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

**PAPERWORK REDUCTION ACT SUBMISSION
SUPPORTING STATEMENT PART A**

**ONSHORE OIL AND GAS OPERATIONS AND PRODUCTION
43 CFR PARTS 3160 AND 3170**

OMB CONTROL NUMBER 1004-0137

Terms of Clearance: Not applicable. The Office of Management and Budget (OMB) provided no Terms of Clearance when it last approved the collections of information under this OMB Control Number (see OMB Notice of Action dated October 16, 2018).

Abstract: Various Federal and Indian mineral leasing statutes authorize the Bureau of Land Management (BLM) to grant and manage onshore oil and gas leases on Federal and Indian (except Osage Tribe) lands. In order to fulfill its responsibilities under these statutes, the BLM needs to perform the information collection (IC) activities set forth in the regulations at 43 CFR parts 3160 and 3170, and in onshore oil and gas orders promulgated in accordance with 43 CFR 3164.1. The BLM requests that OMB renew OMB control number 1004-0137 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 following statutes authorize the Bureau of Land Management (BLM) to collect information from those who wish to participate in the exploration, development, production, and utilization of oil and gas operations on BLM-managed public lands:

- Chapter 3A, Subchapter I of the Mineral Leasing Act, 30 U.S.C. 181-196;
- Chapter 3A, Subchapter IV of the Mineral Leasing Act, 30 U.S.C. 223-236b;
- The Mineral Leasing Act for Acquired Lands, 30 U.S.C. 351-360;
- The Federal Oil and Gas Royalty Management Act, 30 U.S.C. 1701-1759; and
- The Federal Land Policy and Management Act, 43 U.S.C. 1701-1787.

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 BLM needs the information described below in order to regulate oil and gas operations on public lands in accordance with statutory requirements.

Application for Permit to Drill or Re-enter -- 43 CFR 3162.3-1(a) through (i), 3164.1, 3172.3-1, and Section III.A. of Onshore Order 1 (Form 3160-3 and Related Information)

A respondent must file Form 3160-3, Application for Permit to Drill or Re-enter (APD) in order to obtain approval of oil and gas operations on BLM-managed lands. The BLM needs this information to decide whether to approve oil and gas production on public lands.

Specific information we require on Form 3160-3:

- (Item 1) Identify the type of work anticipated and provide production and zonal information. We require this information to manage reservoir management, royalty compliance, and operational aspects of the application for permit to drill.
- (Items 2-3) Identify the operator and where the operator can be reached. We require this information to contact operator concerning the operations.
- (Items 4-13) Identify specifically the proposed surface and bottom-hole locations of the proposed action. The BLM needs this information to determine whether the operator is complying with the provisions of the regulations in this subpart.
- (Item 14) Identify the location of the operation. The BLM needs this information to locate the operation and industry personnel.
- (Items 15-19) Identify the spacing orders. The BLM and state agencies need this information in order to determine compliance with spacing orders.
- (Item 20) Identify the bond number that covers the operations. The BLM needs this information to determine if we have proper bond coverage for the identified operations.
- (Items 21-23) Identify technical information such as permit approval, evaluation, and subsequent on-the-ground review and inspection after actual drilling begins. The prospective production of resources must be included. The BLM needs this information to approve the individual operation.

- (Item 24) Provide the additional information as part of the application:
 - o Certified well plat;
 - o Drilling plans;
 - o Surface use plan;
 - o Evidence of bond coverage;
 - o Operator certification;
 - o Diagrams;
 - o Maps; and
 - o Contingency plans.

Sundry Notices and Reports on Wells -- 43 CFR 3162.3-2 (Form 3160-5)

IC activities that are listed at 43 CFR 3162.3-2(a) require an operator to use Form 3160-5 (Sundry Notices and Reports on Wells) to propose, and later on to report, the following operations:

- Redrill;
- Deepen;
- Perform casing repairs;
- Plug back;
- Alter casing;
- Recomplete in a different interval;
- Perform water shut off;
- Commingle production between intervals; and/or
- Convert to injection.

Specific information we request on Form 3160-5:

- (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.

Plan for Well Abandonment -- 43 CFR 3162.3-4

An operator must have in place a plan for well abandonment for each newly completed or recompleted well in which oil or gas is not encountered in paying quantities or which, after being completed as a producing well, is demonstrated to the satisfaction of the BLM to be no longer capable of producing oil or gas in paying quantities.

***Well Completion or Recompletion Report and Log -- 43 CFR 3162.4-1(a), (b), (d), and (e)
(Form 3160-4 and Related Information)***

43 CFR 3162.4-1(a) requires operators to keep accurate and complete records with respect to:

- All lease operations, including, but limited to, drilling, producing, redrilling, repairing, plugging back, and abandonment operations;
- Production facilities and equipment (including schematic diagrams as required by applicable orders and notices); and
- The quantity, quality, and disposition of production from or allocable to Federal or Indian

leases (including source records).

43 CFR 3162.4-1(a). The deadline for reporting well completion or recompletion is at p. 37 of the Surface Operating Standards and Guidelines for Oil and Gas Explorations and Development: Gold Book (BLM and USFS, 4th edition, revised 2007).

<https://www.blm.gov/sites/blm.gov/files/Gold%20Book%202007%20Revised.pdf>.

Such records — with some exceptions — must be retained by “record holders” for seven years for Federal leases, and six years for Indian leases. The records retention requirements are discussed in more detail under Item # 7 of this supporting statement.

43 CFR 3162.4-1 defines “record holders” as lessees, operators, purchasers, transporters, and any other person directly involved in producing, transporting, purchasing, or selling, including measuring, oil or gas through the point of royalty measurement or the point of first sale, whichever is later.

Under 43 CFR 3162.4-1(b), operators must submit Form 3160-4 to the BLM within 30 days after completion of a well either for abandonment or productions.¹ Upon request, the operator must submit additional information to the BLM.

The BLM needs this information to ensure the accuracy of measurement and accounting for hydrocarbons, and therefore to ensure that correct royalties are paid.

Specific information we request on Form 3160-4:

- (Item 1) Identify the type of well and completion for field map purposes and royalty consideration. The BLM needs this information to identify the type of well and completion for field map purposes and royalty consideration for the individual operation.
- (Items 2-3) Identify the operator, address, and telephone number. The BLM needs this information to identify the operator of the individual operation.
- (Item 4) Identify surface and subsurface location of well for inspection and reservoir management purposes. The BLM needs this information to identify surface and subsurface location of well for inspection and reservoir management purposes for the

¹ The deadline for reporting well completion or recompletion is at p. 37 of the Surface Operating Standards and Guidelines for Oil and Gas Explorations and Development: Gold Book (BLM and USFS, 4th edition, revised 2007). <https://www.blm.gov/sites/blm.gov/files/Gold%20Book%202007%20Revised.pdf>.

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 land. The BLM needs this information to identify if the individual operation is on Indian land.
- (Item 7) Identify the unit or communitization agreement (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 lease name and well number. The BLM needs this information to identify the lease name and well number of the individual operation.
- (Item 9) Identify the American Petroleum Institute (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. The BLM needs this information to identify the field and pool or exploratory of the individual operation.
- (Item 11) Identify the section, township, range, and meridian (on block and survey or area). The BLM needs this information to identify the location of the individual operation.
- (Item 12) Identify the county or parish. The BLM needs this information to identify the county or parish of the individual operation.
- (Item 13) Identify the state. The BLM needs this information to identify the state of the individual operation.
- (Item 14) Identify the date spudded. The BLM needs this information to identify the date the individual operation was spudded.
- (Item 15) Identify the date T.D. reached. The BLM needs this information to identify the date T.D. was reached for the individual operation.
- (Item 16) Identify the date completed. The BLM needs this information to identify the date the individual operation was completed.
- (Item 17) Identify the elevations. The BLM needs this information to identify the elevations of the individual operation.

- (Item 18) Identify the total depth. The BLM needs this information to identify the total depth of the individual operation.
- (Item 19) Identify the plug back. The BLM needs this information to identify the plug back of the individual operation.
- (Item 20) Identify the depth bridge plug set. The BLM needs this information to identify the depth bridge plug set for the individual operation.
- (Item 21) Identify the type of electric and other mechanical logs run (submit copy of each). The BLM needs this information to identify the type of electric and other mechanical logs runs for the individual operation.
- (Item 22) Identify whether the well cored, DST run, and directional survey (submit a copy of each report or analysis). The BLM needs this information to identify whether the well cored, DST run, and directional survey was completed for the individual operation.
- (Item 23) Identify the casing and liner record. The BLM needs this information to identify the casing and liner record for the individual operation.
- (Item 24) Identify the tubing record. The BLM needs this information to identify the tubing record for the individual operation.
- (Item 25) Identify the producing intervals. The BLM needs this information to identify the producing intervals for the individual operation.
- (Item 26) Identify the perforation record. The BLM needs this information to identify the perforation record for the individual operation.
- (Item 27) Identify the acid, fracture, treatment, cement squeeze, etc. The BLM needs this information to identify the acid, fracture, treatment, cement squeeze, etc. for the individual operation.
- (Item 28) Identify the production intervals. The BLM needs this information to identify the production intervals for the individual operation.
- (Item 29) Identify the disposition of gas. The BLM needs this information to identify the disposition of gas for the individual operation.
- (Item 30) Identify the summary of porous zones (include aquifers). The BLM needs this

information to identify the summary of porous zones for the individual operation.

- (Item 31) Identify the formation log markers. The BLM needs this information to identify the formation log markers for the individual operation.
- (Item 32) Identify any additional remarks (including plugging procedures). The BLM needs this information to identify any additional remarks about the individual operation.
- (Item 33) Identify the enclosed attachments with the application. The BLM needs this information to identify any enclosed attachments with the application concerning the individual operation.

Notification of Production Start or Resumption -- 43 CFR 3162.4-1(c) (Form 3160-5)

The regulation at 43 CFR 3162.4-1(c) requires operators to notify the BLM of the date on which production has begun or resumed. The BLM uses the information to monitor operations at wells that are under its jurisdiction.

The deadline for submitting this notification is not later than the fifth business day after any well: (1) begins production on which royalty is due, or (2) resumes production after a pause of more than 90 days. The operator may submit this notification by letter or Sundry Notice (Form 3160-5), or orally to be followed by a letter or Sundry Notice. The specific information we require on Form 3160-5 is listed under the explanation of Subsequent Well Operations (43 CFR 3162.3-2).

Samples, Tests, and Surveys (formerly labeled “Drilling Tests, Logs, and Surveys”) -- 43 CFR 3162.4-2

Under 43 CFR 3162.4-2, the BLM may require that results of certain samples, tests, and surveys be provided to the BLM. We have changed the label of this IC activity in order to increase the accuracy of the label.

Under 43 CFR 3162.4-2(a), during the drilling and completion of a well, the operator must, when required by the BLM, conduct tests, run logs, and make other surveys reasonably necessary to determine the presence, quantity, and quality of oil, gas, other minerals, or the presence or quality of water; to determine the amount and/or direction of deviation of any well from the vertical; and to determine the relevant characteristics of the oil and gas reservoirs penetrated.

Section 3162.4-2(b) requires periodic well tests after the well has been completed. The test will demonstrate the quantity and quality of oil and gas and water. The method and frequency of such well tests will be specified in appropriate notices and orders. When needed, the operator must conduct reasonable tests which will demonstrate the mechanical integrity of the downhole

equipment.

Disposal of Produced Water - 43 CFR 3162.5-1(b), 3164.1, and Onshore Oil and Gas Order No. 7

Under 43 CFR 3164.1, the BLM has the authority to issue Onshore Oil and Gas Orders and Notices to Lessees. Onshore Oil and Gas Order No. 7, Disposal of Produced Water, prohibits the disposal of produced water unless and until approval is obtained from the BLM. Operators are encouraged to contact the appropriate authorized officer before filing an application for disposal of produced water so that the operator may be apprised of any existing agreements outlining cooperative procedures between the Bureau of Land Management and either the State/Indian trust Tribe or the Environmental Protection Agency concerning Underground Injection Control permits for injection wells, and of any potentially significant adverse effects on surface and/or subsurface resources. The approval of the Environmental Protection Agency or a State/ trust Tribe shall not be considered as granting approval to dispose of produced water from leased Federal or Indian trust lands until and unless BLM approval is obtained.

Report of Spills, Discharges, or Other Undesirable Events -- 43 CFR 3162.5-1(c)

Under 43 CFR 3162.5-1(c), each operator of a Federal or Indian trust lease must report all spills or leakages of oil, gas, produced water, toxic liquids, or waste materials, blowouts, fire, personal injuries, and fatalities.

Contingency Plan -- 43 CFR 3162.5-1(d)

Under 43 CFR 3162.5-1(d), when reasonably required by the BLM, an operator must submit a contingency plan describing procedures to be implemented to protect life, property, and the environment.

Horizontal and Directional Drilling -- 43 CFR 3162.5-2(b)

Under 43 CFR 3162.5-2(b), an operator must seek written approval from the BLM before conducting drilling operations in a manner so that the completed well deviates significantly from the vertical. Any well which so deviates without prior written approval must be reported promptly to the BLM. In these cases, a directional survey is required.

Well Markers -- 43 CFR 3162.6

Under 43 CFR 3162.6, every well within a Federal or Indian trust lease or supervised agreement generally must have a well identification sign. The sign may display only a unique well name and API number, only after the BLM specifically approves such a sign. Otherwise, the sign must include the well number, the name of the operator, the lease serial number, and the surveyed

location. All facilities at which Federal or Indian trust oil is stored must be clearly identified with a sign that contains the name of the operator, the lease serial number or communitization or unit agreement identification number, as appropriate, and in public land states, the quarter-quarter section, township, and range. All abandoned wells must be marked with a permanent monument. The requirement for a permanent monument may be waived in writing by the BLM.

Notice of Staking -- 43 CFR 3164.1 and Section III.C. of Onshore Order 1

Section III.C. of Onshore Order 1 provides that a Notice of Staking may be submitted voluntarily. An operator who chooses to file a Notice of Staking must use the BLM's electronic commerce application for oil and gas permitting and reporting, unless the respondent applies for, and the BLM grants, a waiver. The IC activity titled "Waiver Request" is discussed below.

The purpose of a Notice of Staking is to provide operators and the BLM an opportunity to gather information on a timely basis and better address site-specific resource concerns associated with a project while the operators prepare APDs.

Waiver Request -- 43 CFR 3164.1 and Section III.I. of Onshore Order 1

Submission of a waiver request may be electronic or via hard copy. The request will have to be supported by an explanation of why the operator is not able to use the e-permitting system. In those exceptional cases, the BLM will review the operator's request and determine whether a waiver allowing the operator to submit hard copies is warranted.

Application for Suspension or Other Relief -- 43 CFR 3165.1

Under 43 CFR 3165.1, an operator that wants relief from either the operating or the producing requirements of a lease, or both, must file an application. The application must include a full statement of the circumstances that render such relief necessary

An application for a suspension or operations or production, or both, must be filed with the BLM before the expiration date of the lease; must be executed by all operating rights owners or, in the case of a Federal unit approved under 43 CFR part 3180, by the unit operator on behalf of the committed tracts or by all operating rights owners of such tracts; and must include a full statement of the circumstances that make such relief necessary.

State Director Review -- 43 CFR 3165.3(b)

Under 43 CFR 3165.3(b), any adversely affected party may request administrative review of a notice of violation or assessment or an instruction, order, or decision of the BLM issued under the regulations in 43 CFR part 3160. Such a request may be submitted to the appropriate State

Director, either with or without an oral presentation. Such request, including all supporting documentation, must be filed in writing with the appropriate State Director within 20 business days of the date of receipt of the notice of violation or assessment or an instruction, order, or decision.

Variance Requests -- 43 CFR 3170.6 (Form 3160-5)

Section 3170.6 authorizes any party that is subject to the regulations in 43 CFR part 3170 to request a variance from any of the regulations in part 3170. While section 3170.6 states that a request for a variance should be filed using the BLM’s electronic system, it also allows the use of paper copies of Form 3160-5 (Sundry Notices). Thus, section 3170.6 represents a new use of Form 3160-5, Sundry Notices and Reports on Wells.

Site Facility Diagrams -- 43 CFR 3173.11 (Form 3160-5)

Section 3173.11 requires a site facility diagram for all facilities. Section 3170.3 defines “facility” as a site and associated equipment used to:

- Process, treat, store, or measure oil or gas production from or allocated to a Federal or Indian lease, unit, or CA that is located upstream of or at (and including) the approved point of royalty measurement; or
- Store, measure, or dispose of produced water that is located on a lease, unit, or CA.

A site facility diagram is one of the BLM’s primary mechanisms for monitoring operators’ compliance with measurement regulations and policy. These IC activities enable the BLM to verify, among other things, royalty-free-use volumes reported by the operator on its Oil and Gas Operations Reports. These IC activities also enhance production accountability.

Paragraphs (a) through (c) of section 3173.11 require that each site facility diagram be submitted with a completed Sundry Notice. The diagram itself should be formatted to fit on an 8½ x 11 sheet of paper, if possible, and must be legible and comprehensible to an individual with an ordinary working knowledge of oilfield operations. If more than one page is required, each page must be numbered (in the format “N of X pages”). Section 3173.22(c) specifies that a site facility diagram must:

- Reflect the position of the production and water recovery equipment, piping for oil, gas, and water, and metering or other measuring systems in relation to each other, but need not be to scale;
- Commencing with the header, identify all of the equipment, including, but not limited to, the header, wellhead, piping, tanks, and metering systems located on the site, and include

the appropriate valves and any other equipment used in the handling, conditioning, or disposal of production and water, and indicate the direction of flow;

- Identify by API number the wells flowing into headers;
- Indicate which valve(s) must be sealed and in what position during the production and sales phases and during the conduct of other production activities (e.g., circulating tanks or drawing off water), which may be shown by an attachment, if necessary;
- Clearly identify the lease, unit production area (PA), or CA to which the diagram applies and the land description of the facility, and the name of the company submitting the diagram, with co-located facilities being identified for each lease, unit PA, or CA; and
- Clearly identify as an attachment all meters and measurement equipment. Specifically identify all approved and assigned facility measurement points (FMPs).

If another operator operates a co-located facility, the site facility diagram must depict the co-located facilities on the diagram or list them on an attachment and identify them by company name, facility name(s), lease, unit PA, or CA number, and FMP number(s). When describing co-located facilities operated by one operator, the site facility diagram must include a skeleton diagram of the co-located facility, showing equipment only. For storage facilities common to co-located facilities operated by one operator, one diagram would be sufficient.

If the operator claims royalty-free use, the site facility diagram must clearly identify on the diagram or as an attachment, the equipment for which the operator claims royalty-free use.

Section 3173.11(d) specifies the timing requirements for submission of a new site facility diagram for facilities for which the BLM will assign an FMP number. Section 3173.11(e) specifies similar timing requirements for submission of a new site facility for which an FMP number is not required (e.g., facilities that dispose of produced water). The timing requirements also vary depending on the date the relevant facilities become operational.

Section 3173.11(f) specifies that after a site facility diagram has been submitted, operators have an ongoing obligation to update and amend a site facility diagram within 30 days after: (1) Such facilities are modified; (2) A non-Federal facility located on a Federal lease or federally approved unit or communitized area is constructed or modified; or (3) There is a change in operator.

Request for Approval of an FMP for Future Measurement Facilities -- 43 CFR 3173.12(d) Form 3160-5; and Request for Approval of an FMP for Existing Measurement Facilities – 43 CFR 3173.12(e) (Form 3160-5)

Section 3173.12 requires operators to obtain BLM approval of facility measurement points (FMPs). An FMP is a BLM-approved point where oil or gas produced from a Federal or Indian lease, unit, or CA is measured and the measurement affects the calculation of the volume or

quality of production on which royalty is owed. See 43 CFR 3170.3.

Section 3173.12(d) applies to permanent measurement facilities that come into service after January 17, 2017. Section 3173.12(e) applies to permanent measurement facilities in service before January 17, 2017. Both of these IC activities are one-time only.

These activities assist the BLM in verifying production. Upon receiving an initial request for an FMP, the BLM will approve it if it meets the requirements of this rule, and assign each FMP a unique identifying number, which the operator, transporter, or purchaser will use when reporting production results to the Office of Natural Resources Revenue (ONRR).

All requests for an FMP must include the following:

- A complete Sundry Notice;
- The applicable Measurement Type Code specified in the BLM's Well Information System (WIS);
- For gas measurement, identification of the operator/purchaser/transporter unique station number, meter tube size or serial number, and type of secondary device;
- For oil measurement, identification of the oil tank number(s) or tank serial number(s) and size of each tank, and whether the oil was measured by LACT or CMS if not measured by tank gauge;
- Where production from more than one well will flow to the requested FMP, a list of the API well numbers associated with the FMP; and
- FMP location by land description.

Section 3173.12(d) applies to each permanent measurement facility that comes into service after January 17, 2017 (i.e., the effective date of the final site security rule). This provision requires the operator to apply for approval of an FMP before any production leaves the facility. This provision does not apply to temporary measurement equipment used during well testing operations. Each request must meet the requirements listed above.

Section 3173.12(e) applies to each permanent measurement facility that came into service on or before January 17, 2017, and requires the operator comply with the following deadlines for submission of an application for approval of an FMP:

- For a stand-alone lease, unit PA, or CA that produced 10,000 Mcf² or more of gas per month or 100 bbl³ or more of oil per month, by January 17, 2018;

² "Mcf" means 1,000 cubic feet of gas.

³ In the United States, "bbl" (or barrel) means a unit of oil volume that is equivalent to 42 U.S. gallons.

- For a stand-alone lease, unit PA, or CA that produced 1,500 Mcf or more, but less than 10,000 Mcf of gas per month, or 10 bbl or more, but less than 100 bbl of oil per month, by January 17, 2019;
- For a stand-alone lease, unit PA, or CA that produced less than 1,500 Mcf of gas per month or less than 10 bbl of oil per month, by January 17, 2020; and
- For a stand-alone lease, unit PA, or CA that has not produced for a year or more before January 17, 2017, the operator must apply for an FMP prior to the resumption of production.

Modifications to an FMP -- 43 CFR 3173.13(b)(1) (Form 3160-5)

Section 3173.13(b)(1) requires each operator with an approved FMP to file a Sundry Notice that describes any changes or modifications made to an FMP within 30 days after the change. The Sundry Notice must include tank numbers or serial numbers and sizes for oil FMPs, unique station numbers, meter tube sizes or serial numbers, and type of secondary devices for gas FMPs, and for all FMPs with more than one well, the API numbers for all wells associated with the facility. In addition, the Sundry Notice must specify what was changed, the effective date, and include, if appropriate, an amended site facility diagram. This IC activity assists the BLM in accurate accounting of oil and gas production.

Request for Approval of a CAA -- 43 FR 3173.1 (Form 3160-5) and Related Information; and Response to Notice of Insufficient CAA -- 43 CFR 3173.16 and Related Information (Form 3160-5)

A communitization allocation agreement (CAA) is a formal allocation agreement to combine production from two or more sources (i.e., leases, unit PAs, CAs, or non-Federal or non-Indian properties) before that product reaches an FMP. See 43 CFR 3173.1; see also 43 CFR 3173.14 (conditions for approval of a commingling and allocation agreement).

The regulation that requires approval of a CAA is at 43 CFR 3173.15 (see 81 FR at 81432 to 81433). Section 3173.16 (see 81 FR at 81433) requires an operator to submit information to correct any inconsistencies or deficiencies identified by the BLM, where an operator's request for assignment of an FMP number (see 43 CFR 3173.12) includes a facility associated with a CAA existing on January 17, 2017. Both of these IC activities are one-time only.

Section 3173.15 requires – with some reservations -- the following information in a request for a CAA:

- A completed Sundry Notice for approval of commingling and allocation;
- A completed Sundry Notice for approval of off-lease measurement under §3173.23, if any of the proposed FMPs are outside the boundaries of any of the leases, units, or CAs

from which production would be commingled (which may be included in the same Sundry Notice as the request for approval of commingling and allocation), except as provided in the reservations listed below;

- A proposed allocation agreement, including an allocation methodology (including allocation of produced water), with an example of how the methodology is applied, signed by each operator of each of the leases, unit PAs, or CAs from which production would be included in the CAA;
- A list of all Federal or Indian lease, unit PA, or CA numbers in the proposed CAA, specifying the type of production (i.e., oil, gas, or both) for which commingling is requested;
- A topographic map or maps of appropriate scale showing the following:
 - The boundaries of all the leases, units, unit PAs, or communitized areas whose production is proposed to be commingled; and
 - The location of existing or planned facilities and the relative location of all wellheads (including the API number) and piping included in the CAA, and existing FMPs or FMPs proposed to be installed to the extent known or anticipated;
- A surface use plan of operations if new surface disturbance is proposed for the FMP and its associated facilities are located on BLM-managed land within the boundaries of the lease, units and communitized areas from which production would be commingled;
- A right-of-way grant application (Standard Form 299), filed under 43 CFR part 2880, if the proposed FMP is on a pipeline, or under 43 CFR part 2800, if the proposed FMP is a meter or storage tank;
- Written approval from the appropriate surface-management agency, if new surface disturbance is proposed for the FMP and its associated facilities are located on Federal land managed by an agency other than the BLM;
- A right-of-way grant application for the proposed FMP, filed under 25 CFR part 169, with the appropriate BIA office, if any of the proposed surface facilities are on Indian land outside the lease, unit, or communitized area from which the production would be commingled;
- Documentation demonstrating that each of the leases, unit PAs, or CAs proposed for inclusion in the CAA is producing in paying quantities (or, in the case of Federal leases, is capable of production in paying quantities) pending approval of the CAA; and
- All gas analyses, including Btu content (if the CAA request includes gas) and all oil gravities (if the CAA request includes oil) for previous periods of production from the leases, units, unit PAs, or communitized areas proposed for inclusion in the CAA, up to 6 years before the date of the application for approval of the CAA. Gas analysis and oil gravity data is not needed if the CAA falls under §3173.14(a)(1).

The reservations are as follows:

- If off-lease measurement is a feature of the commingling and allocation proposal, then a

separate Sundry Notice under 43 CFR 3173.23 is not necessary as long as the information required under section 3173.23 is included as part of the request for approval of commingling and allocation;

- A surface plan of operations may be included in the same Sundry Notice as the request for approval of commingling and allocation; and
- The requirement for a right-of-way application filed under 43 CFR part 2880 applies only when new surface disturbance is proposed for the FMP, and its associated facilities are located on BLM-managed land outside any of the leases, units, or communitized areas whose production would be commingled.

Section 3173.16 provides that, upon review of an operator's request for assignment of an FMP number for a facility associated with an existing CAA:

- The BLM will grandfather the existing CAA (and any off-lease measurement, if applicable) if it meets certain conditions enumerated at section 3173.16(a)(1) or (a)(2)⁴; or
- If the existing CAA does not meet the conditions at section 3173.16(a)(1) or (a)(2), the BLM will take action to address any inconsistencies or deficiencies regarding the minimum standards and requirements for a CAA under §3173.14.

In the former case, the BLM will not collect any information from the operator. In the latter case, the BLM may take one of two actions.

Under the first option, the BLM will notify the operator in writing of any inconsistencies or deficiencies, and require the operator to make corrections in the CAA. The operator must comply within 20 business days after receipt of the BLM's notice, but may request an extension of time. When the BLM is satisfied that the operator has corrected any inconsistencies or deficiencies, the BLM will terminate the existing CAA and grant a new CAA based on the operator's corrections. If the existing CAA does not meet the standards and requirements of §3173.14 and the operator does not correct the deficiencies, the AO may terminate the existing CAA under 43 CFR 3173.20 and deny the request for an FMP number for the facility associated with the existing CAA.

Under the second option, the BLM may terminate the existing CAA and grant a new CAA with new or amended conditions of approval to make the approval consistent with the requirements under §3173.14. The operator may appeal the conditions of approval of the new CAA, in which case the existing CAA approval will continue in effect during the pendency of the appeal.

⁴ Under 43 CFR 3173.16(a)(1), the BLM will grandfather an existing CAA if it involves downhole commingling that includes Federal or Indian leases, unit PAs, or CAs. Under 43 CFR 3173.16(a)(2), the BLM will grandfather an existing CAA if it is for surface commingling and the average production rate over the previous 12 months for each Federal or Indian lease, unit PA, and CA included in the CAA is less than 1,000 Mcf per month for gas, or less than 100 bbl per month for oil.

Request to Modify or Terminate a CAA -- 43 CFR 3173.18 and 3173.20 (Form 3160-5 and Related Information)

Section 3173.18 provides that a CAA must be modified when additional leases, unit PAs, or CAs are proposed for inclusion in the CAA, or any of the leases, unit PAs, or CAs within the CAA terminate or permanently cease production. The following information is required in a request to modify a CAA:

- A completed Sundry Notice describing the modification requested;
- A new allocation methodology, if appropriate, and an example of how the methodology is applied; and
- Certification by each operator that it agrees to the CAA modification.

This IC activity helps the BLM obtain the production data that is necessary to verify production from Federal or Indian leases covered by CAAs.

Section 3173.20 authorizes an operator to request termination of a CAA. The operator must submit a Sundry Notice to the BLM requesting the termination. The notice must identify the FMP(s) for the lease(s), unit(s), or CA(s) previously subject to the CAA.

Request for Approval or Termination of Off-Lease Measurement -- 43 CFR 3173.23 and 3173.27 (Form 3160-5 and Related Information); and Response to Notice of Insufficient Off-Lease Measurement Approval -- 43 CFR 3173.25 (Form 3160-5 and Related Information)

These IC activities assist the BLM in reducing discrepancies between operator-allocated volumes, which operators report to ONRR, and the volumes that the BLM calculates during follow-up audits. The BLM will allow off-lease measurement of production only from a single Federal or Indian lease, unit PA, CA, or CAA, and only at an approved FMP.

These IC activities are “on occasion.”

Request for Approval (43 CFR 3173.23)

Regulations at section 3173.23(a) through (j) require the following information in an application for approval of off-lease measurement:

- A completed Sundry Notice;
- Justification for off-lease measurement;
- A topographic map of appropriate scale showing the boundary of the lease(s), unit(s), or CA(s) from which the production originates, the location of existing or planned facilities, the relative location of all wellheads (including the API number for each well) and piping

included in the off-lease measurement proposal, and existing FMPs or FMPs proposed to be installed to the extent known or anticipated;

- The surface ownership of all land on which equipment is, or is proposed to be, located; and
- A statement that indicates whether the proposal includes all, or only a portion of, the production from the lease, unit, or CA and if the proposal includes only a portion of the production, the application would be required to identify the FMP(s) where the remainder of the production from the lease, unit, or CA is measured or is proposed to be measured.

If any of the proposed off-lease measurement facilities are located on non-federally owned surface, the application must include a written concurrence signed by the owner(s) of the surface and the owner(s) of the measurement facilities, including each owner(s)' name, address, and telephone number, granting the BLM unrestricted access to the off-lease measurement facility and the surface on which it is located, for the purpose of inspecting any production, measurement, water handling, or transportation equipment located on the non-Federal surface up to and including the FMP, and for otherwise verifying production accountability. If the ownership of the non-Federal surface or of the measurement facility changes, the operator must obtain and provide to the BLM the written concurrence required under this paragraph from the new owner(s) within 30 days of the change in ownership.

A right-of-way application must be submitted along with the information listed above if a proposed off-lease FMP with facilities on BLM land would:

- Would involve new surface disturbance and consists of a meter or storage tank; or
- Is on a pipeline.

Applications for rights-of-way (SF-299) are authorized under control number 0596-0082, which is administered by the U.S. Forest Service on behalf of several federal agencies, including the BLM. If new surface disturbance is proposed for an FMP that includes facilities on Federal land managed by an agency other than the BLM, written approval is required from that agency. A right-of-way grant application must also be submitted with the appropriate BIA office if any of the proposed facilities are on Indian lands outside of the producing area.

If the operator proposes to use production from the lease, unit or CA as fuel at the off-lease measurement facility without payment of royalty, the application must include an application for approval of off-lease royalty-free use under applicable rules.

Section 3173.23(k) provides that to apply for an amendment of an existing approval of off-lease measurement, the operator must submit a completed Sundry Notice, and information listed at paragraphs (b) through (j) of section 3173.23 to the extent the previously submitted information has changed. This IC activity assists the BLM in reducing discrepancies between operator-

allocated volumes, which operators report to ONRR, and the volumes that the BLM calculates during follow-up audits.

Request for Termination (43 CFR 3173.27)

Section 3173.27 authorizes the BLM to terminate an off-lease measurement approval and allows the off-lease measurement approval to be terminated by the operator. The operator must submit a Sundry Notice to the BLM requesting the termination in which the notice must identify the new FMP(s) for the lease(s), unit(s), or CA(s) previously subject to the off-lease measurement approval.

Response to Notice (43 CFR 3173.25)

Upon receipt of an operator's request for assignment of an FMP number for a facility associated with an off-lease measurement approval existing on the effective date of the final rule, the BLM will review the existing approval for consistency with the requirements at 43 CFR 3173.22. Section 3173.25 provides that the BLM will notify the operator of any inconsistencies or deficiencies. If the operator receives such a notice, the operator must correct the identified flaws, provide additional information, or request an extension of time from the BLM, within 20 business days after receiving the notice. This IC activity assists the BLM in reducing discrepancies between operator-allocated volumes, which operators report to ONRR, and the volumes that the BLM calculates during follow-up audits.

Measurement Tickets -- 43 CFR 3174.12 (Month)

Section 3174.12 specifies the requirements for measurement tickets. The information enables the BLM to verify the quantity and quality of oil removed from a lease during production audits.

The specific requirements, as described below, depend on the method by which an operator measures oil.

Measurement of oil by tank gauging

After measuring oil by tank gauging, the operator, purchaser, or transporter, as appropriate, must complete a uniquely numbered measurement ticket, in either paper or electronic format, with the following information:

- Lease, unit PA, or CA number;
- Unique tank number and nominal tank capacity;
- Opening and closing dates and times;
- Opening and closing gauges and observed temperatures in °F;

- Observed volume for opening and closing gauge, using tank specific calibration charts (see 43 CFR 3174.5(c));
- Total gross standard volume removed from the tank following API 11.1 (incorporated by reference, see 43 CFR 3174.3);
- Observed API oil gravity and temperature in °F;
- API oil gravity at 60 °F, following API 11.1 (incorporated by reference, see 43 CFR 3174.3);
- Sediment and water (S&W) content percent;
- Unique number of each seal removed and installed;
- Name of the individual performing the tank gauging; and
- Name of the operator.

Measurement of oil by a Coriolis measurement system (CMS) or a lease automated custody transfer (LACT) system

At the beginning of every month, before conducting proving operations on a LACT system or CMS, the operator, purchaser, or transporter, as appropriate, must complete a uniquely numbered measurement ticket, unless the operator is using a flow computer.

A run ticket pertaining to a LACT system or CMS may be submitted in either paper or electronic format, and must contain the following information:

- Lease, unit PA, or CA number;
- Unique meter ID number;
- Opening and closing dates;
- Opening and closing totalizer readings of the indicated volume;
- Meter factor, indicating if it is a composite meter factor; Total gross standard volume removed through the LACT system or CMS;
- API oil gravity. For API oil gravity determined from a composite sample, the observed API oil gravity and temperature must be indicated in °F and the API oil gravity must be indicated at 60 °F. For API oil gravity determined from average density (CMS only), the average uncorrected density must be determined by the CMS;
- The average temperature in °F;
- The average flowing pressure in psig;
- S&W content percent;
- Unique number of each seal removed and installed;
- Name of the purchaser's representative; and
- Name of the operator.

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.

Onshore Order 1 generally requires the electronic filing (e-filing) of all Applications for Permit to Drill (Form 3160-3) and Notices of Staking (NOS). Those requirements are at sections III.A. and III.C.

Onshore Order 1 also include a provision that authorizes operators to request a waiver from the e-filing requirements. Submission of that request may be electronic or via hard copy. The request would have to be supported by an explanation of why the operator is not able to use the e-permitting system. In those exceptional cases, the BLM will review the operator's request and determine whether a waiver allowing the operator to submit hard copies is warranted.

All the forms for this collection are electronically available to the public in fillable, printable format at: <https://www.blm.gov/services/electronic-forms>. A respondent who has obtained a waiver (as described above), or who chooses to submit one of the other fillable, printable forms electronically, may do so by scanning and then emailing it to the appropriate BLM office.

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 in the information we collect. The requested information is unique to the operator/operating rights owner and the lease and is not available from any other data source. No similar information is available or able to be modified. The information is required to receive a benefit.

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

The BLM is not required to collection information on whether the respondents qualify as small businesses or small entities. Because oil and gas operations and production tend to be capital-intensive activities, the BLM estimates that only about five percent of the respondents are small businesses or other small entities. The information required from all respondents is limited to the minimum necessary to authorize and regulate oil and gas operations on public lands.

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 frequency of these information collections is “on occasion.” Therefore, less frequent data collection would mean not collecting the information. If we did not collect the information, or we collected it less frequently, oil and gas leasing activities and operations could not occur on Federal or Indian trust leases in compliance with pertinent statutes.

- 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.**

Three categories of regulations present special circumstances within the meaning of this query:

- (1) Those that require respondents to report information to the agency more often than quarterly;
- (2) Those that require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; and
- (3) Those that require respondents to retain records for more than three years.

Monthly Reports

At the beginning of every month, before conducting proving operations on a LACT system or CMS, the operator, purchaser, or transporter, as appropriate, must complete a uniquely

numbered measurement ticket (i.e., run ticket), unless the operator is using a flow computer. In addition, after measuring oil by tank gauging, the operator, purchaser, or transporter, as appropriate, must complete a uniquely numbered measurement ticket. This second category of run tickets may be required more than once every quarter.

These requirements are at 43 CFR 3174.12 (see final oil measurement rule, 81 FR at 81510). Run tickets are essential to daily operations of onshore wells. They provide an accurate estimate of what an interest holder is actually putting into a pipeline, and therefore what amount of payment the interest holder expects. The information in run tickets enables the BLM to verify the quantity and quality of oil removed from a lease during production audits.

Reporting Theft or Mishandling of Oil

Section 3173.8 (see final site security rule, 81 FR at 81430) requires an operator, purchaser, or transporter to report an incident of apparent theft or mishandling of oil. The deadline for such a report is no later than the next business day after discovery of the incident. All oral reports must be followed up with a written incident report within 10 business days of the oral report.

Retention of Records

1. 43 CFR 3162.4-1

Section 3162.4-1 — with some exceptions — requires operators to maintain records of lease operations, production facilities and equipment, and for the following time periods:

- Seven years if the records were generated at Federal leases or at units or communitized areas that include Federal leases, but do not include Indian leases;
- Six years if the records were generated at Indian leases or at units or communitized areas that include Indian leases, but do not include Federal leases; and
- Six years if they were generated at units and communitized areas that include both Federal and Indian leases.

The exceptions for Federal lease records apply after timely commencement of a judicial proceeding or demand involving such records. In such cases, the record holder must maintain the records until the final nonappealable decision in the judicial proceedings is made, or with respect to that demand is rendered, unless the Secretary or the applicable delegated State authorizes in writing an earlier release of the requirement to maintain such records.

The exceptions for Indian lease records apply if the Secretary or his / her designee notifies the record holder that the Department has initiated or is participating in an audit or investigation involving such records. In such cases, the record holder must maintain the records until the

Secretary or his /her designee releases the record holder from the obligation to maintain the records.

The exceptions for units and communitized areas that include both Federal and Indian leases apply if the Secretary or his / her designee notifies the record holder within six years after the records are generated that the Department has initiated or is participating in an audit or investigation involving such records. In such cases, the amount of time record holder must maintain the records depends on whether a judicial proceeding or demand is commenced within seven years after the records are generated.

If a judicial proceeding or demand is commenced within seven years after the records are generated, the record holder must retain all records regarding production from the lease, unit or communitization agreement until the final nonappealable decision in such judicial proceeding is made, or with respect to that demand is rendered, unless the Secretary or his / her designee authorizes in writing a release of the requirement to maintain such records before a final nonappealable decision is made or rendered.

If a judicial proceeding or demand is not commenced within seven years after the records are generated, the record holder must retain all records regarding production from the unit or communitized area until the Secretary or his / her designee releases the record holder from the obligation to maintain the records.

2. 43 CFR 3170.7

The records retention requirements at 43 CFR 3170.7 apply not only to operators, but also to lessees, operators, purchasers, transporters, and any other person directly involved in producing, transporting, purchasing, selling, or measuring oil or gas through the point of royalty measurement or the point of first sale, whichever is later. These persons must retain all records, including source records, that are relevant to determining the quality, quantity, disposition, and verification of production attributable to Federal or Indian leases for the periods prescribed in paragraphs (c) through (e) of this section.

This retention requirement applies to records generated during or for the period for which the lessee or operator has an interest in or conducted operations on the lease, or in which a person is involved in transporting, purchasing, or selling production from the lease.

For Federal leases, and units or CAs that include Federal leases, but do not include Indian leases, the record holder must maintain records for seven years after the records are generated unless a judicial proceeding or demand involving such records is timely commenced. In that case, the record holder generally must maintain such records until the final nonappealable decision in the judicial proceeding or demand. An exception to this rule applies if the Secretary or his/her

designee or the applicable delegated State authorizes in writing an earlier release of the requirement to maintain such records.

For Indian leases, and units or CAs that include Indian leases, but do not include Federal leases, the record holder must maintain records for six years after the records are generated; unless the Secretary or his/her designee notifies the record holder that the Department of the Interior has initiated or is participating in an audit or investigation involving such records. In that case, the record holder must maintain such records until the Secretary or his/her designee releases the record holder from the obligation to maintain the records.

For units and communitized areas that include both Federal and Indian leases, the record holder must maintain records for six years after the records are generated, unless the Secretary or his/her designee has notified the record holder within those six years that an audit or investigation involving such records has been initiated. In that case, the record holder must retain all records regarding production from the unit or communitized area until the Secretary or his/her designee releases the record holder from the obligation to maintain the records. Moreover, if a judicial proceeding or demand is commenced within seven years after the records are generated, the record holder generally must retain all records regarding production from the lease, unit PA, or CA until the final nonappealable decision in such judicial proceeding or demand. An exception applies if the Secretary or his/her designee authorizes in writing a release of the requirement to maintain such records before a final nonappealable decision is made or rendered.

The lessee, operator, purchaser, or transporter must maintain an audit trail.

All records, including source records, that are used to determine quality, quantity, disposition, and verification of production attributable to a Federal or Indian lease, unit PA, or CA, must include:

- The number of the FMP or lease, unit PA, or CA;
- A unique equipment identifier (e.g., a unique tank identification number and meter station number); and
- The name of the company that created the record.

For all facilities existing prior to the assignment of an FMP number, all records must include the following information:

- The name of the operator;
- The lease, unit PA, or CA number; and
- The well or facility name and number.

Upon request of the BLM, the operator, purchaser, or transporter must provide such records to the BLM as may be required by regulation, written order, Onshore Order, Notice to Lessees, or Condition(s) of Approval.

All records must be legible. All records requiring a signature must include the signer's printed name.

The BLM needs this information in order to monitor oil and gas operations in accordance with its statutory obligations.

- 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 June 24, 2021, the BLM published a Federal Register notice soliciting comments for a period of 60 days on this collection of information (86 FR 33347). The comment period closed on August 23, 2021. No comments were received in response to this.

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 following 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:

CH-4 Finley Operating LLC
Ft Worth, Texas

EOG Resources Incorporated
Denver, Colorado

Ultra Resources Incorporated
Englewood, Colorado

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 do 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.

Under the privacy provisions of the E-Government Act of 2002, individuals/respondents were informed as to whether or not providing the information is mandatory to obtain a benefit. Each of the forms display a Privacy Act notice. There is no explicit assurance of confidentiality provided.

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.

As shown at Table 12-1, below, the weighted average respondent hourly cost is \$65.33. This cost was determined using national Bureau of Labor Statistics data at 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.release/ecec.nr0.htm>.

Table 12-1: Estimated Weighted Average Hourly Costs

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

Estimated Hour and Cost Burdens: 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 BLM’s estimate of the time it takes a respondent to supply the information was verified by consultations with several respondents (see Item 8, above).

The estimated hour burdens for the use of Form 3160-5 (Sundry Notices) include both recurring burdens and one-time burdens. Most of the burdens are recurring, i.e., “on occasion.”

Except for the one-time burdens and the monthly burden indicated in Column A of Table 12-2, the frequency of response for each of the information collections is “on occasion.”

Table 12-2: Estimated Hour Burdens

Collection of Information	Number of Responses	Response Time (hours)	Annual Burden Hours	Total Wage Equivalent (Hours x \$67.91)
Application for Permit to Drill or Re-enter -- 43 CFR 3162.3-1(a) through (i), 3164.1, 3172.3-1, and Section III.A. of Onshore Order 1 (Form 3160-3 and Related Information)	3,000	8	24,000	\$1,629,840

Collection of Information	Number of Responses	Response Time (hours)	Annual Burden Hours	Total Wage Equivalent (Hours x \$67.91)
Subsequent Well Operations (formerly labeled "Sundry Notices and Reports on Wells") -- 43 CFR 3162.3-2 (Form 3160-5)	15,100	8	120,800	\$8,203,538
Plan for Well Abandonment -- 43 CFR 3162.3-4	1,500	8	12,000	\$814,920
Well Completion or Recompletion Report and Log -- 43 CFR 3162.4-1(a), (b), (d), and (e) (Form 3160-4 and Related Information)	5,000	4	20,000	\$1,356,200
Notification of Production Start or Resumption -- 43 CFR 3162.4-1(c) (Form 3160-5)	1,000	8	8,000	\$543,280
Samples, Tests, and Surveys (formerly labeled "Drilling Tests, Logs, and Surveys") -- 43 CFR 3162.4-2	110	8	880	\$59,761
Disposal of Produced Water -- 43 CFR 3162.5-1(b), 3164.1, and Onshore Oil and Gas Order No. 7	1,500	8	12,000	\$814,920
Report of Spills, Discharges, or Other Undesirable Events -- 43 CFR 3162.5-1(c)	215	8	1,720	\$116,805
Contingency Plan -- 43 CFR 3162.5-1(d)	52	32	1,664	\$113,002
Horizontal and Directional Drilling -- 43 CFR 3162.5-2(b)	2,100	8	16,800	\$1,140,888
Well Markers -- 43 CFR 3162.6	1,000	8	8,000	\$543,280
Notice of Staking -- 43 CFR 3164.1 and Section III.C. of Onshore Order 1	300	16	4,800	\$325,968
Waiver Request -- 43 CFR 3164.1 and Section III.I. of Onshore Order 1	150	4	600	\$40,746
Application for Suspension or Other Relief -- 43 CFR 3165.1	100	16	1,600	\$108,656
State Director Review -- 43 CFR 3165.3(b)	55	16	880	\$59,761
Variance Requests -- 43 CFR 3170.6 (Form 3160-5)	100	8	800	\$54,328
Site Facility Diagrams -- 43 CFR 3173.11 (Form 3160-5)	9,156	8	73,248	\$4,974,272
Request for Approval of an FMP for Future Measurement Facilities -- 43 CFR 3173.12(d) (Form 3160-5) One-Time	1,000	8	8,000	\$543,280
Request for Approval of an FMP for Existing Measurement Facilities -- 43 CFR 3173.12(e) (Form 3160-5) One-Time	166,232	8	1,329,856	\$90,310,521
Modifications to an FMP -- 43 CFR 3173.13(b)(1) (Form 360-5)	1,000	8	8,000	\$543,280
Request for Approval of a CAA -- 43 CFR 3173.15 (Form 3160-5 and Related Information) One-Time	2,162	40	86,480	\$5,872,857
Response to Notice of Insufficient CAA -- 43 CFR 3173.16 (Form 3160-5 and Related Information)	150	40	6,000	\$407,460
Request to Modify or Terminate a CAA -- 43 CFR 3173.18 and 3173.20 (Form 3160-5 and Related Information)	500	40	20,000	\$1,358,200
Request for Approval or Termination of Off-Lease Measurement -- 43 CFR 3173.23 and 3173.27 (Form 3160-5 and related Information)	166	10	1,660	\$112,731
Response to Notice of Insufficient Off-Lease Measurement Approval -- 43 CFR 3173.25 (Form 3160-5 and Related Information)	15	40	600	\$40,746
Measurement Tickets -- 43 CFR 3174.12 Monthly	90,000	0.75	67,500	\$4,583,925

Collection of Information	Number of Responses	Response Time (hours)	Annual Burden Hours	Total Wage Equivalent (Hours x \$67.91)
Totals:	301,663	–	1,835,888	\$124,673,165

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 capital and start-up costs are involved with this information collection -- respondents are not required to purchase additional computer hardware or software to comply with these information collection requirements. The Fiscal Year 2015 National Defense Authorization Act (Public Law No. 113-291), at Section 3021(b) (codified at 30 U.S.C. 191(d)) provides that, in each of fiscal years 2016 through 2026, the BLM must collect a fee for each new Application for Permit to Drill or Re-enter (Form 3160-3). The amount of the fee was set initially at \$9,500, and must be revised annually for inflation, as measured by the Consumer Price Index.

In Instruction Memorandum No. 2020-033, the BLM announced that the fee for fiscal year 2021

is \$10,360. We estimate that 3,000 of these applications are filed annually. The total estimated non-hour cost burden is \$31.08 million.

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 hourly cost to the Federal Government is based on U.S. Office of Personnel Management Salary Table data at: 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>. The hourly labor cost calculations are shown below:

Table 14-1: Weighted Average Hourly Federal Labor Cost

Position	Pay Grade	Hourly Pay Rate (\$/hour)	Hourly Rate with Benefits (Hourly Pay Rate x 1.6)	Percent of Collection Processing Time	Weighted Avg. (\$/hour)
Clerical	GS-5, step 5	\$19.15	\$30.64	10%	\$3.06
Professional	GS-9, step 5	\$29.02	\$46.43	80%	\$37.14
Managerial	GS-13, step 5	\$50.04	\$80.06	10%	\$8.01
Weighted Average Hourly Pay Rate (\$/hour): \$48.21					

The Table below shows the annualized Federal costs for each collection. The estimated time spent to process the information collections is based on the BLM's experience. The weighted average hourly wage associated with these information collections is shown at Table 14-1, above.

Table 14-2: Estimated Annual Cost to the Government

Collection of Information	Number of Responses	Processing Time Per Response (hours)	Total Processing Hours	Total Wage Cost (Processing Hours x \$48.21)
Application for Permit to Drill or Re-enter 43 CFR 3162.3-1(a) through (i), 3164.1, 3172.3-1, and Section III.A. of Onshore Order 1 Form 3160-3 and Related Information	3,000	2	6,000	\$289,260

Collection of Information	Number of Responses	Processing Time Per Response (hours)	Total Processing Hours	Total Wage Cost (Processing Hours x \$48.21)
Subsequent Well Operations 43 CFR 3162.3-2 (formerly labeled “Sundry Notices and Reports on Wells”) Form 3160-5	15,100	3	45,300	\$2,183,913
Plan for Well Abandonment 43 CFR 3162.3-4	1,500	1	1,500	\$72,315
Well Completion or Recompletion Report and Log 43 CFR 3162.4-1(a), (b), (d), and (e) Form 3160-4 and Related Information	5,000	1	5,000	\$241,050
Notification of Production Start or Resumption 43 CFR 3162.4-1(c) Form 3160-5	1,000	1	1,000	\$48,210
Samples, Tests, and Surveys (formerly labeled “Drilling Tests, Logs, and Surveys”) 43 CFR 3162.4-2	110	1	110	\$5,303
Disposal of Produced Water 43 CFR 3162.5-1(b), 3164.1, and Onshore Oil and Gas Order No. 7	1,500	1	1,500	\$72,315
Report of Spills, Discharges, or Other Undesirable Events 43 CFR 3162.5-1(c)	215	1	215	\$10,365
Contingency Plan 43 CFR 3162.5-1(d)	52	1	52	\$2,507
Horizontal and Directional Drilling 43 CFR 3162.5-2(b)	2,100	2	4,200	\$202,482
Well Markers 43 CFR 3162.6	1,000	1	1,000	\$48,210
Notice of Staking 43 CFR 3164.1 and Section III.C. of Onshore Order 1	300	8	2,400	\$115,704
Waiver Request 43 CFR 3164.1 and Section III.I. of Onshore Order 1	150	4	600	\$28,926
Application for Suspension or Other Relief 43 CFR 3165.1	100	16	1,600	\$77,136
State Director Review 43 CFR 3165.3(b)	55	3	165	\$7,955
Variance Requests 43 CFR 3170.6 Form 3160-5	100	3	300	\$14,463
Site Facility Diagrams 43 CFR 3173.11 Form 3160-5	9,156	1	9,156	\$441,411
Request for Approval of an FMP for Future Measurement Facilities 43 CFR 3173.12(d) Form 3160-5 One-Time	1,000	1.5	1,500	\$72,315
Request for Approval of an FMP for Existing Measurement Facilities 43 CFR 3173.12(e) Form 3160-5 One-Time	166,232	1	166,232	\$8,014,045

Collection of Information	Number of Responses	Processing Time Per Response (hours)	Total Processing Hours	Total Wage Cost (Processing Hours x \$48.21)
Modifications to an FMP 43 CFR 3173.13(b)(1) Form 3160-5	1,000	40	40,000	\$1,928,400
Request for Approval of a CAA 43 CFR 3173.15 Form 3160-5 and Related Information One-Time	2,162	16	34,592	\$1,667,680
Response to Notice of Insufficient CAA 43 CFR 3173.16 Form 3160-5 and Related Information	150	5	750	\$36,158
Request to Modify or Terminate a CAA 43 CFR 3173.18 and 3173.20 Form 3160-5 and Related Information	500	0.25	125	\$6,026
Request for Approval or Termination of Off-Lease Measurement 43 CFR 3173.23 and 3173.27 Form 3160-5 and related Information	166	4	664	\$32,011
Response to Notice of Insufficient Off-Lease Measurement Approval 43 CFR 3173.25 Form 3160-5 and Related Information	15	2	30	\$1,446
Measurement Tickets 43 CFR 3174.12 Monthly	90,000	2	180,000	\$8,677,800
Totals:	301,663	—	501,593	\$24,297,406

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

There are no program changes or adjustments to the estimated burden hours. The total annual non-hour cost burden is being adjusted from \$29,370,000 to \$31,080,000, an increase of \$1,710,000 in order to account for inflation costs pertaining to filing fee for each new Application for Permit to Drill or Re-enter (Form 3160-3).

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The BLM will not publish the results of this collection.

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

The BLM will display the expiration date of the OMB approval on the forms included in this information collection. The OMB number and expiration date displayed on the form as well as at 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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