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**U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**PAPERWORK REDUCTION ACT REQUEST  
SUPPORTING STATEMENT A**

**PRODUCTION SUBJECT TO ROYALTIES, AND RESOURCE CONSERVATION  
(43 CFR PARTS 3160 AND 3170)**

**OMB CONTROL NUMBER 1004-0211**

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**Terms of Clearance:** Not applicable. The Office of Management and Budget (OMB) provided no Terms of Clearance when it last reviewed the collections of information under this OMB Control number (See OMB Notice of Action dated 11/05/2018).

**Abstract:** The Bureau of Land Management's (BLM) royalty-free use standards contained in 43 CFR Parts 3160 and 3170 apply to Federal and Indian (except Osage Tribe) oil and gas leases. The information collection requirements contained in standards are designed to address circumstances under which oil or gas produced from onshore wells may be used royalty-free in operations. This request is for OMB to renew this OMB Control Number for an additional three (3) years.

**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 Interior has authority under the following statutes and regulations to manage oil and gas operations and production on Federal and Indian (except Osage Tribe) lands:

- The Mineral Leasing Act, 30 U.S.C. 181 et seq.;
- The Mineral Leasing Act for Acquired Lands, 30 U.S.C. 351-360
- National Environmental Policy Act, 42 U.S.C. 4321-4370h
- The Federal Oil and Gas Royalty Management Act, 30 U.S.C. 1701-1759;
- The Indian Mineral Leasing Act, 25 U.S.C. 396 and 396a;
- The Indian Mineral Development Act, 25 U.S.C. 2101-2108; and
- Regulations at 43 CFR parts 3160 and 3170.

The requirements contained in 43 CFR parts 3160 and 3170, and outlined in Item 2 below, are designed to address the circumstances under which oil or gas produced from Federal and Indian leases may be used royalty-free in operations on the lease, unit, or communitized area.

**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 collection of information is necessary to assist the BLM in addressing requests for royalty-free use of oil or gas. Respondents are holders of Federal and Indian (except Osage Tribe) oil and gas leases. The information collection requirements are outlined in the BLM's royalty-free use of oil or gas standards as well as on BLM Form 3160-5.

**Information Collected on Form 3160-5, Sundry Notices and Reports on Wells:**

(Item 1) Identify the type of well. The BLM needs this information to identify the type of well for the individual operation.

(Items 2-3) Identify the name of the operator, address, and telephone number. The BLM needs this information to identify the operator of the individual operation.

(Item 4) Identify the location of well. The BLM needs this information to identify the location of the well for the individual operation.

(Item 5) Identify the lease serial number. The BLM needs this information to identify the lease serial number of the individual operation.

(Item 6) Identify the BIA identifier if the action is on Indian trust land. The BLM needs this information to identify if the individual operation is on Indian trust land.

(Item 7) Identify the unit or CA name and number. The BLM needs this information to identify if the individual operation is within a unit or CA.

(Item 8) Identify the well name and number. The BLM needs this information to identify the well name and number of the individual operation.

(Item 9) Identify the API well number. The BLM needs this information to identify the API well number of the individual operation.

(Item 10) Identify the field and pool or exploratory area. The BLM needs this information to identify the field and pool or exploratory area of the individual operation.

(Item 11) Identify the county or parish. The BLM needs this information to identify the county or parish of the individual operation.

(Item 12) Identify the appropriate notice, report, or other data. The BLM needs this information to identify the appropriate notice, report, or other data on the individual operation.

**Request for Approval for Royalty-Free Uses On-Lease or Off-Lease (43 CFR 3178.5, 3178.7, 3178.8, and 3178.9).**

Section 3178.5 requires submission of a Sundry Notice (Form 3160-5) to request prior written BLM approval for use of gas royalty-free for the following operations and production purposes on the lease, unit or communitized area:

- Using oil or gas that an operator removes from the pipeline at a location downstream of the facility measurement point (FMP);
- Removal of gas initially from a lease, unit PA, or communitized area for treatment or processing because of particular physical characteristics of the gas, prior to use on the lease, unit PA or communitized area; and
- Any other type of use of produced oil or gas for operations and production purposes pursuant to § 3178.3 that is not identified in § 3178.4.

Section 3178.7 requires submission of a Sundry Notice (Form 3160-5) to request prior written BLM approval for

off-lease royalty-free uses in the following circumstances:

- The equipment or facility in which the operation is conducted is located off the lease, unit, or communitized area for engineering, economic, resource-protection, or physical-accessibility reasons; and
- The operations are conducted upstream of the FMP.

Section 3178.8 requires that an operator measure or estimate the volume of royalty-free gas used in operations upstream of the FMP. In general, the operator is free to choose whether to measure or estimate, with the exception that the operator must in all cases measure the following volumes:

- Royalty-free gas removed downstream of the FMP and used pursuant to §§ 3178.4 through 3178.7; and
- Royalty-free oil used pursuant to §§ 3178.4 through 3178.7.

If oil is used on the lease, unit or communitized area, it is most likely to be removed from a storage tank on the lease, unit or communitized area. Thus, this regulation also requires the operator to document the removal of the oil from the tank or pipeline.

Section 3178.8(e) requires that operators use best available information to estimate gas volumes, where estimation is allowed. 43 CFR subparts 3174 and 3175, respectively, references § 3173.12, as well as §3178.4 through §3178.7 to clarify that royalty-free use must adhere to the provisions in those sections.

Section 3178.9 requires the following additional information in a request for prior approval of royalty-free use under § 3178.5, or for prior approval of off-lease royalty-free use under § 3178.7:

- A complete description of the operation to be conducted, including the location of all facilities and equipment involved in the operation and the location of the FMP;
  - The volume of oil or gas that the operator expects will be used in the operation and the method of measuring or estimating that volume;
  - If the volume expected to be used will be estimated, the basis for the estimate (e.g., equipment manufacturer's published consumption or usage rates); and
  - The proposed disposition of the oil or gas used (e.g., whether gas used would be consumed as fuel, vented through use of a gas-activated pneumatic controller, returned to the reservoir, or disposed by some other method).
- 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, although the regulations do not require them to do so. For the information collection activities that require use of the Sundry Notice (Form 3160-5), that form is electronically available to the public in fillable, printable format at: <https://www.blm.gov/services/electronic-forms>.

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

No duplication of information occurs on the information collection activities in the 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.**

We estimate that 98 to 99 percent of the respondents are small businesses. We review the requirements to ensure that the information requested of small organizations and all other potential respondents is the minimum necessary. There are no special provisions for small organizations. We structure the request to require only necessary data.

**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.**

The collection of information is necessary to assist the BLM in preventing venting, flaring, and leaks that waste the public's resources and assets. If the collection is not conducted or is conducted less frequently, it is foreseeable that such waste would be uncontrolled.

**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.

Under the regulations as revised in this rule, there are no special circumstances requiring the collection to be conducted in a manner described above. The information collection requirements are consistent with the requirements outlined in 5 CFR 1320.5(d).

**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.**

On May 25, 2021, the BLM published a Federal Register notice soliciting comments for a period of 60 days on this collection of information (86 FR 28142). The comment period closed on July 26, 2021. No comments were received in response to this notice.

Additionally, as required by 5 CFR 1320.5(a)(1)(iv), BLM published a notice in the Federal Register announcing the submission of this request to OMB and allowing the public 30 days to send comments on the proposed extension of this OMB number to OMB.

The BLM has consulted with the respondents to obtain their views on the availability of data; frequency of collection; the clarity of instructions; the recordkeeping, disclosure, and reporting formats; and on the data elements to be recorded, disclosed, or reported.

- CH4-Finley Operating LLC  
Ft Worth, TX
- EOG Resources Incorporated  
Denver, CO
- Ultra Resources Incorporated  
Englewood, CO

The persons that were contacted did not provide any suggested changes.

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

We will 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.**

These regulations 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 do 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.**

The BLM estimates the following annual hour burdens: 50 responses, 400 hours, and \$28,332

The following table shows the BLM's estimate of the hourly cost burdens for respondents. The mean hourly wages were determined using national Bureau of Labor Statistics data at:

[http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm). The benefits multiplier of 1.4 is supported by information at <http://www.bls.gov/news.r/ecec.nr0.htm>.

**Table 12-1: Estimated Weighted Average Hourly Costs**

| Occupational Category          | Mean Hourly Wage | Benefits Multiplier | Hourly Wage with Benefits | Percent of Collection Time | Weighted Average Hourly Cost |
|--------------------------------|------------------|---------------------|---------------------------|----------------------------|------------------------------|
| General Office Clerk (43-9061) | \$18.16          | 1.4                 | \$25.42                   | 10%                        | \$2.54                       |
| Engineer (17-2199)             | \$51.47          | 1.4                 | \$72.06                   | 80%                        | \$57.65                      |
| Engineering Manager (11-9041)  | \$76.01          | 1.4                 | \$106.41                  | 10%                        | \$10.64                      |
| <b>Totals:</b>                 | —                | —                   | —                         | <b>100%</b>                | <b>\$70.83</b>               |

Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information. The weighted average hourly wage associated with these information collections is shown at Table 12-1, above. The frequency of response for each of the information collections is “on occasion.” Table 12-2 itemizes the estimated hour and cost burdens.

**Table 12-2: Estimates of Hour and Cost Burdens**

| Information Collection   | Number of Respondents | Frequency   | Number of Annual Responses | Average Response Time (hours) | Annual Burden Hours | Dollar Equivalent (Annual Burden Hours x \$70.83) |
|--|-----------------------|-------------|----------------------------|-------------------------------|---------------------|---|
| Request for Approval for Royalty-Free Uses On-Lease or Off-Lease 43 CFR 3178.5, 3178.7, 3178.8, and 3178.9 - Form 3160-5 | 50                    | On occasion | 50                         | 8                             | 400                 | \$28,332  |

**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.

No non-hour costs result from the information-collection activities in the rule.

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

The BLM estimates \$9,643 in Federal costs annually.

Table 14-1 shows the BLM's estimate of the hourly cost to the Federal government resulting from this collection of information. The hourly pay rates are based on U.S. Office of Personnel Management data at: [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/RUS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/RUS_h.pdf). The benefits multiplier of 1.6 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 14-1: Estimated Weighted Average Federal Hourly Costs**

| Position and Pay Grade      | Hourly Pay Rate | Benefits Multiplier | Hourly Rate with Benefits | Percent of the Information Collection Completed by Each Occupation | Weighted Average Hourly Staff Costs |
|-----------------------------|-----------------|---------------------|---------------------------|--|-------------------------------------|
| Clerical - GS-5, step 5     | \$19.15         | 1.6                 | \$30.64                   | 10%  | \$3.06                              |
| Professional - GS-9, step 5 | \$29.02         | 1.6                 | \$46.43                   | 80%  | \$37.15                             |
| Managerial - GS-13, step 5  | \$50.04         | 1.6                 | \$80.06                   | 10%  | \$8.01                              |
| <b>Totals:</b>              | —               | —                   | —                         | <b>100%</b>  | <b>\$48.22</b>                      |

Table 14-2, below, shows the estimated Federal hours and costs for each component of this information collection.

**Table 14-2: Estimated Annual Cost to the Government**

| Information Collection   | Number of Responses | Processing Hours per Response | Total Annual Processing Hours | Weighted Average Hourly Staff Costs | Dollar Equivalent |
|--|---------------------|-------------------------------|-------------------------------|-------------------------------------|-------------------|
| Request for Approval for Royalty-Free Uses On-Lease or Off-Lease<br>43 CFR 3178.5, 3178.7, 3178.8, and 3178.9<br>Form 3160-5 | 50                  | 4                             | 200                           | \$48.22                             | \$9,643           |

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

Currently, there are 1,075 responses and 4,010 annual burden hours approved under this OMB Control Number, and the BLM is requesting that these burden numbers be revised downward to 50 responses and 400 hours. As a result of a court decision, *State of Wyoming v. DOI*, where the requirements of certain portions of Subsection 3179 were vacated resulting in a reduction of 1,025 responses and 3,610 burden hours for this OMB control number. Table 15-1 itemizes the resulting burden changes and Table 15-2 summarizes the overall burden changes for this OMB control number.

**Table 15-1: Burden Changes by Information Collection**

## 2021 RENEWAL

| Information Collection  | Current Number of Annual Responses | Requested Number of Annual Responses | Change in Annual Responses | Current Number of Annual Burden Hours | Requested Number of Annual Responses | Change in Annual Burden Hours | Reason for Change           |
|---|------------------------------------|--------------------------------------|----------------------------|---------------------------------------|--------------------------------------|-------------------------------|-----------------------------|
| Request for Approval for Royalty-Free Uses On-Lease or Off-Lease 43 CFR 3178.5, 3178.7, 3178.8, and 3178.9<br>Form 3160-5 | 50                                 | 50                                   | 0                          | 400                                   | 400                                  | 0                             | No change                   |
| Request for Extension of Royalty-Free Flaring During Initial Well Testing 43 CFR 3179.102<br>Form 3160-5                  | 750                                | 0                                    | -750                       | 1,500                                 | 0                                    | -1,500                        | Regulation vacated by Court |
| Request for Extension of Royalty-Free Flaring During Subsequent Well Testing 43 CFR 3179.102<br>Form 3160-5               | 5                                  | 0                                    | -5                         | 10                                    | 0                                    | -10                           | Regulation vacated by Court |
| Emergencies 43 CFR 3179.103<br>Form 3160-5  | 250                                | 0                                    | -250                       | 500                                   | 0                                    | -500                          | Regulation vacated by Court |
| Oil-Well Gas 43 CFR 3179.201  | 20                                 | 0                                    | -20                        | 1,600                                 | 0                                    | -1,600                        | Regulation vacated by Court |
| <b>Totals:</b>  | <b>1,075</b>                       | <b>50</b>                            | <b>-1,025</b>              | <b>4,010</b>                          | <b>400</b>                           | <b>-3,610</b>                 | Regulation vacated by Court |

**Table 15-2: Summary of Burden Changes**

|   | Annual Responses | Annual Burden Hours | Annual Cost Burden |
|---|------------------|---------------------|--------------------|
| Current Burden Inventory                    | 1,075            | 4,010               | \$0                |
| Requested Burden                            | 50               | 400                 | \$0                |
| <b>Difference</b>                           | <b>-1,025</b>    | <b>-3,610</b>       | <b>\$0</b>         |
| Program Change                              | 0                | 0                   | \$0                |
| Due to New Statute                          | 0                | 0                   | \$0                |
| Due to Agency Discretion (Court Decision)   | -1,025           | -3,610              | \$0                |
| Violation (Lapsed or Unapproved Collection) | 0                | 0                   | \$0                |
| Adjustment                                  | 0                | 0                   | \$0                |

**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 any of the collected information.

**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 displays the expiration date for control number 1004-0137 on the form authorized for use by that



control number that also is used under control number 1004-0211 (i.e., Form 3160-5). The OMB Control Number and expiration date are also available at [www.reginfo.gov](http://www.reginfo.gov).

**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 requirements of 5 CFR 1320.9.

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