

Supporting Statement A

Collection of Monies Due the Federal Government; and Processing Refund Requests Related to Overpayments Made to ONRR OMB Control Number 1012-0008

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. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

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

The Secretary of the United States Department of the Interior is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). Under various laws, the Secretary's responsibility is to carry out a comprehensive inspection, collection, fiscal, production accounting, and auditing system that provides the capability to: (1) accurately determine mineral royalties, interest, and other payments owed, (2) collect and account for such amounts in a timely manner, and (3) disburse the funds collected. The laws pertaining to mineral leases on Federal and Indian lands and the OSC are posted at http://www.onrr.gov/Laws_R_D/PubLaws/default.htm.

The Secretary also has a trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. ONRR performs the minerals revenue management functions for the Secretary and assists the Secretary in carrying out the Department's trust responsibility for Indian lands.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a royalty share in value or volume of production from the leased lands. The lessee also agrees to report certain information to the lessor related to the disposition of the minerals. This information is generally available within a lessee's records or others involved in developing, transporting, processing, purchasing, or selling Federal and Indian minerals. The information collected includes data necessary to ensure correct product valuation and royalty payments.

This ICR covers certain information required pursuant to FOGRMA and 30 CFR part 1218 for (1) cross-lease netting in the calculation of late-payment interest; (2) a lessee's designation of

designee for payment obligations; (3) tribal permission for recoupment on Indian oil and gas leases; and (4) refund requests for overpayments made to ONRR.

(1) *Cross-Lease Netting in Calculation of Late-Payment Interest*: Pursuant to 30 CFR 1218.42(b), if certain conditions are met, “[r]oyalties attributed to production from a lease or leases which should have been attributed to production from a different lease or leases may be offset to determine whether and to what extent an underpayment exists on which interest is due” ONRR calls this process cross lease netting. To determine whether a lessee is entitled to cross-lease netting, ONRR must collect lease, production, payor, recipient, and other information specified in 30 CFR 1218.42(b). This information is necessary for ONRR to calculate the correct interest amount.

(2) *Designation of Designee for Payment Obligations*: FOGRMA allows a lessee to notify the Secretary in writing of its designation of “a person to make all or part of the payments due under a lease on the lessee’s behalf . . . in which event said designated person may, in its own name, pay, offset or credit monies, make adjustments, request and receive refunds and submit reports with respect to payments required by the lessee.” See 30 U.S.C. 1712(a). ONRR created form ONRR-4425, Designation Form for Royalty Payment Responsibility, for lessees to notify it of such designation. ONRR requires the information required in this form to ensure proper mineral revenue collection.

(3) *Tribal Permission for Recoupment on Indian Oil and Gas Leases*: Pursuant to 30 CFR 1218.53(b), a payor may, with written permission authorized by tribal statute or resolution, recoup an overpayment against royalties or other revenues owed in that month under other leases for which that tribe is the lessor. See 30 CFR 1218.53(b). The payor must provide ONRR with a copy of the tribe’s written permission. *Id.*

(4) *Processing Refund Requests*: FORGMA authorizes a Federal oil and gas lessee to request a refund for an overpayment in certain situations. See 30 U.S.C. 1721a(b). FOGRMA requires the lessee to supply certain information to support its refund request. *Id.* ONRR collects certain banking information from the refund recipient in order to disburse the overpaid amount to the correct account.

ONRR has posted the following laws pertaining to mineral leases on Federal and Indian lands and the OCS at https://www.onrr.gov/Laws_R_D/PubLaws/index.htm:

- Mineral Leasing Act of 1920, as amended, 30 U.S.C. 181 *et seq.*
- Outer Continental Shelf Lands Act of 1953, as amended, 43 U.S.C. 1331 *et seq.*
- Federal Oil and Gas Royalty Management Act of 1982, as amended, 30 U.S.C. 1701 *et seq.*
- Federal Oil and Gas Royalty Simplification and Fairness Act of 1996, as amended, 30 U.S.C. 1701 *et seq.*
- Indian Mineral Development Act of 1982, as amended 25 U.S.C. 2101-2108
- Federal Oil and Gas Royalty Management Act of 1982, as amended, 30 U.S.C. 1721 *et seq.*

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.

(a) *Cross-Lease Netting in Calculation of Late-Payment Interest:* Regulations under § 1218.54 require ONRR to assess interest on unpaid or underpaid amounts. ONRR distributes late-payment interest revenues to States, Indian Tribes, and the U.S. Treasury based on financial lease distribution information. Current regulations under § 1218.42 provide that an overpayment on a lease or leases may be offset against an underpayment on a different lease or leases to determine the net payment subject to interest when certain conditions are met. ONRR calls this process cross-lease netting. The payor must submit production reports, pipeline allocation reports, or other similar documentary evidence to show that a cross-lease netting exception exists. This information is necessary for ONRR to calculate the correct interest amount and ensure that it collects in full all monies owed to the Federal government.

(b) *Designation of a Designee:* The Federal Oil and Gas Royalty Management Act (FOGRMA) defines a “lessee” to include the record-title holder and also any operating-rights owners if those rights were severed from the record title. See 30 U.S.C 1702(7). FOGRMA states that operating-rights owners are primarily liable and record-title owners are secondarily liable for payment obligations on Federal oil and gas leases. See 30 U.S.C 1712(a). A lessee may designate a person to make payments on its behalf. To do so, FOGRMA requires the lessee to “notify the Secretary . . . in writing of such designation.” ONRR created form ONRR-4425, *Designation Form for Royalty Payment Responsibility*, to request the information necessary for a lessee to comply with FOGRMA’s requirement to designate a designee. ONRR requires this information to ensure proper mineral revenue collection.

(c) *Tribal Permission for Recoupment on Indian Oil and Gas Leases:* A lessee may recoup overpayments on Tribal Indian leases against royalties or other revenues owed in a month on other leases where that Tribe is the lessor. To do so, lessees must comply with § 1218.53(b), which requires a lessee to receive a Tribe’s written permission to recoup overpayments on one lease against another lease where that Tribe is the lessor. The payor must provide ONRR with a copy of the Tribe’s written permission.

(d) *Processing Refund Requests:* FORGMA authorizes a Federal oil and gas lessee to request a refund for an overpayment in certain situations. See 30 U.S.C. 1721a(b). FOGRMA requires the lessee to supply certain information to support its refund request. Id. ONRR collects certain banking information from the refund recipient in order to disburse the overpaid amount to the correct account.

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.

(a) *Cross-Lease Netting in Calculation of Late-Payment Interest*: A lessee may submit the documentation required to support its cross-lease netting by email. According to historical data, ONRR estimates that 5 percent of respondents may use the email option.

(b) *Designation of a Designee*: ONRR continues to strive for full implementation of the Government Paperwork Elimination Act and offers electronic copies of form ONRR-4425, *Designation Form for Royalty Payment Responsibility*, on its website for respondents to print and complete. Respondents may also submit the form electronically as an email attachment. During the current renewal period, no companies have used the email attachment option to request to designate a designee. However, according to historical data, ONRR continues to estimate that 5 percent may use the email option.

(c) *Tribal Permission for Recoupment on Indian Oil and Gas Leases*: Submission of written Tribal permission to recoup overpayments varies in format according to each Tribe. However, a company can send a copy of the permission electronically as an email attachment. According to historical data, ONRR estimates that 5 percent may use the email option.

(d) *Processing Refund Requests*: A lessee may submit a written refund request with the required supporting documentation by email, fax, or mailing address.

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.

(a) *Cross-Lease Netting in Calculation of Late-Payment Interest*: The documentation required to support ONRR's allowance of cross-lease netting is unique to each situation and is not available through other sources.

(b) *Designation of a Designee*: The Bureau of Land Management (BLM) and the Bureau of Ocean Energy Management (BOEM) for Federal onshore and offshore leases, respectively, maintain information on lease record-title holders and operating rights owners.. However, the information maintained by BLM and BOEM does not provide the specific information required by RSFA to designate responsibilities to a designee. Thus, the information submitted on form ONRR-4425 is unique to this collection of information.

(c) *Tribal Permission for Recoupment on Indian Oil and Gas Leases*: Tribal written permission allowing payors to recoup overpayments on a lease is a situation unique to ONRR. Each submission requires a letter from the Tribe related to the specific lease and production month.

(d) *Processing Refund Requests*: The documentation required to process a refund request for an overpayment is unique to each situation and is not available through other sources. Each request refund submission requires a written refund request and supporting documentation.

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

Small businesses are among the potential respondents. ONRR analyzed its requirements to ensure the information requested is the minimum necessary to accomplish its mission and place the least burden on industry. Additionally, ONRR offers training on a regular basis for Cross-Lease Netting in Calculation of Late-Payment Interest, Designation of a Designee, Tribal Permission for Recoupment on Indian Oil and Gas Leases, and Processing Refund 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.

(a) *Cross-Lease Netting in Calculation of Late-Payment Interest*: If a lessee underreports production on one lease and overreports production on another lease, interest accrues in favor of the lessor on the underreported production. However, under current law, interest does not accrue in favor of the lessee on overreported production. In some instances, the lessee, upon proper proof, is allowed to avoid or minimize its obligation to pay interest on underreported production where it overreported production on another lease. If ONRR is not authorized to collect information specific to the under and overreporting, it cannot approve a lessee's request to cross-lease net or offset interest, and the lessee may pay more interest as a result.

(b) *Designation of a Designee*: Operating-rights owners are primarily liable for Federal oil and gas royalties and record-title owners are secondarily liable. A designee is not liable for Federal oil and gas royalties but demands served on a designee may constitute service of the demand on an operating-rights or record-title owner. The information requested on form ONRR-4425 helps ONRR identify the operating-rights owner, record-title owner, and designee, thus allowing ONRR to address demands to and serve the appropriate parties. Without authorization to collect the information required by form ONRR-4425, *Designation Form for Royalty Payment Responsibility*, ONRR may misdirect its demands and service. As a result, ONRR may not collect all royalties and other revenues due.

(c) *Tribal Permission for Recoupment on Indian Oil and Gas Leases*: Situations requiring written permission from a Tribe to allow a lessee or payor to recoup an overpayment against a different lease are infrequent. ONRR would not allow a lessee or payor to recoup an overpayment without written documentation of the Tribe's permission to make the recoupment. Without this information collection authorization, lessees and payors would be required to pay more royalties.

(d) *Processing Refund Requests*: ONRR collects, audits, and disburses royalties, interest, and other payments owed by lessees on minerals produced from Federal and Indian lands. If a lessee overpays the amount due on minerals produced from Federal lands, it may request a refund from ONRR. If a lessee overpays the amount due on minerals produced from tribal lands, it may, with the tribe's permission, recoup the overpayment against other royalties or other revenues owed in that month under other leases for which that tribe is the lessor. If ONRR is not authorized to collect information specific to processing refund requests, it cannot approve a lessee's refund request resulting in processing delays.

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.**

Respondents may be required to report information to ONRR more often than quarterly. For example, if a lessee designates a new/different designee for a given lease, then the lessee must immediately complete and submit a designation form.

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

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(ii).

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

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(iii).

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

Indian Oil and Gas Records: Under 30 U.S.C. 1713(b), Indian oil and gas records must be maintained for six years after the records are generated unless the Secretary notifies the record holder that such records must be maintained for a longer period due to an ongoing audit or investigation.

Federal Records: Under 30 U.S.C. 1724(f), Federal records must be maintained for seven years after the records are generated unless the Secretary notifies the record holder that such records must be maintained for a longer period due to an ongoing audit or investigation or the records related to an ongoing judicial proceeding or appeal of a demand.

*** 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.**

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v).

*** requiring the use of statistical data classification that has been reviewed and approved by OMB.**

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(vi) because this collection is not a statistical survey and does not use statistical data classification.

*** 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.**

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(vii) as this collection does not include a pledge of confidentiality not supported by statute or regulation.

*** 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 with respect to 5 CFR 1320.5(d)(2)(viii) as this collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures. ONRR protects this information under the standards identified in Item 10 below.

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. [Please list the titles, company names, City, and State names of persons contacted.] 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 1320.8(d), ONRR published a 60-day notice in the *Federal Register* on October 15, 2020 [85 FR 65395]. ONRR received the following two comments in response to the *Federal Register* notice available at www.regulations.gov.

1. *Company:* Kraken Oil & Gas, LLC

Public Comment: “We have read the content of the 60-day notice and agree to its content with no further comments.”

ONRR Response: Thank you for reading and agreeing to the content of this 60-day notice.

2. *Company:* Western American Resources

Public comment: “I have read the ICR 1012-0008 and agree to the time needed, as cited below, to provide the appropriate information to ONRR in order to process applicable refunds.”

ONRR Response: Thank you for reading and agreeing to the content of this 60-day notice.

ONRR also reached out to members of industry soliciting comments for this information collection request renewal. Four members of industry provided comments as follows:

Contacts made / comments received:

1. *Company:* Ovintiv

Public Comment: “I/We have read the content of the 60-day notice and agree to its content with no further comments.”

ONRR Response: I wanted to thank you for taking the time to review and agree with the content of the ICR.

2. *Company:* Western Meadowlark

Public Comment: “We have read over these documents and agree with their contents with no further comments.”

ONRR Response: I wanted to thank you for taking the time to review and agree with the content of the ICR. Thank you for your support and quick response.

3. *Company:* Continental Resources

Public Comment: “Cross-lease netting and recoupment between tribal leases are infrequent, but I believe ONRR’s burden hour estimates are appropriate.”

ONRR Response: Thank you for your time in reviewing the ICR and for your response.

4. *Company:* Zenergy, INC.

Public Comment: “We have read the content of the 60-day notice and agree to its content with no further comments.”

ONRR Response: Thank you taking the time to review and agree with the content of the ICR. Thank you for your support of this request.

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

ONRR will not provide any payment or gift to respondents in this collection.

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

Commercial or financial information provided to ONRR, relative to minerals removed from Federal and Indian leases, may be proprietary. The FOGRMA, as amended, (30 U.S.C. 1701 *et. seq.*), the Freedom of Information Act (5 U.S.C 552 (b)(4)), and its implementing regulations establish standards to protect trade secrets and other proprietary information.

In addition, the Indian Mineral Development Act of 1982 (25 U.S.C. 2103) provides that all information related to any Indian minerals agreement covered by the Act, in the possession of the Department, shall be held as privileged proprietary information. ONRR also has strict security measures in place for storage and access of proprietary information.

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 information collection does not include sensitive or private questions.

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.**

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. The following chart shows the estimated burden hours by CFR section and paragraph:

SECTION A.12 BURDEN BREAKDOWN

Citation 30 CFR 1218	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
Subpart A—General Provisions— Cross-lease netting in calculation of late-payment interest.				
1218.42(b) and (c)	Cross-lease netting in calculation of late-payment interest. (b) Royalties attributed to production from a lease or leases which should have been attributed to production from a different lease or leases may be offset * * * if * * * the payor submits production reports, pipeline allocation reports, or other similar documentary evidence pertaining to the specific production involved which verifies the correct production information * * *. (c) If ONRR assesses late-payment interest and the payor asserts that some or all of the interest is not owed * * * the burden is on the payor to demonstrate that the exception applies * * *.	2	25	50
Subpart B—Oil and Gas, General—How does a lessee designate a Designee?				
1218.52(a), (c), and (d)	How does a lessee designate a Designee? (a) If you are a lessee under 30 U.S.C. 1701(7), and you want to designate a person to make all or part of the payments due under a lease on your behalf * * * you must notify ONRR * * * in writing of such designation. * * * (c) If you want to terminate a designation * * * you must provide [the following] to ONRR in writing * * *. (d) ONRR may require you to provide notice when there is a change in the percentage of your record title or operating rights ownership. ONRR currently uses Form ONRR-4425, Designation Form for Royalty Payment Responsibility to collect this information.	0.75	5	4
Subpart B—Oil and Gas, General—Recoupment of overpayments on Indian mineral leases.				
1218.53(b)	Recoupment of overpayments on Indian mineral leases. (b) With written permission authorized by tribal statute or resolution, a payor may recoup an overpayment against royalties or other revenues owed * * * under other leases * * *. A copy of the tribe's written permission must be furnished to ONRR * * *.	1	5	5
Citation	Royalty terms and conditions, interest,			

Citation 30 CFR 1218	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Response s	Annual Burden Hours
30 U.S.C. 1721	and penalties			
1721a(b) (1), (2), (3), and (4)	<p>Refunds. (1) In general: A request for refund is sufficient if it - (A) is made in writing to the Secretary and, for purposes of section 1724 of this title, is specifically identified as a demand; (B) identifies the person entitled to such refund; (C) provides the Secretary information that reasonably enables the Secretary to identify the overpayment for which such refund is sought; and (D) provides the reasons why the payment was an overpayment.</p> <p>(2) Payment by the Secretary of the Treasury: The Secretary shall certify the amount of the refund to be paid under paragraph (1) to the Secretary of the Treasury who shall make such refund. Such refund shall be paid from amounts received as current receipts from sales, bonuses, royalties (including interest charges collected under this section) and rentals of the public lands and the Outer Continental Shelf under the provisions of the Mineral Leasing Act [30 U.S.C. 181 et seq.] and the Outer Continental Shelf Lands Act [43 U.S.C. 1331 et seq.], which are not payable to a State or the Reclamation Fund.</p> <p>(3) Payment period: A refund under this subsection shall be paid or denied (with an explanation of the reasons for the denial) within 120 days of the date on which the request for refund is received by the Secretary. Such refund shall be subject to later audit by the Secretary or the applicable delegated State and subject to the provisions of this chapter.</p> <p>(4) Prohibition against reduction of refunds or credits: In no event shall the Secretary or any delegated State directly or indirectly claim or offset any amount or amounts against, or reduce any refund or credit (or interest accrued thereon) by the amount of any obligation the enforcement of which is barred by section 1724 of this title.</p>	0.25	135	34.75
TOTAL BURDEN			170	93

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

This ICR only covers form ONRR-4425, *Designation Form for Royalty Payment Responsibility*.

**** 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 in Item 14.***

There are approximately 170 respondents (Federal and Indian lessees). ONRR receives responses on occasion. ONRR based the cost estimates for industry on the expectation that an accountant will perform all requirements. ONRR used tables from the Bureau of Labor Statistics (BLS) to estimate the hourly cost for industry accountants in the Denver metropolitan area.¹ ONRR estimates that the hourly cost factor would be \$58 [\$41.34 [mean hourly wage] x 1.4 benefit cost factor = \$57.88, rounded to \$58]. ONRR added a multiplier of 1.4 for benefits based on BLS News Release USDL 20-0451, dated March 19, 2020, located at <http://www.bls.gov/news.release/pdf/ecec.pdf>.

ONRR estimates the total annual reporting burden are 93.75 hours. Based on a cost factor of \$58 per hour for industry accountants, ONRR estimates the total annual cost to industry is \$5,437.50 [\$58 x 93.75 hours = \$5,437.50]. The respondents submit their responses annually, monthly, and on occasion.

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 shown in Items 12 and 14).

**** 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]. 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 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***

¹ These statistics are located at <https://data.bls.gov/oes/#/occGeo/One%20occupation%20for%20multiple%20geographical%20areas>

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.**

ONRR has identified no “non-hour” cost burdens for this information collection.

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. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The Federal government spends an average of 39.5 hours per year to analyze and review the cross-lease netting in calculation of late-payment interest, the recoupment of overpayments on Indian mineral leases, processing form ONRR-4425, and processing refund requests. An employee paid at the United States 2020 General Schedule, Grade 7/Step 5 pay-scale level currently performs the work. Based on the United States Office of Personnel Management 2020 General Schedule, Grade 7, Step 5, pay scale for a government auditor in the Denver, Colorado metropolitan area, the estimated hourly labor cost is \$41 per hour [\$25.75 x 1.6 benefit cost factor = \$41.20 rounded to \$41]. ONRR added a multiplier of 1.6 [based on BLS News Release USDL -20-0451 dated March 19, 2020, located at <http://www.bls.gov/news.release/pdf/ecec.pdf> for benefits.

$$\$25.75 \text{ [GS-7/5]} \times 1.6 \text{ [benefits cost factor]} = \$41.20 \text{ [rounded to } \$41/\text{hr.]}$$

The estimated annual cost to the Federal Government is \$1,620, calculated as follows:

$$39.5 \text{ hrs./year [estimated time]} \times \$41/\text{hr. [for Federal employee]} = \$1,619.51 \text{ [rounded to } \$1,620]$$

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

The current OMB-approved inventory is 151 annual burden hours. Based on historical data and the addition of a new information collection for this ICR, ONRR is estimating 93 burden hours for this renewal period, resulting in a total adjustment **decrease** of 58 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.

ONRR will not 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.

ONRR will display the OMB approval expiration date on form ONRR-4425.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submission.”

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