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

PAPERWORK REDUCTION ACT SUBMISSION
SUPPORTING STATEMENT A

**Oil and Gas Facility Site Security (43 CFR Subparts 3170 and 3173)
OMB Control Number 1004-0207**

Terms of Clearance: The Office of Management and Budget (OMB) provided the following Terms of Clearance when it last approved the information collections under this OMB Control Number (see OMB Notice of Action dated, May 27, 2020:

In accordance with 5 CFR 1320, this information collection is approved for 3 years. However, OMB notes that the burden hours for form 3160-5, which is being removed from this collection, differ significantly between 1004-0207 and 1004-0137. Before BLM submits 1004-0137 for renewal, the agency should seek specific public input on the correct burdens hours for form 3160-5, and should provide in the supporting statement to OMB an explanation for any change in burden hours.

The burden hours previously noted for the Form 3160-5 under this OMB Control Number were in error and should have been captured consistent with the burden noted on form as well as in OMB control Number 1004-0137. Nonetheless, as a general practice of Interior Department bureaus and agencies, the Bureau of Land Management (BLM) consulted with stakeholders on the burdens associated with the information collections under OMB Control Number 1004-0137; including the Form 3160-5, as part of the last request to renew that control number during the latter part of 2021. Neither the targeted feedback sought from stakeholders nor the general requests for comment (i.e., 60- and 30-day *Federal Register* notice) revealed any issues with the BLM's current burden estimates for the Form 3160-5.

Abstract: This control number enables the BLM to collect information about Federal and Indian (except Osage Tribe) onshore oil and gas leases. The information facilitates accurate measurement of oil and gas, production accountability, payment of royalties that are due, and prevention of theft and loss. This OMB Control Number is currently scheduled to expire on May 31, 2023. The BLM request that OMB renew this OMB Control Number for an additional three years.

Justification

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

The Bureau of Land Management (BLM) seeks to renew without change control number 1004-0207. Control number 1004-0207 pertains to site security for Federal and Indian (except Osage Tribe) oil and gas leases.

The following statutes and regulations authorize this information collection:

- Allotted Mineral Leasing Act, 25 U.S.C. 396;
- Indian Mineral Leasing Act, 25 U.S.C. 396a et seq.;
- Indian Mineral Development Act, 25 U.S.C. 2101 et seq.;
- Mineral Leasing Act, 30 U.S.C. 181 et seq.;

- Mineral Leasing Act for Acquired Lands, 30 U.S.C. 351 et seq.;
- Federal Oil and Gas Royalty Management Act, 30 U.S.C. 1701 et seq.;
- Federal Land Policy and Management Act, 43 U.S.C. 1701 et seq.; and
- 43 CFR Subparts 3170 and 3173.

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.

Required Recordkeeping and Records Submission (43 CFR 3170.7)

Section 3170.7 applies 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. This regulation 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. This information collection activity assists the BLM in accurate accounting of oil and gas production.

In general, records from Federal leases must be maintained for seven years, and records from Indian leases must be maintained for six years. Additional details and exceptions are explained below.

For Federal leases, and units or communitized areas that include Federal leases but do not include Indian leases, the record holder must maintain records for seven years after the records are generated. If a judicial proceeding or demand involving such records is timely commenced, the record holder must maintain such records until the final nonappealable decision in such judicial proceeding is made, or with respect to that demand is rendered, unless the Secretary, her designee, or the applicable delegated State authorizes an earlier release of the requirement to maintain such records in writing.

For Indian leases, and units or communitized areas that include Indian leases but do not include Federal leases, the record holder must maintain records for six years after the records are generated. If the Secretary or 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, the record holder must maintain such records until the Secretary or his designee releases the record holder from the obligation to maintain the records.

For units and communitized areas that include both Federal and Indian leases, if the Secretary or his designee has notified the record holder within six years after the records are generated that an audit or investigation involving such records has been initiated, but 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 her designee releases the record holder from the obligation to maintain the records. 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 unit or communitized area until the final nonappealable decision in such judicial proceeding is made, or with respect to that demand is rendered, unless the Secretary or her designee authorizes in writing a release of the requirement to maintain such records before a final nonappealable decision is made or rendered.

For all types of Federal and Indian leases, the lessee, operator, purchaser, and transporter must maintain an audit trail that includes 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 participating area (unit PA), or CA, must include the FMP number or the lease, unit PA, or CA number along with 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 existing measurement facilities, in the interim period before 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.

Section 3170.7(h) requires operators, purchasers, and transporters to submit all records, including source records that are relevant to determining the quality, quantity, disposition, and verification of production attributable to Federal or Indian leases, upon request, in accordance with a regulation, written order, Onshore Order, NTL, or COA.

***Water-Draining Operations – Data Collection (43 CFR 3173.6); and
Water-Draining Operations – Recordkeeping and Records Submission (43 CFR 3173.6)***

Section 3173.6 requires submission of information when water is drained from a production storage tank. The information is required from the operator, purchaser, or transporter, as appropriate. Previously, the operator was not required to record the volume of hydrocarbons that are in the tank before and after water is drained. As a result, hydrocarbons could be drained with the water and removed without proper measurement and accounting, and without royalties being paid. These information collection activities assist the BLM in accurate accounting of oil and gas produced from Federal and Indian leases.

The following information is required:

- Federal or Indian lease, unit PA, or CA number(s);
- The tank location by land description;
- The unique tank number and nominal capacity;
- Date for opening gauge;
- Opening gauge of the total oil volume and free-water measurements;
- Unique identifying number of each seal removed;
- Closing gauge of the total oil volume measurement; and
- Unique identifying number of each seal installed.

***Hot Oiling, Clean-up, and Completion Operations – Data Collection (43 CFR 3173.7); and
Hot Oiling, Clean-up, and Completion Operations – Recordkeeping and Records Submission (43 CFR 3170.7 and 3173.7)***

Section 3173.7 requires the submission of information during hot oil, clean-up, or completion operations, or any other situation where the operator removes oil from storage, temporarily uses it for operational purposes, and then returns it to storage on the same lease, unit PA, or CA.

Previously, the operator was not required to record the volume of hydrocarbons removed from storage with the expectation that they will be returned to storage. As a result, the volume of produced hydrocarbons could be counted twice; first when it was initially produced then later after it is returned to storage. This information collection activity assists the BLM in accurate accounting of oil and gas produced from Federal and Indian leases.

The following information is required:

- Federal or Indian lease, unit PA, or communitization agreement number(s);
- The tank location by land description;
- The unique tank number and nominal capacity;
- Date of the opening gauge;
- Opening gauge measurement;
- Closing gauge measurement;
- Unique identifying number of each seal installed;
- How the oil was used; and
- Where the oil was used (i.e., well or facility name and number).

Report of Theft or Mishandling of Production (43 CFR 3173.8)

Section 3173.8 requires operators, transporters, or purchasers to submit a report (either oral or written) no later than the next business day after discovery of an incident of apparent theft or mishandling of production. All oral reports must be followed up with a written incident report within 10 business days of the oral report. By applying not only to operators but also to transporters and purchasers (who often are the first ones to discover theft and mishandling or to recognize suspicious activity), this information collection activity assists in prompt disclosure of theft or mishandling. The incident report must include the following information:

- Company name and name of the person reporting the incident;
- Lease, unit PA, or CA number, well or facility name and number, and FMP number, as appropriate;
- Land description of the facility location where the incident occurred;
- The estimated volume of production removed;
- The manner in which access was obtained to the production or how the mishandling occurred;
- The name of the person who discovered the incident;
- The date and time of the discovery of the incident; and
- Whether the incident was reported to local law enforcement agencies and company security

Required Recordkeeping for Inventory and Seal Records (43 CFR 3173.9)

Section 3173.9 requires operators to measure and record within +/- 3 days of the final day of each calendar month an inventory consisting of TOV in storage (less free water). If the inventory is not taken on the final day of each month, it must be estimated based on two measurements no less than 20 days and no more than 31 days apart, based upon the prorated difference between these inventory levels and any sales that have occurred between the two measurements. This information collection activity assists the BLM in accurate accounting of oil and gas production.

For each seal, the operator must maintain a record that includes the unique identifying number of each seal and the valve or meter component on which the seal is or was used; the date of installation or removal of each seal; for valves, the position (open or closed) in which it was sealed; and the reason the seal was removed.

Requests to Remove IC Activities

In the most recent renewal control number 1004-0137, the BLM obtained OMB clearance to transfer new uses of Form 3160-5 (Sundry Notice) from control number 1004-0207 to control number 1004-0137. Control number 1004-0137 has authorized the BLM's use of the Sundry Notices form for many years.

For these reasons, the BLM now requests that the following uses and burdens for Form 3160-5 be removed from control number 1004-0207:

- Variance Requests;
- Site Facility Diagrams for Existing Facilities;
- Site Facility Diagrams for Future Facilities;
- Request for Approval of an Facility Measurement Point (FMP) for Future Measurement Facilities;
- Request for Approval of an FMP for Existing Measurement Facilities;
- Modifications to an FMP;
- Request for Approval of an Existing Commingling and Allocation (CAA);
- Request for Approval of a Future CAA;
- Request to Modify a CAA;
- Request to Terminate a CAA;
- Response to Notice of Insufficient CAA;
- Request for Approval of Off-Lease Measurement — General;
- Request for Approval of Off-Lease Measurement — Amendment of an Existing Approval;

- Request to Terminate an Off-Lease Measurement Approval; and
- Response to Notice of Insufficient Off-Lease Measurement Approval.

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.

The information collection under OMB Control number 1004-0207 involve no forms However, respondents may scan any written submissions that they wish to submit to the BLM and email them 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 on the information collection activities in the proposed rule. The requested information is unique to each respondent and is not available from any other data source.

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

Nearly all the respondents that would be subject to the proposed rule are small businesses or other small entities. The BLM has developed the proposed rule with the objective of seeking the minimum amount of information consistent with the goals of the rulemaking. The information collection requirements for small businesses and other small entities are the same as for other respondents.

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.

If we did not collect the information, or collected it less frequently, oil and gas leasing activities and operations could not occur on Federal or Indian leases in compliance with pertinent statutes and policies.

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.

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the

guidelines in 5 CFR 1320.5.

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 November 15, 2022, the BLM published a Federal Register notice soliciting comments for a period of 60 days on this collection of information (87 FR 68517). The comment period closed on January 16, 2023. No comments were received in response to this notice.

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

The BLM has consulted with the 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:

1. 1. Senior Manager Measurement Services, MPLX, Marathon Petroleum Corporation
2. Evaluation and Planning Professional, Measurement Services, Devon Energy Production Company LP
3. Senior Regulatory Advisor, Exxon Mobile

The three operators were interviewed for each Information Collection (IC) activity in this control number. For all the activities, on average, there was a forty-four minute difference between the regulated community's estimate of the time it takes for all the IC activities and BLM's estimate. However, most of the difference in time is accounted for by the Report of Theft of Mishandling of Production that none of the interviewees had actual experience collecting this information. Therefore the BLM does not recommend making any changes or adjustments to the original time estimates.

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

We would 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.

The proposed rule would provide no assurance of confidentiality to respondents.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and

attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

We would 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.

Table 12-1 shows how the BLM has calculated the estimated weighted average hourly wage for industry. The BLM determined the mean hourly wages for that calculation by using national Bureau of Labor Statistics data at https://www.bls.gov/oes/current/oes_nat.htm. The benefits multiplier of 1.4 is supported by information at <http://www.bls.gov/news.r/ecec.nr0.htm>.

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

Table 12-1: Estimated Weighted Average Hourly Costs for Industry

Position	Mean Hourly Wage	Benefits Multiplier	Hourly Wage with Benefits	Percent of Collection Time	Weighted Average Hourly Wage
General Office Clerk (43-9061)	\$18.75	1.4	\$26.25	10%	\$2.63
Engineer (17-2199)	\$51.83	1.4	\$72.56	80%	\$58.05
Engineering Manager (11-9041)	\$76.43	1.4	\$107.00	10%	\$10.70
Totals:				100%	\$71.38

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

Information Collection	Number of Responses	Hours per Response	Total Hours	Weighted Average Hourly Wage	Dollar Equivalent
Required Recordkeeping and Records Submission 43 CFR 3170.7	4,300	5	21,500	\$71.38	\$1,534,670
Water-Draining Operations — Data Collection 43 CFR 3173.6	5,000	2	10,000	\$71.38	\$713,800
Water-Draining Operations — Recordkeeping and Records Submission 43 CFR 3173.6	60,000	0.25	15,000	\$71.38	\$1,070,700
Hot Oiling, Clean-Up, and Completion Operations — Data Collection 43 CFR 3173.7	4,670	2	9,340	\$71.38	\$666,689
Hot Oiling, Clean-Up, and Completion Operations — Recordkeeping and Records Submission 43 CFR 3170.7 and 3173.7	15,000	0.25	3,750	\$71.38	\$267,675
Report of Theft or Mishandling of Production 43 CFR 3173.8	5	10	50	\$71.38	\$3,569
Required Recordkeeping for Inventory and Seal Records 43 CFR 3173.9	5,000	2	10,000	\$71.38	\$713,800
Totals:	93,975	—	69,640	—	\$4,970,903

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 filing fees or capital costs are associated with this control number other than what is already captured in Table 12-2, above.

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.

Table 14-1 shows the estimated hourly cost to the Federal Government which is based on data from the Office of Personnel and Management (OPM) at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/RUS_h.pdf. The benefits multiplier of 1.6 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>. Table 14-2, below, shows the estimated Federal hours and costs for each component of this information collection.

Table 14-1: Weighted Average Hourly Cost Calculation

Position	Mean Hourly Pay Rate	Benefits Multiplier	Hourly Rate with Benefits	Percent of Collection Time	Weighted Average Hourly Cost
General Office Clerk GS-6, step 5	\$22.82	1.6	\$36.51	10%	\$3.65
Professional GS-11, step 5	\$37.53	1.6	\$60.05	80%	\$48.04
Managerial GS-13, step 5	\$53.49	1.6	\$85.58	10%	\$8.56
Totals:				100%	\$60.25

Table 14-2: Estimated Annual Cost to the Government

Type of Response	Number of Responses	Hours per Response	Total Hours	Weighted Average Hourly Cost	Dollar Equivalent
Required Recordkeeping and Records Submission 43 CFR 3170.7	4,300	3	12,900	\$60.25	\$777,225
Water-Draining Operations — Data Collection 43 CFR 3173.6	5,000	4	20,000	\$60.25	\$1,205,000

Type of Response	Number of Responses	Hours per Response	Total Hours	Weighted Average Hourly Cost	Dollar Equivalent
Water-Draining Operations — Recordkeeping and Records Submission 43 CFR 3173.6	60,000	0.25	15,000	\$60.25	\$903,750
Hot Oiling, Clean-Up, and Completion Operations — Data Collection 43 CFR 3173.7	4,670	1	4,670	\$60.25	\$281,368
Hot Oiling, Clean-Up, and Completion Operations — Recordkeeping and Records Submission 43 CFR 3173.6	15,000	0.25	3,750	\$60.25	\$225,938
Report of Theft or Mishandling of Production 43 CFR 3173.8	5	5	25	\$60.25	\$1,506
Required Recordkeeping for Inventory and Seal Records 43 CFR 3173.9	5,000	2	10,000	\$60.25	\$602,500
Totals:	93,975	—	66,345	—	\$3,997,286

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

There are no program changes or adjustments.

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 is not seeking approval to not display the expiration date. There are no forms associated with these information collections on which to display the expiration date. The OMB Control Number and expiration date are

available 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 outlined in 5 CFR 1320.9.

###