

# Supporting Statement A

## Federal Oil and Gas Valuation– 30 CFR Parts 1202, 1204, and 1206

OMB Control Number 1012-0005

**Terms of Clearance:** None.

### General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below and must contain the information specified below. If an item is not applicable, provide a brief explanation. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

### Specific Instructions

#### A. Justification

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

The Secretary of the U.S. Department of the Interior (Secretary) is responsible for overseeing mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). Under various laws, the Secretary's responsibility is to: (1) manage mineral resource production on Federal and Indian lands and the OCS; (2) collect the royalties and other mineral revenues due; and (3) distribute the funds collected.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share in a value of production from the leased lands. The mineral lease laws require the lessee, or his designee, to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information that ONRR collects include data necessary to ensure that royalties value is established correctly. The information collections that ONRR covers in this Information Collection Request (ICR) are found in the following parts of title 30 of the *Code of Federal Regulations* (CFR):

- Part 1202, subparts C and D

- Part 1204, subpart C
- Part 1206, subparts C and D

ONRR posted the following laws pertaining to mineral leases on Federal and Indian lands and the OCS at [http://www.onrr.gov/Laws\\_R\\_D/PubLaws/index.htm](http://www.onrr.gov/Laws_R_D/PubLaws/index.htm):

- 30 U.S.C. 1701 *et seq.*, Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), as amended by Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA, Pub. L. 104-185—Aug. 13, 1996, as corrected by Pub. L. 104-200—Sept. 22, 1996)
- 30 U.S.C. 181 *et seq.*, The Mineral Leasing Act of 1920
- 43 U.S.C. 1353, Chapter 29—Outer Continental Shelf Lands Act of 1953
- 30 U.S.C. 189, Chapter 3A—Leases and Prospecting Permits
- 30 U.S.C. 359, Chapter 7—Lease of Mineral Deposits within Acquired Lands

***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.***

ONRR uses the information collected in this ICR to ensure that lessees accurately calculate and appropriately pay all royalties based on oil and gas produced from Federal and Indian oil and gas leases. Please refer to the chart in Item 12 for all reporting requirements and associated burden hours. All data submitted is subject to subsequent audit and adjustment.

### **Federal Oil and Gas Valuation Regulations**

The valuation regulations at 30 CFR part 1206, subparts C and D, mandate that lessees collect and/or submit information used to value their Federal oil and gas, including (1) transportation and processing allowances and (2) regulatory allowance limit information. Lessees report certain data on the *Report of Sales and Royalty Remittance* (form ONRR-2014, OMB Control Number 1012-0004). The information that ONRR requests is the minimum necessary to carry out our mission and places the least possible burden on respondents. If ONRR does not collect this information, both Federal and State governments may incur a loss of royalties.

**Transportation and Processing Regulatory Allowance Limits:** Lessees may deduct the reasonable, actual costs of transportation and processing from Federal royalties. The lessees report these allowances on form ONRR-2014.

***Regulatory Allowance Limit for Transportation:*** Under certain circumstances, regulations authorize lessees to deduct from royalty payments the reasonable, actual costs of transporting the royalty portion of produced oil and gas from the lease to a processing or sales point not in the immediate lease area. For oil and gas, regulations establish the allowable limit on transportation allowance deductions at 50 percent of the value of the

oil or gas.

***Regulatory Allowance Limit for Processing:*** When gas is processed for the recovery of gas plant products, lessees may claim a processing allowance. Regulations establish the allowable limit on processing allowance deductions at 66⅔ percent of the value of each gas plant product.

Title 30 CFR part 1206—Product Valuation, subparts C and D, prior to their amendment effective January 1, 2017, permitted a Federal oil and gas lessee to request to exceed certain caps that ONRR’s regulations place on transportation and processing allowances by filing form ONRR–4393. (Request to Exceed Regulatory Allowance Limitation), with supporting documentation. See §§ 1206.109(c)(2) (2016), 1206.153(c) (3) (2016), and 1206.158(c)(3) (2016). Subject to the statute of limitations, a lessee may file this form to request to exceed the caps for oil and gas produced prior to January 1, 2017.

### **Accounting and Auditing Relief for Marginal Properties**

In 2004, ONRR amended our regulations to comply with RSFA section 7. These regulations provide guidance for lessees and designees seeking accounting and auditing relief for qualifying Federal marginal properties. There are two types of relief: (1) cumulative royalty reports and payments relief, and (2) other relief. Under 30 CFR 1204.202, ONRR requires notification from lessees who request to take the cumulative royalty reporting and payment relief option. Under 30 CFR 1204.203, ONRR also requires a relief request from lessees who want to obtain any other type of accounting and auditing relief. The regulations require lessees who choose to obtain relief to supply this information, in order to obtain these benefits.

A State may decide in advance if it will allow either one or both relief options for each particular year and must notify the ONRR Director, in writing, of its decision. If a State does not notify ONRR, in writing, then ONRR will deem that the State has decided not to allow either or both relief options. After consulting with the State concerned, ONRR will approve, deny, or modify requests, in writing. Under the regulations, both ONRR and the State concerned must approve any accounting and auditing relief granted for a marginal property. Therefore, ONRR and the State concerned must determine that the relief is in the best interest of the Federal government and the State.

***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.***

ONRR’s Government Paperwork Elimination Act Plan indicates that it evaluates such transactions for electronic submission. For accounting and auditing relief, ONRR will

accept responses by electronic mail and expect to receive an average of 95 percent of the responses electronically. Submission by electronic mail is the most efficient and immediate means for submission of the notification or relief request. The information requested of the lessee in its notification or relief request is the minimum information necessary to efficiently process the lessee's notification or request for accounting and auditing relief.

***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.***

This information is not available from any other source, nor is there any other Federal government agency currently collecting similar information for other purposes that could serve our needs. ONRR ensures that the lessee's burden is minimized and not duplicated.

The valuation and allowance information ONRR collects is unique and specific to valuing and paying royalties derived from oil and gas from Federal leases. The marginal property accounting and auditing relief program is also unique; the lessee's decision to participate in the relief comes only from the lessee or designee. ONRR makes every effort to avoid duplication of the information collection.

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

This collection, which includes 30 CFR parts 1202, 1204 and 1206 regulatory requirements, does impact small entities. ONRR carefully analyzed its valuation, allowances and marginal property relief requirements to ensure that the information it requests is the minimum necessary and places the least possible burden on industry. ONRR has a long-standing policy to restrict the amount of information it collects to the minimum necessary to efficiently accomplish its mission and fulfill its responsibilities.

ONRR also determined that this collection of information has no special reporting provisions on small businesses, or other small entities, differently than larger entities. However, small businesses would likely have less information to report than larger entities would. Respondents, including small businesses or other small entities, have the flexibility to submit information to ONRR electronically, or in hardcopy.

ONRR provides toll-free telephone assistance at 1-800-525-0309 and periodic training (free of charge) to all respondents in various geographic areas. This training helps respondents in complying with valuation, reporting and marginal property relief requirements. ONRR encourages all respondents to contact ONRR to better familiarize themselves with the reporting requirements. ONRR also maintains ongoing contact with respondents to resolve questions as they arise. Both industry and the Federal government benefit from this exchange of information.

**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.**

Collecting this necessary information allows ONRR to fulfill its mission in a timely manner. In this ICR, there are no technical obstacles to reduce the burden; however, the legal obstacles are substantive.

The information that ONRR collects provides a critical link to establishing the proper value of oil and gas from Federal lands. If ONRR does not collect the valuation and allowances information, this would limit the Secretary's ability to discharge fiduciary duties. ONRR also could not accomplish its mandated mission, which may result in a loss of royalties for both Federal and State governments.

If ONRR does not receive the information concerning marginal property relief, the lessees and its designees cannot obtain the accounting and auditing relief that RSFA section 7 offers. Wells on marginal properties may be prematurely abandoned, resulting in a permanent loss of royalty revenues to the Federal government and the State concerned, as well as a loss of production revenues to the lessee or designee.

**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.**

This item is not applicable in this information collection because the lessees will notify ONRR occasionally and when needed, concerning the allowance request; and the States will notify ONRR annually of their intent to allow or not allow one or both of the relief options. The Federal lessees and designees will file a one-time notification or request for relief with ONRR, and then again only if any changes occur.

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

According to 30 CFR 1204.208(c), State(s) will notify ONRR if the former will or will not allow one or both relief option(s) within 30 days after October 1<sup>st</sup> for the next calendar year.

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

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

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

RSFA section 4(f) requires that Federal oil and gas lessees maintain records for seven years after the obligation becomes due.

- ***in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.***

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

- ***requiring the use of statistical data classification that OMB has not reviewed and approved.***

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

- ***that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.***

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

- ***requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.***

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(viii) as this information collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures. Standard agency procedures provide strict security measures to control the use and storage of, and access to, such information. ONRR protects this information collected under the standards identified in Item 10 below.

***8. If applicable, provide a copy and identify the date and page number of publication in the FEDERAL REGISTER of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and in response to the PRA statement associated with the collection over the past three years, and describe the agency's actions taken in response to these comments. Specifically, address comments received on cost and hour burden.***

***Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons of persons contacted.]***

***Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years—even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.***

As required in 5 CFR 1320.8(d), ONRR published a 60-day notice, for review and comment, in the **Federal Register** on May 26<sup>th</sup>, 2022 (87 FR 32050). ONRR received two comments from [www.regulations.gov](http://www.regulations.gov).

1. Comment from United Tribal Nations Organization

Comment: All Ongwhehonwhe, Native American people are to receive Royalties from all assets, also the rights to their inherited lands, No nation shall have restricted lands/ federal trust!! No non-natives are to have any claim to any resources as these all belong to the Ongwhehonwhe, The Original People of these lands.

*ONRR Response:* ONRR appreciates the comment and feedback, however this Information Collection Request is related to Federal lands, not Tribal lands.

2. Comment from Anonymous

Comment: I agree with the content of this Information Collection Request.

*ONRR Response:* ONRR appreciates the comment and feedback.

ONRR accepts comments at any time on the information collection and the burden hours. ONRR also maintains regular, ongoing contact with companies. ONRR provides a toll-free telephone assistance and encourages customer feedback as it responds to questions regarding requirements. ONRR addresses issues as they come up and continually improves its processes.

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

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

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

Companies may provide proprietary commercial or financial information, relating to minerals that they removed from Federal and Indian leases, to ONRR. The FOGRMA, as amended (30 U.S.C. 1701 *et seq*), the Freedom of Information Act (5 U.S.C. 552 (b)(4)) and its implementing regulations establish standards to protect trade secrets and other proprietary information. ONRR also has strict security measures in place for storage of, and access to, proprietary information.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

This information collection does not include sensitive or private questions.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

For Federal oil and gas valuation requirements, ONRR estimates approximately 120 Federal lessees/designees and 7 States concerned who may submit the required information annually and on occasion. ONRR estimated the average number of responses that ONRR will receive is 139 per year, and the total reporting burden to both lessees and States concerned is 9,913 hours per year. The burden estimates include the time for (1) reviewing instructions, (2) searching existing data sources, (3) gathering and maintaining the data needed, and (4) completing and reviewing the collection of information. The States concerned require an annual in-depth analysis to inform ONRR of their decision to participate or not participate in the accounting and auditing relief.

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

#### Summary of Information Collections

Information Collections	Requirement to Respond	Frequency of Response	Number of Annual Responses	Annual Burden Hours	Annual Cost (\$57/hr.)
<i>Oil and Gas Valuation</i>	Mandatory	On	110	8,291	\$472,587

(part 1206 not including §§ 1206.109(c)(2), 1206.156(c)(3), and 1206.158(c)(3) below)		occasion			
<i>Request to Exceed Regulatory Allowance Limitation (form ONRR-4393) (§§ 1206.109(c)(2), 1206.156(c)(3), and 1206.158(c)(3))</i>	Required to obtain a benefit	On occasion	19	1,096	\$62,472
<i>Accounting and Auditing Relief for Marginal Properties—Industry (part 1204, §§ 1204.202(b)(1), 1204.203(b), 1204.205(a) &amp; (b), and 1204.206(a)(3)(i), (b)(1), &amp; 1204.209(b).</i>	Required to obtain a benefit	Annually	3	246	\$14,022
<i>Accounting and Auditing Relief for Marginal Properties—States (§§ 1204.208(c)(1), (d) (1), &amp; (e))</i>	Required to obtain a benefit	Annually	7	280	\$15,960
<b>TOTAL</b>			<b>139</b>	<b>9,913</b>	<b>\$565,041</b>

- ***Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under “Annual Cost to Federal Government.”***

ONRR expects that an industry accountant will perform all the work. ONRR estimates that the total annual reporting burden is 9,913 hours. ONRR used Bureau of Labor Statistics (BLS) National Occupational Employment and Wage Estimates, available at <http://www.bls.gov/oes/current/oes132011.htm>, to estimate the hourly cost for industry accountants in various United States locations. ONRR used a multiplier of 1.4 for benefits based on this information; ONRR estimated that the hourly cost for an industry accountant would be \$, calculated as follows:

$$\$40.37 \text{ [mean hourly wage]} \times 1.4 \text{ [benefits cost factor]} = \$56.51 \text{ [rounded to } \$57/\text{hr.]}$$

ONRR estimates the total annual cost to industry is \$561,008 as follows:

$$9,913 \text{ hours [reporting hours]} \times \$57 \text{ [for industry accountants]} = \$565,041$$

There are no additional recordkeeping costs. ONRR has not included in its estimates certain requirements that companies performed in the normal course of business and that ONRR considered usual and customary.

The following table shows the estimated burden hours by CFR sections and paragraphs:

<b>RESPONDENTS' ESTIMATED ANNUAL BURDEN HOURS</b>				
<b>Citation Title 30 CFR 1202,120 4 and 1206</b>	<b>Reporting and Recordkeeping Requirement</b>	<b>Hour Burden</b>	<b>Average Number of Annual Responses</b>	<b>Annual Burden Hours</b>
<b>PART 1202—ROYALTIES</b>				
<b>Subpart C—Federal and Indian Oil</b>				
1202.101	<b>Standards for reporting and paying royalties.</b> Oil volumes are to be reported in barrels of clean oil of 42 standard U.S. gallons at 60 °F.	Burden covered under OMB Control Number 1012-0004.		0
<b>Subpart D—Federal Gas</b>				
1202.152 (a) and (b)	<b>Standards for reporting and paying royalties on gas.</b> (a)(1) If you are responsible for reporting production or royalties you must: (i) Report gas volumes and British thermal unit (Btu) heating values, if applicable, under the same degree of water saturation; (ii) Report gas volumes in units of 1,000 cubic feet (mcf); and (iii) Report gas volumes and Btu heating value at a standard pressure base of 14.73 pounds per square inch absolute (psia) and a standard temperature base of 60 °F. (b) Residue gas and gas plant product volumes shall be reported as specified in this paragraph.	Burden covered under OMB Control Number 1012-0004.		0
<b>PART 1204—ALTERNATIVES FOR MARGINAL PROPERTIES</b>				
<b>Subpart C—Accounting and Auditing Relief</b>				
1204.202 (b)(1) and 1204.205 (a)(1)	<b>What is the cumulative royalty reports and payments relief option?</b> To use the cumulative royalty reports and payments relief option, you must notify ONRR in writing by January 31 of the calendar year for which you begin taking your relief.	40	1	40

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
1204.202 (b)(2) and (b)(3)	(b)(2) Submit your royalty report and payment...by the end of February of the year following the calendar year for which you reported annually....If you have an estimated payment on file, you must submit your royalty report and payment by the end of March of the year following the calendar year for which you reported annually; (3) Use the sales month prior to the month that you submit your annual report and payment...for the entire previous calendar year's production for which you are paying annually.	Burden covered under OMB Control Number 1012-0004.		0
1204.202 (b)(4), (b) (5), (c), (d)(1), (d) (2), (e)(1) and (e)(2)	(b)(4) Report one line of cumulative royalty information on form ONRR-2014 for the calendar year. (5) Report allowances on form ONRR-2014 on the same annual basis as the royalties for your marginal property production. (c) If you do not pay your royalty by the date due in paragraph (b) of this section, you will owe late payment interest...from the date your payment was due under this section until the date ONRR receives it. (d) If you take relief you are not qualified for, you may be liable for civil penalties. Also you must: (1) Pay ONRR late payment interest determined under 30 CFR 1218.54. (2) Amend your form ONRR-2014... (e) If you dispose of your ownership interest in a marginal property for which you have taken relief...you must: (1) Report and pay royalties for the portion of the calendar year for which you had an ownership interest; and (2) Make the report and payment by the end of the month after you dispose of the ownership interest in the marginal property. If you do not report and pay timely, you will owe interest...from the date the payment was due....	Burden covered under OMB Control Number 1012-0004.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
1204.203 (b), 1204.205 (b) and 1204.206 (a)(3)(i) and (b)(1)	<b>What is the other relief option?</b> (b) You must request approval from ONRR...before taking relief under this option.	200	1	200
1204.208 (c)(1), (d) (1) and (e)	<b>May a State decide that it will or will not allow one or both of the relief options under this subpart?</b> (c) If a State decides...that it will or will not allow one or both of the relief options...within 30 days...the State must: (1) Notify the Director for Office of Natural Resources Revenue, in writing, of its intent to allow or not allow one or both of the relief options... (d) If a State decides in advance...that it will not allow one or both of the relief options...the State must: (1) Notify the Director for Office of Natural Resources Revenue, in writing, of its intent to allow one or both of the relief options... (e) If a State does not notify ONRR...the State will be deemed to have decided not to allow either of the relief options...	40	7	280
1204.209 (b)	<b>What if a property ceases to qualify for relief obtained under this subpart?</b> (b) If a property is no longer eligible for relief...the relief for the property terminates as of December 31 of that calendar year. You must notify ONRR in writing by December 31 that the relief for the property has terminated...	6	1	6
1204.210 (c) and (d)	<b>What if a property is approved as part of a nonqualifying agreement?</b> (c) ...the volumes on which you report and pay royalty...must be amended to reflect all volumes produced on or allocated to your lease under the nonqualifying agreement as modified by	Burden covered under OMB Control Number 1012-0004.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	BLM....Report and pay royalties for your production using the procedures in § 1204.202(b). (d) If you owe additional royalties based on the retroactive agreement approval and do not pay your royalty by the date due in § 1204.202(b), you will owe late payment interest determined under § 1218.54 from the date your payment was due under § 1204.202(b)(2) until the date ONRR receives it.			
1204.214 (b)(1) and (b)(2)	<b>Is minimum royalty due on a property for which I took relief?</b> (b) If you pay minimum royalty on production from a marginal property during a calendar year for which you are taking cumulative royalty reports and payment relief, and: (1) The annual payment you owe under this subpart is greater than the minimum royalty you paid, you must pay the difference between the minimum royalty you paid and your annual payment due under this subpart; or (2) The annual payment you owe under this subpart is less than the minimum royalty you paid, you are not entitled to a credit because you must pay at least the minimum royalty amount on your lease each year.	Burden covered under OMB Control Number 1012-0004.		0
<b>Accounting and Auditing Relief Subtotal</b>			<b>10</b>	<b>526</b>
<b>Part 1206—Product Valuation</b>				
<b>Subpart C—Federal Oil</b>				
1206.101(c)(1)(i)	<b>How do I calculate royalty value for oil that I or my affiliate sell(s) under an arm's-length contract?</b> If you use paragraph (a) of this section, your gross proceeds are the gross proceeds under your or your affiliate's arm's-length sales contract after the exchange(s) occur(s). You must adjust your gross proceeds for any location or quality differential, or other adjustments, that you received or paid under the arm's-length	AUDIT PROCESS. See note.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	exchange agreement(s). If ONRR determines that any arm's-length exchange agreement does not reflect reasonable location or quality differentials, ONRR may decide your value under § 1206.105. You may not otherwise use the price or differential specified in an arm's-length exchange agreement to value your production.			
1206.102 (a)(1), (a) (2) and (a) (3)	<b>How do I value oil not sold under an arm's-length contract?</b> This section explains how to value oil that you may not value under § 1206.101 or that you elect under § 1206.101(c)(1) to value under this section, unless ONRR decides to value your oil under 1206.105. First, determine if paragraph (a), (b), or (c) of this section applies to production from your lease, or if you may apply paragraph (d) or (e) of this section with ONRR's approval. (a) Production from leases in California or Alaska. Value is the average of the daily mean ANS spot prices published in any ONRR-approved publication during the trading month most concurrent with the production month.... (1) To calculate the daily mean spot price... (2) Use only the days... (3) You must adjust the value...	45	5	225
1206.102 (a)(4)	After you select an ONRR-approved publication, you may not select a different publication more often than once every two years...	8	2	16
1206.102 (b)(1)	<i>Production from leases in the Rocky Mountain Region....</i> You may elect to value your oil under either paragraph (b)(2) or (b)(3) of this section....	Burden covered under 1206.103(b)(1)(ii).		0
1206.102 (b)(1)	You may elect to value your oil under either paragraph (b)(2) or (3) of this section. After you select either paragraph (b)(2) or (3) of this section, you may not change to the other method more often than once	400	2	800

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	every two years, unless the method you have been using is no longer applicable and you must apply the other paragraph. If you change methods, you must begin a new two-year period.			
1206.102 (b)(4)	If you demonstrate to ONRR's satisfaction that paragraphs (b)(2) through (3) of this section result in an unreasonable value for your production as a result of circumstances regarding that production, ONRR's Director may establish an alternative valuation method.	400	2	800
1206.102 (c)(1)	<i>Production from leases not located in California, Alaska or the Rocky Mountain Region.</i> Value is the NYMEX price, plus the roll, adjusted for applicable location and quality differentials and transportation costs under § 1206.113.	50	10	500
1206.102 (e)	(e) <i>Production delivered to your refinery and the NYMEX price or ANS spot price is an unreasonable value.</i> If ONRR determines that the NYMEX price or ANS spot price does not represent a reasonable royalty value in any particular case, ONRR may decide to value your oil under § 1206.105.	330	2	660
1206.106	<b>What records must I keep to support my calculations of value under this subpart?</b> If you determine the value of your oil under this subpart, you must retain all data relevant to the determination of royalty value....	AUDIT PROCESS. See note.		0
1206.108 (a)	<b>How do I request a value determination?</b> (a) You may request a value determination from ONRR...	80	10	800
1206.110 (d)(1) and (d)(2)	<b>What general transportation allowance requirements apply to me?</b> (d) (1) Your transportation allowance may not exceed 50 percent of the	8	2	16

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	<p>value of the oil, as determined under § 1206.101 of this subpart.</p> <p>(2) If ONRR approved your request to take a transportation allowance in excess of the 50-percent limitation under former § 1206.109(c), that approval is terminated as of January 1, 2017.</p>			
1206.111 (a)(2)	<p><b>How do I determine a transportation allowance under an arm's-length transportation contract?</b></p> <p>(a)(2) You must be able to demonstrate that your or your affiliate's contract is at arm's length....</p>	AUDIT PROCESS. See note.		0
1206.110 (b)(2)	<p>(b)... If your or your affiliate's transportation contract includes more than one liquid product, you must allocate costs consistently and equitably to each of the liquid products that are transported. Your allocation must use the same proportion as the ratio of the volume of each liquid product (excluding waste products with no value) to the volume of all liquid products (excluding waste products with no value).</p> <p>(2) You may propose to ONRR a prospective cost allocation method based on the values of the liquid products transported. ONRR will approve the method if it is consistent with the purposes of the regulations in this subpart.</p>	20	2	40
1206.110 (c)(1)	<p>(c)</p> <p>(1) Where you or your affiliate transport(s) both gaseous and liquid products through the same transportation system, you must propose a cost allocation procedure to ONRR.</p>	20	1	20
1206.110 (c)(2) and (c)(3)	<p>(c)(2) You may use your proposed procedure to calculate a transportation allowance until</p>	Burden covered under OMB Control Number 1012-0004.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	<p>ONRR accepts or rejects your cost allocation. If ONRR rejects your cost allocation, you must amend your form ONRR-2014 for the months when you used the rejected method and pay any additional royalty and interest due.</p> <p>(c)(3) You must submit your initial proposal, including all available data, within three months after you first claim the allocated deductions on form ONRR_2014.</p>			
1206.112 (i)(1)	<p><b>How do I determine a transportation allowance if I do not have an arm's-length transportation contract?</b></p> <p>To calculate depreciation and a return on undepreciated capital investment..., you may elect to use either...After you make an election, you may not change methods without ONRR approval...</p>	30	1	30
1206.110 (b)(2)	<p>You may propose to ONRR a prospective cost allocation method based on the values of the liquid products transported...</p>	30	1	30
1206.110 (c)(1) and (3)	<p>(c)(1) Where you or your affiliate transport(s) both gaseous and liquid products through the same transportation system, you must propose a cost allocation procedure to ONRR....(3) You must submit your initial proposal, including all available data, within three months after you first claim the allocated deductions on form ONRR-2014.</p>	20	1	20
1206.110 (c)(2)	<p>...If ONRR rejects your cost allocation, you must amend your form ONRR-2014 for the months that you used the rejected method and pay any additional royalty and interest due.</p>	Burden covered under OMB Control Number 1012-0004.		0
1206.113 (a)(1)(ii)	<p><b>What adjustments and transportation allowances apply when I value oil production from my lease using NYMEX prices or ANS spot prices?</b></p> <p>(a)(1)(ii) For oil that you exchange</p>	80	1	80

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	between your lease and the market center (or between any intermediate points between those locations) under an exchange agreement that is not at arm's-length, you must obtain approval from ONRR for a location and quality differential...			
1206.113 (a)(1)(ii)	(a)(1)(ii)...If ONRR prescribes a different differential, you must apply ONRR's differential to all periods to which you used your proposed differential. You must pay any additional royalties due resulting from using ONRR's differential...plus late payment interest from the original royalty due date, or you may report a credit...	20	2	40
1206.113 (a)(3) and (a)(4)	(a)(3) If you transport or exchange at arm's length (or both transport and exchange) at least 20 percent-but not all- of your oil produced from the lease to a market center, you must determine the adjustment between the lease and the market center for the oil that is not transported or exchanged (or both transported and exchanged) to or through a market center as follows:...(4) If you transport or exchange (or both transport and exchange) less than 20 percent of the crude oil produced from the lease between the lease and a market center, you must propose to ONRR an adjustment between the lease and the market center for the portion of the oil that you do not transport or exchange (or both transport and exchange) to a market center....If ONRR prescribes a different adjustment....You must pay any additional royalties due...plus late payment interest from the original royalty due date, or you may report a credit...	80	4	320
1206.113 (b)(3)	(b)(3)...[Y]ou may propose an alternative differential to ONRR....If ONRR prescribes a different differential....You must pay any additional royalties due...plus late	80	4	320

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	payment interest from the original royalty due date, or you may report a credit...			
1206.113 (c)(2)	(c)(2)...If quality bank adjustments do not incorporate or provide for adjustments for sulfur content, you may make sulfur adjustments, based on the quality of the representative crude oil at the market center, of 5.0 cents per one-tenth percent difference in sulfur content.	80	2	160
1206.115	<p><b>What are my reporting requirements under an arm's-length transportation contract?</b></p> <p>You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on transportation costs that you or your affiliate incur(s).</p> <p>ONRR may require you or your affiliate to submit arm's-length transportation contracts, production agreements, operating agreements, and related documents....</p>	Burden covered under OMB Control Number 1012-0004.		0
1206.116 (a)	<p><b>What are my reporting requirements under a non-arm's-length transportation arrangement?</b></p> <p>(a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on transportation costs you or your affiliate incur(s).</p>	Burden covered under OMB Control Number 1012-0004.		0
1206.116 (c)	(c) ONRR may require you or your affiliate to submit all data used to calculate the allowance deduction....	AUDIT PROCESS. See note.		0
<b>Subpart D—Federal Gas</b>				
1206.143 (a)(1) and (d)	<p><b>How will ONRR determine if my royalty payments are correct?</b></p> <p>(a) (1) ONRR may monitor, review, and</p>	AUDIT PROCESS. See note.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	audit the royalties that you report. If ONRR determines that your reported value is inconsistent with the requirements of this subpart, ONRR will direct you to use a different measure of royalty value or decide your value under § 1206.144... (d) You have the burden of demonstrating that your or your affiliate's contract is arm's-length.			
1206.148 (a)	<b>How do I request a valuation determination?</b> (a) You may request a valuation determination from ONRR regarding any gas produced.	160	2	160
1206.143 (e)	(e) ONRR may require you to certify that the provisions in your or your affiliate's contract include(s) all of the consideration that the buyer paid to you or your affiliate, either directly or indirectly, for the gas, residue gas, or gas plant products.	AUDIT PROCESS. See note.		0
1206.145	<b>What records must I keep in order to support my calculations of royalty under this subpart?</b> If you value your gas under this subpart, you must retain all data relevant to the determination of the royalty that you paid...	AUDIT PROCESS. See note.		0
1206.141 (e)(2)(i) and (ii)	(i) You must propose to ONRR a method to determine the value using the procedures in § 1206.148(a). (ii) You may use that method to determine value, for royalty purposes, until ONRR issues our decision.	10	10	100
1206.148 (a)(4)	<b>How do I request a valuation determination?</b> (a) You may request a valuation determination from ONRR regarding any gas produced. Your request must: (4) Include copies of all relevant documents...	40	5	200
1206.143 (a)(1) and	<b>How will ONRR determine if my royalty payments are correct?</b>	AUDIT PROCESS. See note.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
(d)	<p>(a) (1) ONRR may monitor, review, and audit the royalties that you report. If ONRR determines that your reported value is inconsistent with the requirements of this subpart, ONRR will direct you to use a different measure of royalty value or decide your value under § 1206.144...</p> <p>(d)You have the burden of demonstrating that your or your affiliates contract is arm's-length....</p>			
1206.142(f)(2)(i) and (ii)	<p>(i) You must propose to ONRR a method to determine the value using the procedures 1206.148(a). (ii) You may use that method to determine value, for royalty purposes, until ONRR issues our decision.</p>	10	2	20
1206.148(a)	<p><b>How do I request a valuation determination?</b> (a) You may request a valuation determination from ONRR regarding any gas produced. Your request must...</p>	100	15	1,500
1206.150(c)(4)	<p><b>How do I determine royalty quantity and quality?</b> (4) You may request prior ONRR approval of other methods for determining the quantity of residue gas and gas plant products allocable to each lease.</p>	40	1	40
1206.152(e)(1) and (2)	<p><b>What general transportation allowance requirements apply to me?</b></p> <p>(e) (1) Your transportation allowance may not exceed 50 percent of the value of the oil, as determined under § 1206.101 of this subpart.</p> <p>(2) If ONRR approved your request to take a transportation allowance in excess of the 50-percent limitation under former § 1206.109(c), that</p>	40	7	280

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	approval is terminated as of January 1, 2017.			
1206.153 (a)(1) and (2)	<p><b>How do I determine a transportation allowance if I have an arm's-length transportation contract?</b></p> <p>(a) (1) If you or your affiliate incur transportation costs under an arm's-length transportation contract, you may claim a transportation allowance for the reasonable, actual costs incurred, as more fully explained in paragraph (b) of this section, except as provided in § 1206.152(g) and subject to the limitation in § 1206.152(e).</p> <p>(2) You must be able to demonstrate that your or your affiliate's contract is arm's-length.</p>	40	3	120
1206.155	<p><b>What are my reporting requirements under an arm's-length transportation contract?</b></p> <p>(a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on transportation costs that you or your affiliate incur(s).</p>	Burden covered under OMB Control Number 1012-0004.		0
1206.152 (b)(2)	(b)(2) You may propose to ONRR a prospective cost allocation method based on the values of the products transported. ONRR will approve the method if it is consistent with the purposes of the regulations in this subpart.	40	1	40
1206.152 (c)(1),(2) and (3)	<p>(c)</p> <p>(1) Where you or your affiliate transport(s) both gaseous and liquid products through the same transportation system, you must propose a cost allocation procedure to ONRR.</p> <p>(2) You may use your proposed procedure to calculate a transportation allowance until ONRR accepts or rejects your cost allocation. If ONRR rejects your cost</p>	40	1	40

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	<p>allocation, you must amend your form ONRR-2014 for the months when you used the rejected method and pay any additional royalty due, plus late payment interest calculated under §§ 1218.54 and 1218.102 of this chapter.</p> <p>(3) You must submit your initial proposal, including all available data, within three months after you first claim the allocated deductions on form ONRR-2014.</p>			
1206.152 (e)(1) and (2)	<p>(e)</p> <p>(1) Your transportation allowance may not exceed 50 percent of the value of the residue gas, gas plant products, or unprocessed gas as determined under § 1206.141 or § 1206.142 of this subpart.</p> <p>(2) If ONRR approved your request to take a transportation allowance in excess of the 50-percent limitation under former § 1206.156(c)(3), that approval is terminated as of January 1, 2017.</p>	10	3	30
1206.154 (a)	<p><b>How do I determine a transportation allowance if I have a non-arm's-length transportation contract?</b></p> <p>(a) This section applies if you or your affiliate do(es) not have an arm's-length transportation contract, including situations where you or your affiliate provide your own transportation services. You must calculate your transportation allowance based on your or your affiliate's reasonable, actual costs for transportation during the reporting period using the procedures prescribed in this</p>	40	2	80

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	section.			
1206.154 (b)(3)	After you have elected to use either method for a transportation system, you may not later elect to change to the other alternative without ONRR's approval. If ONRR accepts your request to change methods, you may use your changed method beginning with the production month following the month when ONRR received your change request...	100	1	100
1206.152 (b)(1)	(b)(1) You may not take an allowance for transporting lease production that is not royalty-bearing.	100	1	100
1206.152 (b)(2)	(b)(2) You may propose to ONRR a prospective cost allocation method based on the values of the products transported. ONRR will approve the method if it is consistent with the purposes of the regulations in this subpart....	100	1	100
1206.152 (c)(1) and (c)(3)	(c)  (1) Where you or your affiliate transport(s) both gaseous and liquid products through the same transportation system, you must propose a cost allocation procedure to ONRR.  (3) You must submit your initial proposal, including all available data, within three months after you first claim the allocated deductions on Form ONRR-2014.	100	1	100
1206.155 (a)	<b>What are my reporting requirements under an arm's-length transportation contract?</b> (a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on transportation costs that you or your affiliate incur(s).	Burden covered under OMB Control Number 1012-0004.		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
1206.155 (b)	(b) ONRR may require you or your affiliate to submit arm's-length transportation contracts, production agreements, operating agreements, and related documents.	AUDIT PROCESS. See note.		0
1206.156 (a)	<b>What are my reporting requirements under a non-arm's-length transportation contract?</b> (a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on non-arm's-length transportation costs that you or your affiliate incur(s).	Burden covered under OMB Control Number 1012-0004.		0
1206.156 (c)	(c) ONRR may require you to submit all data used to calculate the allowance deduction....	AUDIT PROCESS. See note.		0
1206.153(b), 157(a)(2), and 158	153(b) Subject to the requirements of paragraph (c) of this section, you may include, but are not limited to, the following costs to determine your transportation allowance... 157(a)(2) If you understated your transportation allowance, you may be entitled to a credit, with interest ... 158 What reporting adjustments must I make for transportation allowances? (a) If your actual transportation allowance is less than the amount that you claimed on Form ONRR–2014 for each month during the allowance reporting period, you must pay additional royalties due, plus late payment interest ...	Burden covered under OMB Control Number 1012-0004.		0
1206.159 (c)(3)	<b>What general processing allowances requirements apply to me?</b> (c)(3) If ONRR approved your request to take a processing allowance in excess of the limitation in paragraph (c)(2) of this section under former § 1206.158(c)(3), that approval is terminated as of January 1, 2017.	80	10	800
1206.159 (c)(4)	(c)(4) If ONRR approved your request to take an extraordinary cost processing allowance under	80	1	80

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	former § 1206.158(d), ONRR terminates that approval as of January 1, 2017.			
1206.162 (a)	<p><b>What are my reporting requirements under an arm's-length processing contract?</b></p> <p>(a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on arm's-length processing costs that you or your affiliate incur(s).</p>	Burden covered under OMB Control Number 1012-0004.		0
1206.163 (a)	<p><b>What are my reporting requirements under a non-arm's-length processing contract?</b></p> <p>(a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on non-arm's-length processing costs that you or your affiliate incur(s).</p>	Burden covered under OMB Control Number 1012-0004.		0
1206.160 (a)(1) and (2)	<p><b>How do I determine a processing allowance if I have an arm's-length processing contract?</b></p> <p>(a)</p> <p>(1) If you or your affiliate incur processing costs under an arm's-length processing contract, you may claim a processing allowance for the reasonable, actual costs incurred, as more fully explained in paragraph (b) of this section, except as provided in paragraphs (a)(3)(i) and (a)(3)(ii) of this section and subject to the limitation in § 1206.159(c)(2).</p> <p>(2) You must be able to</p>	80	3	240

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	demonstrate that your or your affiliate's contract is arm's-length.			
1206.160(b)(2)(i)-(iv))	<p>(2) If your or your affiliate's arm's-length processing contract includes more than one gas plant product, and you cannot determine the processing costs attributable to each product from the contract, you must propose an allocation procedure to ONRR.</p> <p>(i) You may use your proposed allocation procedure until ONRR issues its determination.</p> <p>(ii) You must submit all relevant data to support your proposal.</p> <p>(iii) ONRR will determine the processing allowance based upon your proposal and any additional information that ONRR deems necessary.</p> <p>(iv) You must submit the allocation proposal within three months of claiming the allocated deduction on form ONRR-2014.</p>	20	1	20
1206.161(a)	<p><b>How do I determine a processing allowance if I have a non-arm's length processing contract?</b></p> <p>(a) This section applies if you or your affiliate do(es) not have an arm's-length processing contract, including situations where you or your affiliate provide your own processing services. You must calculate your processing allowance based on your or your affiliate's reasonable, actual costs for processing during the reporting period using the procedures prescribed in this section.</p>	80	2	160

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
1206.161 (b)(3)	(b)(3)... After you have elected to use either method for a processing plant, you may not later elect to change to the other alternative without ONRR's approval. If ONRR accepts your request to change methods, you may use your changed method beginning with the production month following the month when ONRR received your change request.	100	1	100
1206.161 (j)	(j) You may apply for an exception from the requirement to calculate actual costs under paragraphs (a) and (b) of this section.	100	1	100
1206.162 (a)	<b>What are my reporting requirements under an arm's-length processing contract?</b> (a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on arm's-length processing costs that you or your affiliate incur(s).	Burden covered under OMB Control Number 1012-0004.		0
1206.162 (b)	<b>What are my reporting requirements under an arm's-length processing contract?</b> (b) ONRR may require you or your affiliate to submit arm's-length processing contracts, production agreements, operating agreements, and related documents...	AUDIT PROCESS. See note.		0
1206.163 (a)	<b>What are my reporting requirements under a non-arm's-length processing contract?</b> (a) You must use a separate entry on form ONRR-2014 to notify ONRR of an allowance based on non-arm's-length processing costs that you or your affiliate incur(s).	Burden covered under OMB Control Number 1012-0004.		0
1206.153	(c) ONRR may require you or your	AUDIT PROCESS. See		0

Citation Title 30 CFR 1202,120 4 and 1206	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
(c)	affiliate to submit all data used to calculate the allowance deduction. You can find recordkeeping requirements in parts 1207 and 1212 of this chapter.	note.		
1206.165	What reporting adjustments must I make for processing allowances? (a) If your actual processing allowance is less than the amount that you claimed on Form ONRR–2014 for each month during the allowance reporting period, you must pay additional royalties due, plus late payment interest calculated under §§ 1218.54 and 1218.102 of this chapter from the date when you took the deduction to the date when you repay the difference. (b) If the actual processing allowance is greater than the amount that you claimed on Form ONRR–2014 for any month during the period reported on the allowance form, you are entitled to a credit, plus interest.	Burden covered under OMB Control Number 1012-0004.		0
<b>Oil and Gas Valuation Subtotal</b>			<b>129</b>	<b>9,387</b>
<b>TOTAL</b>			<b>139</b>	<b>9,913</b>

**13. Provide an estimate of the total annual nonhour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in Items 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 burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.*
- *Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.*

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

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

ONRR estimates that the total annual reporting burden for industry [approximately 120 respondents and 7 States reporting annually] is 9,913 hours, and that the Federal government accountant will spend 1 hour of their time for each burden hour that industry will spend to complete all data gathering requirements and to analyze form ONRR-4393. A government accountant paid at the United States 2022 General Schedule, Grade 12/Step 5 pay-scale level, currently, performs the work. The 2022 salary tables for the Denver, Colorado, area are located at [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/22Tables/html/DEN\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/22Tables/html/DEN_h.aspx). ONRR added a multiplier of 1.6 [based on BLS News Release USDL-21-0126 dated April 29, 2022, at <https://www.bls.gov/news.release/eci.nr0.htm>] for benefits. Based on this information, ONRR estimated the hourly cost for a Federal government accountant to perform the work will be \$76, calculated as follows:

\$47.51 [GS-12/5] x 1.6 [benefits cost factor] = \$76.02 [rounded to \$76/hr.]

The estimated annual cost to the Federal government is \$, calculated as follows:

9,913 hrs./year [estimated time] x \$76/hr. [for Federal employee] = \$753,388

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

Currently Approved OMB Burden Hour Inventory	Program Change Estimated Burden Hours	Adjustment Change Estimated Burden Hours	Total Estimated Burden Hour
10,018	0	-105	9,913

There is no program change for this information collection. However, there is an adjustment **decrease** of 105 burden hours due to regulatory revisions from the 2016 Valuation Rule.

The specific burden hour changes are as follows:

Citation 30 CFR part 1206 (2015)	Adjustment Increase(+)/Decrease(-) Of Burden Hours
1206.157(b)(5)	-100
1206.110(g)(2)	-5
<b>Total</b>	<b>-105</b>

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

ONRR will not publish the data.

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

ONRR will display the OMB control number and expiration date on any information collection form(s).

***18. Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”***

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