (d)(1) relates to BOEM’s determination of whether additional security is necessary to ensure compliance with the obligations under a right-of-use and easement grant. This determination will be based on whether a right-of-use and easement grant holder has the ability to carry out present and future financial obligations. The criteria proposed for the financial determination include an issuer credit rating, or a proxy credit rating based on audited financial information. The issuer credit rating and the audited financial information on which BOEM determines a proxy credit rating already exist. The burden of determining a proxy credit rating falls on BOEM. The annual burdens placed on the grant holder would be minimal and would be included in the burden estimates for 30 CFR 556.901(d) found in OMB Control Number 1010-0006.
* New §550.166(d)(2) would allow BOEM to consider the issuer credit rating or proxy credit rating of a predecessor right-of-use and easement grant holder or a predecessor lessee. This is a new provision that may slightly increase annual burden hours. Burden change would be reflected in the burden estimate for 30 CFR 556.901(d)(2) found in OMB Control Number 1010-0006.

As previously discussed in past ICRs, we use the information collected to:

* Determine the capability of a well to produce oil or gas in paying quantities or to determine the possible need for additional wells resulting in minimum royalty status on a lease. If a well does not yield hydrocarbons in sufficient quantity to warrant continued operation and production, BOEM uses the information to verify the claim and to release the lessee from lease obligations. Conversely, the information is used to extend the term of the lease if additional wells will warrant continued operation and production.
* Provide lessees/operators greater flexibility to comply with regulatory requirements through approval of alternative equipment or procedures and departures to regulations if they demonstrate equal or better compliance with the appropriate performance standards.
* Ensure that subsurface storage of natural gas does not unduly interfere with development and production operations under existing leases.
* Record the designation of an operator authorized to act on behalf of the lessees or operating rights owners and fulfill the lessee’s and operating rights owner’s obligations under the OCS Lands Act, the lease, and regulations or record the local agent empowered to receive notices and comply with regulatory orders issued (Form BOEM-1123, Designation of Operator). This form requires the lessees or operating rights owners to submit general information such as lease number, name, address, company number of designated operator, and signature of the designated operator and authorized lessee.

To assist operators in filling out the form, BOEM has developed instructions to clarify data entries. The instructions are intended to reduce or eliminate the number of form revisions and operator inquiries.

* Determine if an application for right-of-use and easement complies with the OCS Lands Act, other applicable laws, and BOEM regulations; and does not unreasonably interfere with the operations of any other lessee.
* Provide for expeditious and orderly development of the OCS in an environmentally safe manner and that meets the energy needs of the Nation.
* Provide for the disqualification of lessees/operators for unacceptable performance.
* Process requests to cancel leases and ascertain if/when the Secretary may cancel leases.
* Ensure the protection of any discovered archaeological resources.
* Ensure that the production rate of the reservoir is not affecting ultimate recovery (BOEM-0127, Sensitive Reservoir Information Report). Form BOEM-0127, Sensitive Reservoir Information Report, is used to regulate production rates from sensitive reservoirs. BOEM engineers and geologists use the information for rate control and reservoir studies. The form requests general information about the reservoir and the company, volumetric data, and fluid analysis and production data.  Structure maps, isopach maps, and well log sections are provided with the initial form. The form is updated annually to reflect current reservoir conditions.  The data on Form BOEM-0127, along with production, well test, pressure, and other reservoir data are analyzed to determine if the operator is producing the reservoir in an optimal and prudent manner.  The information is used by engineers and geoscientists for reservoir studies.

To assist operators in filling out the form, BOEM includes instructions to clarify data entries. The instructions are intended to reduce or eliminate the number of form revisions and operator inquiries.

* Form BOEM-0140, Bottomhole Pressure Survey Report, is used to manage reservoirs in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the Government's royalty interest. Specifically, BOEM uses the information to assist in worst case discharge analyses, for hydrocarbon volume calculations, and to make reservoir connectivity determinations. The form requests information about the well and operator; test data information such as shut-in time, bottomhole temperature, kelly bushing elevation; and bottomhole pressure points that consist of measured depth(s), true vertical depth(s), pressure(s), and pressure gradient(s). To assist operators in filling out the form, BOEM includes instructions to clarify data entries. The instructions are intended to reduce or eliminate the number of form revisions and operator inquiries.
* Form BOEM-1123, Designation of Operator, records the designation of an operator authorized to act on behalf of the lessee/operating rights owner and to fulfill their obligations under the OCS Lands Act and implementing regulations, or to record the local agent empowered to receive notices and comply with regulatory orders issued. This form requires the respondent to submit general information such as lease number, name, address, company number of designated operator, and signature of the authorized lessee. With this renewal, BOEM will add a signature line on the form to allow for the signature of the company designated as the operator.
* Form BOEM-1832, Notification of Incidents of Non-Compliance (INC), is used to determine that respondents have corrected any Incidents of Non-Compliance identified during compliance reviews. BOEM issues this form to the operator and the operator then corrects the INC(s), signs and returns the form to the BOEM Regional Supervisor.

***3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden and specifically how this collection meets GPEA requirements.***

The BOEM encourages respondents to use the forms available on the website and submit them electronically. At present, an estimated 70 percent of submittals pertaining to this collection are being submitted electronically through email.

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

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

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

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

It is likely that a State lessee applying for a right-of-use and easement on the OCS may be a small business; however, the cost is minimal for applying for that benefit. It should be noted that the OCS Lands Act and these implementing regulations (§ 550.196) require us to reimburse respondents for their costs of reproduction and processing of data and information that BOEM requests.

***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, BOEM would be unable to carry out the mandate of the OCS Lands Act effectively and to administer the offshore program with regard to determining well producibility and reservoir capability, conserving resources, reimbursing certain costs, protecting correlative rights provisions, or allowing lessees greater flexibility in the manner in which they comply with the requirements of regulations under 30 CFR 550 through the adoption of performance standards. Reservoir reports are submitted initially and then annually or sooner at the option of the lessee. Pressure reports are submitted as a result of situations encountered, not at prescribed intervals. Other information is collected only once for each particular event. Less frequent collection of the information is not applicable.

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

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

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

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

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

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

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

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

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

Relating to (b), respondents return copies of Form BOEM-1832, Notification of Incidents of Noncompliance (INC), to BOEM within 14 days from the date of issuance. The BOEM issuing office cannot complete the records for a compliance review until BOEM receives an acknowledgment of the INCs. Historical records indicate that 14 days is a reasonable time for returning a copy to the BOEM issuing office and correcting most of the INCs cited. Two weeks is a reasonable timeframe to return to compliance.

For all other items, there are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines. We do not exceed 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 3 years and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.***

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

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

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

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

As stated in subsection 26(a)(1)(C), the OCS Lands Act mandates that we reimburse respondents for their costs of reproduction and processing of certain data and information requested by BOEM. The implementing regulations (§ 550.196) comply with the Act and provide for reimbursement payment of G&G information when applicable. We do not provide gifts to respondents.

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

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552), it’s implementing regulations (43 CFR 2), 30 CFR 252, and 30 CFR 550.197, “Data and information to be made available to the public or for limited inspection.” Proprietary information concerning geological and geophysical data will be protected according to 43 U.S.C. 1352.

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

The collection does not include questions of a sensitive nature.

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

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

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

***(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of***

***information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under “annual Cost to the Federal Government.”***

Potential respondents comprise Federal oil and gas or sulfur lessees/operators. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. We estimate an annual reporting and recordkeeping burden of 18,323 hours. Refer to the burden table for a breakdown of the hour and non-hour cost burdens.

**Summary of Estimated Annual Hour Burdens**

| **Type of Response and 30 CFR Citations** | **Annual Response** | **Annual Burden Hours** |
| --- | --- | --- |
| Performance Standards  (550.115-550.116, 550.119) | 93 | 480 |
| Designation of Operator  (550.143-550.145, Form BOEM-1123) | 3,514 | 3,514 |
| Disqualification  (550.135-550.136, Form BOEM-1832) | 97 | 192 |
| Special Types of Approval  (550.101-199, 550.125(c), 550.140-550.142) | 300 | 2,350 |
| Right-of-Use and Easement  (550.123, 550.160-550.161, 550.165-550.166) | 27 | 239 |
| Primary Lease Requirement, Term Extensions, and Cancellations  (550.181(d), 550.182-550.185, 550.194) | 2 | 70 |
| Information and Reporting Requirements  (550.135-550.136, 550.186, 550.194, 550.196-550.197, NTL) | 137 | 1,269 |
| Recordkeeping  (550.135-550.136) | 7 | 14 |
| Bottomhole Pressure Surveys and Classifying Reservoirs  (550.1153-1167, BOEM-0127 and BOEM-0140) | 1,125 | 10,195 |
| **Totals** | **5,302** | **18,323** |

**BURDEN BREAKDOWN**

[*Italics show expansion of existing requirements*; **bold indicates new requirements**;

regular font shows current requirements. Where applicable, updated estimates from the

current collection are being used instead of those in the proposed rulemaking.]

| **Citation**  **30 CFR 550**  **Subpart A and Related Forms/NTLs** | **Reporting or Recordkeeping**  **Requirement** | **Hour Burden** | **Average No. of Annual Responses** | **Annual Burden Hours** |
| --- | --- | --- | --- | --- |
| **Non-Hour Cost Burdens** | | |
| **Authority and Definition of Terms** | | | | |
| 104; 181; Form BOEM-1832 | Appeal orders or decisions; appeal INCs; request hearing due to cancellation of lease. | Exempt under 5 CFR 1320.4(a)(2), (c). | | 0 |
| **Performance Standards** | | | | |
| 115; 116 | Request determination of well producibility; make available or submit data and information; notify BOEM of test. | 5 | 90 responses | 450 |
| 119 | Apply for subsurface storage of gas; sign storage agreement. | 10 | 3 applications | 30 |
| **Subtotal** | | | **93 responses** | **480 hrs** |
| **Cost Recovery Fees** | | | | |
| 125; 126; 140 | Cost Recovery Fees; confirmation receipt etc; oral approvals and written request to follow. Includes request for refunds. | Cost Recovery Fees and related items are covered individually throughout this subpart. | | 0 |
| **Designation of Operator** | | | | |
| 143 | Report change of name, address, etc. | Not considered information collection under 5 CFR 1320.3(h)(1). | | 0 |
| 143(a-c); 144; 145; Form BOEM-1123 | Submit designation of operator (Form BOEM-1123 – form takes 30 minutes); report updates; notice of termination; submit designation of agent. Request exception. NO FEE | 1 | 2,584 forms | 2,584 |
| 143(a-d); 144; 145; Form BOEM-1123 | Change designation of operator (Form BOEM-1123 – form takes 30 minutes); report updates; notice of termination; submit designation of agent; include pay.gov confirmation receipt. Request exception. SERVICE FEE | 1 | 930 forms | 930 |
| $175 fee x 930 = $162,750 | | |
| **Subtotal** | | | **3,514 responses** | **3,514 hrs** |
| **$162,750 non-hour cost burden** | |
| **Disqualification** | | | | |
| 135; 136; Form BOEM-1832 | Submit response and required information for INC, probation, or revocation of operating status. Notify when violations corrected. | 2 | 94 submissions | 188 |
| Request waiver of 14-day response time or reconsideration. | 1 | 1 | 1 |
| 135; 136 | Request reimbursement for services provided to BOEM representatives during reviews; comment. | 1.5 | 2 requests | 3 |
| **Subtotal** | | | **97 responses** | **192 hrs** |
| **Special Types of Approval** | | | | |
| 140; 125(c); | Request various oral approvals not specifically covered elsewhere in regulatory requirements. | 1 | 100 requests | 100 |
| 141; 101-199 | Request approval to use new or alternative procedures; submit required information. | 20 | 100 requests | 2,000 |
| 142; 101-199 | Request approval of departure from operating requirements not specifically covered elsewhere in regulatory requirements; submit required information. | 2.5 | 100 requests | 250 |
| **Subtotal** | | | **300 responses** | **2,350 hrs** |
| **Right-of-use and Easement** | | | | |
| 160; 161;  123 | OCS lessees: Apply for new or modified right-of-use and easement to construct and maintain off-lease platforms, artificial islands, and installations and other devices; include notifications and submit required information. | 9 | 26 applications | 234 |
| *160(c)* | *Demonstrate qualification to hold a lease on the OCS and obtain BOEM approval and qualification number. Provide updates.* | Burden covered under 30 CFR 556 (1010-0006). | | 0 |
| 160; 165;  123 | State lessees: Apply for new or modified right-of-use and easement to construct and maintain off-lease platforms, artificial islands, and installations and other devices; include pay.gov confirmation and notifications. | 5 | 1 application | 5 |
| $2,742 state lease fee x 1 = $2,742 | | |
| 166 | *Furnish surety bond; additional security, if required, and/or replace deficient bond. Demonstrate ability to carry our present and future financial obligations.* **Submit request to Regional Director for evaluation of issuer credit rating or proxy credit rating of a predecessor right-of-use and easement grant holder, a predecessor lessee liable for decommissioning any facilities on your right-of-use and easement.** | Burden covered under 30 CFR 556 (1010-0006). | | 0 |
| **Subtotal** | | | **27 responses** | **239 hrs** |
| **$2,742 non-hour cost burden** | |
| **Primary Lease Requirements, Lease Term Extensions, and Lease Cancellations** | | | | |
| 181(d); 182(b), 183(a)(b) | Request termination of suspension, cancellation of lease, lesser lease term (no requests in recent years for termination/can­cellation of a lease; minimal burden). | 20 | 1 request | 20 |
| 182; 183, 185; 194 | Various references to submitting new, revised, or modified exploration plan, development/production plan, or development operations coordination document, and related surveys/reports. | Burden covered under 30 CFR 550, Subpart B (1010-0151). | | 0 |
| 184 | Request compensation for lease cancellation mandated by the OCS Lands Act (no qualified lease cancellations in many years; minimal burden compared to benefit). | 50 | 1 request | 50 |
| **Subtotal** | | | **2 responses** | **70 hours** |
| **Information and Reporting Requirements** | | | | |
| 186(a); NTL | Apply to receive administrative entitlements to eWell/TIMS system for electronic submissions. | Not considered IC under 5 CFR 1320.3(h)(1). | | 0 |
| 186; NTL | Submit information, reports, and copies as BOEM requires. | 10 | 125 | 1,250 |
| 135; 136 | Report apparent violations or non-compliance. | 1.5 | 2 reports | 3 |
| 194; NTL | Report archaeological discoveries. Submit archaeological and follow-up reports and additional information. | 2 | 6 reports | 12 |
| 194; NTL | Request departures from conducting archaeological resources surveys and/or submitting reports in GOMR. | 1 | 2 requests | 2 |
| 194 | Submit ancillary surveys/investigations reports, as required. | Burden covered under 30 CFR 550 Subpart B (1010-0151). | | 0 |
| 196 | Submit data/information for G&G activity and request reimbursement. | Burden covered under 30 CFR 551 (1010-0048). | | 0 |
| 197(b)(2) | Demonstrate release of G&G data would unduly damage competitive position. | 1 | 1 | 1 |
| 197 | Submit confidentiality agreement. | 1 | 1 | 1 |
| **Subtotal** | | | **137 responses** | **1,269 hrs** |
| **Recordkeeping** | | | | |
| 135; 136 | During reviews, make records available as requested by inspectors. | 2 | 7 reviews | 14 |
| **Subtotal** | | | **7 responses** | **14 hours** |
| **Citation 30 CFR 550 Subpart K and Related Forms** | **Bottomhole Pressure Surveys and Classifying Reservoirs** | **Hour Burden** | **Average No. of Annual Responses** | **Annual Burden Hours** |
| 1153 | Conduct static bottomhole pressure survey; submit Form BOEM-0140 (Bottomhole Pressure Survey Report). | 15 | 400 surveys | 6,000 |
| 1153(d) | Submit justification, information, and Form BOEM-0140, to request a departure from requirement to run a static bottomhole survey. | 5 | 100 survey departures | 500 |
| 1154; 1167 | Submit request and supporting information to reclassify reservoir. | 5 | 5 requests | 25 |
| 1155; 1165(b); 1166; 1167 | Submit Form BOEM-0127 (Sensitive Reservoir Information Report) and supporting information/revisions (within 45 days after the beginning of production, discovering that the reservoir is sensitive, the reservoir is classified as sensitive, or wen reservoir parameters are revised. SRI’s must be submitted annually). AK Region: submit BOEM-0127 and request MER | 6 | 610 forms | 3,660 |
| 1153-1167 | Request general departure or alternative compliance requests not specifically covered elsewhere in regulatory requirements. | 1 | 10 | 10 |
| 1165 | Submit proposed plan for enhanced recovery operations to BSEE. | Burden covered under BSEE 30 CFR 250 (1014-0019) | | 0 |
| **Subtotal** | | | **1,125 responses** | **10,195 hrs** |
| **TOTAL BURDEN** | | | **5,302 Responses** | **18,323 Hours** |
| **$165,492 Non-Hour Cost Burdens** | |

***(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of***

***information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under “annual Cost to the Federal Government.”***

The average respondent cost is $100/hour\* (rounded). This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area. See BLS website <http://www.bls.gov/oes/current/oes_26420.htm>.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Position** | **Hourly Pay rate ($/hour estimate)** | **Hourly rate including benefits (1.4\*\* x $/hour)** | **Percent of time spent on collection** | **Weighted Average ($/hour)** |
| Administrative Support  43-6014 | $19 | $27 | 25% | $7 |
| Petroleum Engineers, Geologists  17-2171 | $88 | $123 | 65% | $80 |
| Engineer Managers  11-9041 | $90 | $126 | 10% | $13 |
| **Weighted Average ($/hour)** | | | | **$100** |

\* Note that this BLS source reflects their last update from June 2020.

\*\* A multiplier of 1.4 (as implied by BLS news release USDL 20-1232, June 18, 2020 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of $100 per hour, we estimate the hour burden as a dollar equivalent to industry is $1,832,300 ($100 x 18,323 hours).

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

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

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

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

No non-hour costs would result from the information collection activities in the proposed rule. Therefore, this proposed rulemaking makes no changes to the non-hour cost burdens already identified in approved OMB control numbers 1010-0114 ($165,492).

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

**­­­­­­­­­­­­**

To analyze and review the information required by subparts A and K, we estimate the Government will spend an average of approximately ¾ hour for each hour spent by the respondents for a total of 13,742 (rounded) hours.

The average government cost is $73/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the REST OF THE UNITED STATES (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/general-schedule/>).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Position** | **Grade** | **Hourly Pay rate ($/hour estimate)** | **Hourly rate including benefits (1.6\* x $/hour)** | **Percent of time spent on collection** | **Weighted Average ($/hour)** |
| Clerical | GS-5/5 | $19 | $30 | 4% | $1 |
| Technician(s) | GS-11/5 | $35 | $56 | 25% | $14 |
| Engineer(s) | GS-13/5 | $50 | $80 | 65% | $52 |
| Supervisory | GS-14/5 | $59 | $94 | 6% | $6 |
| **Weighted Average ($/hour)** | | | | | **$73** |

\*A multiplier of 1.6 was added for benefits (as implied by BLS news release USDL-20-1232, June 18, 2020 (see [http://www.bls.gov/news.release/ecec.nr0.htm](http://www.bls.gov/news.release/ecec.nr0.htm%20))).

Based on a cost factor of $73 per hour, the cost to the government would be $ (18,323 hours x 0.75 = 13,742 hours x $70 = $1,003,166).

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

The currently approved OMB paperwork burden is 18,323 burden hours and 5,302 responses. Although some of the requirements for this OMB control number would change. There would be no burden hour changes for this OMB control number. Burden hour changes are found in OMB control number 1010-0006.

***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.***

BOEM will not tabulate or publish the data.

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

The BOEM will display the OMB approval number and OMB expiration date on Forms BOEM-0127, BOEM-0140, BOEM-1123, and BOEM-1832.

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

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”