



Independent Statistics & Analysis
U.S. Energy Information
Administration

Supporting Statement for Survey Clearance of U.S. Energy Information Administration's (EIA) Oil and Gas Reserves System Surveys

Part A: Justification

Form EIA-23L, Annual Report of Domestic Oil and Gas Reserves (State/State Subdivision Version) — Extension of Collection with Changes

Form EIA-23S, Annual Report of Domestic Oil and Gas Reserves (Summary Version) — Continuation of Suspension

Form EIA-64A, Annual Report of the Origin of Natural Gas Liquids Production — Extension of Collection without Change

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U.S. Department of Energy

Washington, DC 20585

Table of Contents

Part A: Justification.....	i
Introduction.....	1
A.1. Legal Justification.....	1
A.2. Needs and Uses of Data.....	2
A.3. Use of Technology.....	2
A.4. Efforts to Identify Duplication.....	2
A.5. Provisions for Reducing Burden on Small Businesses.....	2
A.6. Consequences of Less-Frequent Reporting.....	2
A.7. Compliance with 5 CFR 1320.5.....	3
A.8. Summary of Consultations Outside of the Agency.....	3
A.9. Payments or Gifts to Respondents.....	4
A.10. Provisions for Protection of Information.....	4
A.11. Justification for Sensitive Questions.....	4
A.12. Estimate of Respondent Burden Hours and Cost.....	4
A.13. Annual Cost to the Federal Government.....	5
A.14. Changes in Burden.....	6
A.15. Reasons for Changes in Burden.....	7
A.16. Collection, Tabulation, and Publication Plans.....	7
A.17. OMB Number and Expiration Date.....	7
A.18. Certification Statement.....	7

Introduction

The U.S. Energy Information Administration (EIA) is the statistical and analytical agency within the U.S. Department of Energy. EIA collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment. EIA is the nation's premier source of energy information and, by law, its data, analyses, and forecasts are independent of approval by any other officer or employee of the U.S. Government.

Request is made for approval of the EIA Oil and Gas Reserves System Surveys (OMB No. 1905-0057). These surveys are:

- EIA 23L, *Annual Report of Domestic Oil and Gas Reserves (State/state-subdivision-level Report)*
- EIA-23S, *Annual Report of Domestic Oil and Gas Reserves (Summary Version)*
- EIA-64A, *Annual Report of the Origin of Natural Gas Liquids Production*

Changes

The requested approval is for a three-year extension with changes for Form EIA-23L and without changes for Form EIA-64A data collections, and continuation of the suspension of Form EIA-23S data collection, all starting in the year 2022.

Changes for Form EIA-23L include a new spreadsheet form that collects reserves and production data at the state/state subdivision level instead of county level. Also the new form collects combined oil and condensate data and combined non-associated and associated-dissolved natural gas data. The new form will no longer require reporting for three reservoir types (conventional, low permeability, and shale). Respondents will report total reserves and the shale component. These changes will reduce the burden on respondents, while also meeting the needs of data users.

A.1. Legal Justification

The authority for this mandatory data collection is provided by the following provisions:

1. Title 15 U.S.C. §772(b) which establishes the mandatory reporting requirement of owners and operators of businesses in the U.S. to make available energy supply and consumption data to the EIA Administrator.
2. Title 15 U.S.C. §764(a,b) which establishes the EIA Administrator's powers to plan, direct, and conduct mandatory and voluntary energy programs that are designed and implemented in a fair and efficient manner. These powers include duties to collect, evaluate, assemble, and analyze energy information on U.S. reserves, production, demand, and related economic data, while obtaining the cooperation of business, labor, consumer, and other interests.

3. Title 15 U.S.C. §790(a) which establishes a National Energy Information System that is the enclave containing the energy data collected by EIA, which allows EIA to describe and analyze energy supply and consumption in the U.S. This enclave allows EIA to perform statistical and forecasting activities to meet the needs of the Department of Energy, Congress, and the States.
4. Title 42 Section 6274 which continues Title 15 Section 772 in the context of transmitting data to the International Energy Agency, subject to limitations on the disclosure of identifiable information.

A.2. Needs and Uses of Data

The information provided by the Oil and Gas Reserves System (OGRS) data collections is used by the Department of Energy as input into the following web products issued by EIA:

- U.S. Crude Oil and Natural Gas Proved Reserves Annual Report, http://www.eia.doe.gov/oil_gas/natural_gas/data_publications/crude_oil_natural_gas_reserves/cr.html
- Natural Gas Monthly, <http://www.eia.gov/naturalgas/monthly>
- Natural Gas Annual, <https://www.eia.gov/naturalgas/annual>
- Annual Energy Review, <http://www.eia.gov/emeu/aer/contents.html>
- Annual Energy Outlook, <https://www.eia.gov/outlooks/aeo/>
- Short-Term Energy Outlook, <http://www.eia.gov/forecasts/steo/>

Form EIA-23L provides credible, verifiable national and regional data on the proved reserves of crude oil and natural gas. These data include proved reserves and production for crude oil and lease condensate, and natural gas by state/state sub-division and federal offshore regions.

Form EIA-64A provides data that are used to estimate natural gas plant liquids production and reserves by state and federal offshore regions. Data collected are plant and respondent identification, origin of natural gas received, dry natural gas produced, natural gas liquids produced, plant fuel use, and electricity purchased.

These data are used by EIA in many reports and analysis that discuss crude oil and natural gas reserves and production. The EIA-64A data is used for generating estimates of EIA's dry natural gas production (natural gas that remains after natural gas liquids are extracted). The estimate for production of total natural gas plant liquids (NGPL) generated from the EIA-64A data is used by EIA to calculate the extraction loss from wet natural gas production so that EIA may accurately estimate dry natural gas production. All EIA publications are available on EIA's Internet site (<http://www.eia.gov>).

Every year the Oil and Gas Journal (<https://www.ogj.com/>) copies and publishes the EIA's proved reserves estimates as the official reserve estimates for the U.S. as part of their coverage of international crude oil reserves. EIA's proved reserves data series is widely used in the petroleum industry by consultants and the trade press.

The data series from these surveys provide additional benefits, such as:

- Fulfilling EIA's mission to provide credible, reliable, and timely energy information
- Providing a database for use in forecasting, policy making, planning and analysis activities
- Serving as an official data bank available to Congress, other government agencies, and the public on the proved reserves of crude oil, natural gas, and natural gas liquids in the United States
- Providing a source of data for other government agencies, business firms, trade associations, financial institutions, academia, and private research and consulting organizations for analysis, projections, and monitoring purposes.

A.3. Use of Technology

In an effort to reduce respondent burden, multiple reporting options for the Forms EIA-23L and EIA-64A are provided.

The new spreadsheet version of Form 23L is available on the EIA website as a download. Respondents may complete the Form EIA-23L using their own automated system or manually and submit the form using EIA's Secure File Transfer website, fax, or U.S. Mail.

EIA also provides a spreadsheet version of the EIA-64A on its website. Respondents may download this version, complete it, and return it to EIA by Secure File Transfer, fax, or U.S. Mail.

A.4. Efforts to Identify Duplication

The OGRS data collections do not unnecessarily duplicate other information collected by EIA. Also, EIA staff is very familiar with U.S. oil and natural gas proved reserves data, and there are not any independent, reliable, and accurate data that can serve as a substitute for the information collected on Forms EIA-23L and EIA-64A.

Several sources collect production of natural gas and oil from the same respondents, but this data cannot replace the collection of production on the EIA-23L because it is critical that the production numbers collected reflect production from the reported reserves (See Supporting Statement Part B). Matching reserves numbers reported on the EIA-23L to production numbers collected from another source would be invalid due to changes in operator holdings and estimates over time.

Information from state, federal, or commercial listings of oil and gas well operators has failed to provide the information that the OGRS data collections provide. At this time, state agencies do not collect proved reserves information from oil and gas well operators.

The Department of the Interior (DOI) and Bureau of Land Management (BLM) do not collect proved reserves information – their data collection is on acreage of land leased, drilling permits issued, and production from leases on federal land. The DOI Bureau of Ocean Energy Management (BOEM) collects proved reserves and water depth information on developments in the Federal Offshore region, but publishes its own reports one year later than EIA. Because of the limited geographic coverage and the delay in releasing reserves data, the DOI information is not an acceptable alternative to the Form EIA-23L report.

Oil and gas well operators who are publically-owned companies are required to file their estimate of proved reserves with the Securities and Exchange Commission (SEC). However, these SEC estimates of proved reserves are not sufficient to replace EIA's estimates for the entire U.S., because only publically-held companies file with the SEC (though many operators in the U.S. are privately-owned), and the companies report to the SEC only the percentage of the reserves they own, which can be an amount significantly less than the total volume of reserves within a field.

EIA has determined that other sources of proved oil and gas reserve data cannot replace or approximate the information provided by the OGRS data collections, because of differences in classifying the data, inconsistent data quality, incomplete and infrequent reporting, and data unavailability. Form EIA-64A is the only source of natural gas liquids production data by area of origin known to EIA.

A.5. Provisions for Reducing Burden on Small Businesses

The largest respondents to the Form EIA-23L will have wells in more than half a dozen states across the country, while the smallest respondents will have wells in only one state. The reporting burden for the small operators at state/state subdivision level reporting on the new Form EIA-23L is slightly less than the old burden for small operators reporting at the county level. But larger operators should see a greater reduction in burden.

A.6. Consequences of Less-Frequent Reporting

Less frequent reporting from survey respondents would not permit EIA to meet its mandate of providing timely, reliable information on oil and gas reserves.

A.7. Compliance with 5 CFR 1320.5

The data are being collected consistent with the guidelines in 5 C.F.R. 1320.6, to reduce the public's paperwork burden.

A.8. Summary of Consultations Outside of the Agency

On November 17, 2021, EIA published a Federal Register Notice (Volume 86, Number 219, page 64192) inviting public comments on the proposed extension of the survey forms. In addition, EIA placed a copy of the notice on EIA's website. EIA received and addressed three public comments in response to the 60 Day FRN.

EIA conducted a small survey of 12 reserves data customers (nine private sector data customers and three federal data customers) to acquire information on the utility of the published oil and gas reserves

data based on these surveys. Nearly all respondents said they used it as a main source of reserves information in their work.

EIA then conducted another small survey of nine (9) respondents to the EIA-23L survey to gauge the reduction in burden. Nearly all said they liked the new spreadsheet form and that it would reduce their burden.

A.9. Payments or Gifts to Respondents

Payments or gifts will not be provided to respondents as incentives to report data to EIA.

A.10. Provisions for Protection of Information

Form EIA-23L

The annual data on the production of crude oil, lease condensate, and natural gas reported on Form EIA-23L are considered public information. These data elements may be released in company-identifiable form and will not be protected from disclosure in identifiable form when releasing statistical aggregate information. All other information reported on Form EIA-23L will be protected and not disclosed to the public, to the extent that the information satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 U.S.C. §552, the DOE regulations, 10 C.F.R. §1004.11, implementing the FOIA, and the Trade Secrets Act, 18 U.S.C. §1905.

The Federal Energy Administration Act requires EIA to provide company-specific data to other federal agencies when requested for official use. The information reported on the Form EIA-23L may also be made available, upon request, to another component of the Department of Energy (DOE); to any Committee of Congress, to the Government Accountability Office, or to other federal agencies authorized by law to receive such information. A court of competent jurisdiction may obtain this information in response to an order. The information may be used for any non-statistical purposes such as administrative, regulatory, law enforcement, or adjudicatory purposes.

Disclosure limitation procedures are applied to the protected statistical data published from Form EIA-23L survey information to ensure that the risk of disclosure of identifiable information is very small.

Confidential information collected on Form EIA-23L may be provided to United States Department of the Interior offices (BOEM and the United States Geological Survey [USGS]) for statistical purposes, only, in conducting their resource estimation activities.

Form EIA-64A

The data reported on Form EIA-64A will be protected and not disclosed to the public, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 U.S.C. §552, the DOE regulations, 10 C.F.R. §1004.11, implementing the FOIA, and the Trade Secrets Act, 18 U.S.C. §1905.

The Federal Energy Administration Act requires EIA to provide company-specific data to other federal agencies when requested for official use. The information reported on Form EIA-64A may also be made available, upon request, to another component of the Department of Energy (DOE); to any Committee of Congress, the Government Accountability Office, or to other federal agencies authorized by law to

receive such information. A court of competent jurisdiction may obtain this information in response to an order. The information may be used for any non-statistical purposes such as administrative, regulatory, law enforcement, or adjudicatory purposes.

Disclosure limitation procedures are applied to the statistical data published from Form EIA-64A survey information to ensure that the risk of disclosure of identifiable information is very small.

Confidential identifiable information collected on Form EIA-64A may be provided to United States Department of Interior offices (BOEM and USGS) for statistical purposes, only, in conducting their resource estimation activities.

A.11. Justification for Sensitive Questions

There are not any questions of a sensitive nature in the OGRS data collections.

A.12. Estimate of Respondent Burden Hours and Cost

The overall annual burden for the OGRS data collections is estimated to be 19,100 hours. This total is based on the following per response burden hours: For the EIA-23L, up to 500 respondents with an average burden of 31 hours per response. There are up to 600 respondents to the EIA-64A, with an average burden of 6 hours per response (see Table A1).

The table below shows the burden hours calculated for the proposed OGRS surveys package.

Table A1. Estimated Respondent Burden

EIA Form Number/Title	Annual Reporting Frequency	Number of Respondents	Annual Number of Responses	Burden Hours Per Response	Annual Burden Hours
Form EIA-23L/Annual Survey of Domestic Oil and Gas Reserves (County Version)	1	500	500	31.00	15,500
Form EIA-23S/Annual Survey of Domestic Oil and Gas Reserves (Summary Version)	0	0	0	0.00	0
Form EIA-64A/Annual Report of Natural Gas Liquids Production	1	600	600	6.00	3,600
TOTAL		1,100	1,100		19,100

A.13. Annual Cost to the Federal Government

The annual costs of the OGRS data collections to EIA, including personnel, for development and maintenance, collection, processing, analysis, and publication, are estimated to be \$1,400,000.

A.14. Changes in Burden

All burdens associated with this collection are hourly burdens. The proposed 3-year renewal is with changes to Form EIA-23L. The burden remains unchanged for Form EIA-64A.

A.15. Reasons for Changes in Burden

There are changes in respondent burden for only the EIA-23L survey for this proposed 3-year extension.

Table A2. ICR Summary of Burden

	Requested	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Previously Approved
Total Number of Responses	1,100	0	0	0
Total Time Burden (Hr)	19,100	0	-7,000	26,100

A.16. Collection, Tabulation, and Publication Plans

Plans to tabulate and publish data collected by the OGRS surveys are as follows:

Approximate Time Survey Forms are Initially Made Available:

Item	Date:
EIA 64A	February
EIA 23L (State/state subdivision-level version)	February

Due Date for Response:

Item	Date:
EIA 64A	April
EIA 23L (State/state subdivision-level version)	April
Final data for tabulation (EIA-64A)	June
Final data for tabulation (EIA-23)	September

Publication Schedule:

Item	Date:
Reserves Report	November 30

Supporting materials

December

A.17. OMB Number and Expiration Date

The OMB approval expiration date and OMB number will be displayed on all of the Oil and Gas Reserves System survey forms (Forms EIA-23L and EIA-64A).

A.18. Certification Statement

There are no exceptions to the certification statement identified in Item 19 of OMB Form 83-I.