

Comparing the Burden/Cost in the Previous vs. Current ICRs

	2019 ICR	2022 ICR	Change	Percent Change
Respondents	40,168	37,677	-2,491	-6%
Burden	1,292,260	1,631,360	339,100	26%
Total Cost	\$227,307,259	\$363,309,464	\$136,002,205	60%
O&M Cost	\$168,345,558	\$276,069,465	\$107,723,907	64%
Labor Cost	\$58,961,701	\$87,239,999	\$28,278,298	48%

Reductions in the number of respondents are due to:

- Class II inventory decrease—fewer operators means fewer entities are performing various post-permitting activities (e.g., monitoring). The number of Class II respondents decreased by 12% (2,093) between inventories.
- The number of Class IV respondents decreased by 89% because this number is now based on compiled national-level data from Form 7520-2B; previously this number was based on Program Activity Measures data (which likely over-counted these wells).
- The number of respondents for the other well classes increased:
 - o Class I 7% increase
 - o Class III 33% increase
 - o Class V 0.3% increase
 - o Class VI 373% increase

Burden and cost increases are due to:

- An increased number of Class I, II, and III permit applications that are assumed to be submitted in the next 3 years. This is the most labor- and cost-intensive activity in the ICR and adds about 286,000 hours to the operator burden (there is a corresponding increase in state burden as well). The unit burden for completing a permit application has not changed, but the number of entities performing these activities has. The number of permit applications is now based on trends in 7520 data (it was previously based on best professional judgement due to a lack of compiled national-level data).
- There is anticipated to be a significant increase in the number of Class VI permit applications over the next 3 years (anticipated due to the 45Q tax credit). The burden and cost associated with preparing the applications and reviewing them is higher than for any other well class. This added about 44,000 hours to the operator burden estimate. There will be an increase in state/DI burden to process these applications as well. The number of Class VI permit applications is based on professional judgement/discussions with the states and regions.
- The overall lower well inventory means that the increase in permit application burden is offset by a reduction of approximately 65,000 operator labor hours associated with reporting and recordkeeping activities.
- Increases in the cost estimates reflect: (1) increased labor costs (both an increase in the number of labor hours and the cost of the labor) and (2) inflation of non-labor costs.

Note that these changes will be categorized as changes in “assumptions/calculations” rather than “regulatory changes,” and will be less scrutinized by OMB.

Changes to the reporting forms:

The following changes were made to the state reporting forms:

- Implementing a web-based system that replaces the paper Forms 7520-1 through 7520-4 and inventory reporting.
- Including space to report about Class VI wells on Forms 7520-1 through 7520-3.
- Eliminating the quarterly and annual breakout of the number of wells that returned to compliance on Forms 7520-2A and 2B.
- Adding space to provide the name and address of the reporting agency on Form 7520-4.
- Clarifying the language and instructions on all of the forms.

These improvements will reduce burden to primacy agencies by an estimated 826 hours annually.

The following changes were made to the owner or operator reporting forms:

- Revising the signature blocks and instructions on all of the operator reporting forms to clarify that an authorized person must sign the form; this change will reduce confusion and the need to request re-signing/submittal of the reporting forms.
- Deleting a potentially confusing check box and clarifying the instructions to indicate that a well schematic and financial responsibility information must be submitted with all transfer applications on Form 7520-7 (Application to Transfer).
- Editing the title and instructions to the Injection Well Monitoring Report (Form 7520-8) to remove reference to a specific reporting timeframe (i.e., quarterly) and allow wider use by permittees with varying reporting frequencies in their permits and avoid confusion about reporting frequencies.
- Allowing owners or operators to report injection volumes in gallons or barrels, depending on what units are most appropriate to their operations (on Forms 7520-8 and 7520-11).
- Revising Form 7520-17 (Class V Pre-Closure and Post-Closure Reporting Form) to allow operators to use the same form to provide pre-closure notifications and post-closure updates, if needed.
- Deleting the request for anticipated daily injection volume on the Completion Report (Form 7520-18), as this information is available elsewhere.
- Revising the instructions on Form 7520-19 (Well Rework, Plugging & Abandonment Plan, or Plugging & Abandonment Affidavit) to clarify that a cost estimate; well schematics; and tabular descriptions of casing and tubing, plugs, and perforated intervals must be provided.

EPA estimates that these changes will save operators 240 hours annually. (More significant changes to the forms in 2018 reduced operator burden by over 10,000 hours.)