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

PAPERWORK REDUCTION ACT SUBMISSION  
SUPPORTING STATEMENT PART A

ONSHORE OIL AND GAS OPERATIONS AND PRODUCTION  
43 CFR PART 3170

OMB CONTROL NUMBER 1004-0137

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**Terms of Clearance:** Not applicable. The Office of Management and Budget (OMB) provided no Terms of Clearance when it last approved the collections of information under this OMB Control Number (see OMB Notice of Action dated January 26, 2022).

**Abstract:** Various Federal and Indian mineral leasing statutes authorize the Bureau of Land Management (BLM) to grant and manage onshore oil and gas leases on Federal and Indian (except Osage Tribe) lands. In order to fulfill its responsibilities under these statutes, the BLM needs to perform the information collection (IC) activities set forth in the regulations at 43 CFR parts 3170. This OMB control number is currently scheduled to expire January 31, 2025. The BLM requests that OMB renew this OMB control number for an additional three (3) years.

**Justification**

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

The BLM collects information in support of its regulations to ensure that oil and gas owned by the public, Indian allottees, or Indian tribes is safely drilled and produced. The BLM IC activities also ensure the fluid minerals are accurately measured, and properly reported for the royalty obligation. The rules that this OMB control number covers provide documentation that the public and Indian mineral interest owners are receiving a fair return for their minerals.

The following statutes authorize the Bureau of Land Management (BLM) to collect information from those who wish to participate in the exploration, development, production, and utilization of oil and gas operations on BLM-managed public lands:

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

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The BLM needs the information described below in order to regulate oil and gas operations on public lands in accordance with the above statutory requirements. Information collection requirements include:

- Federal and Indian onshore oil and gas leases (other than those of the Osage Tribe);
- Indian Mineral Development Act (IMDA) agreements for oil and gas, unless specifically excluded in the agreement or unless the relevant provisions of the rule are inconsistent with the agreement;
- Leases and other business agreements for the development of tribal energy resources under a Tribal Energy Resource Agreement entered into with the Secretary, unless specifically excluded in the lease, other business agreement, or Tribal Energy Resource Agreement;
- State or private tracts committed to a federally approved unit or communitization agreement (CA) as defined by or established under 43 CFR subpart 3105 or 43 CFR part 3180; and
- All onshore facility measurement points where oil or gas produced from the leases or agreements identified earlier in this section is measured.

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

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

Oil and gas operators would submit this sundry notice request if they seek BLM approval to use equipment or a measurement method other than what is currently required in the regulation. This provision allows operators to seek a site-specific alternative that meets or exceeds a particular equipment or measurement method requirement in subparts 3173, 3174, or 3175. The application requires the operator to: (1) identify the specific requirement from which the variance is requested; (2) identify the length of time for which the variance is requested; (3) explain the need for the variance; (4) provide a detailed description of the proposed alternative means for compliance; (5) demonstrate that the proposed alternative means of compliance will produce a result that meets or exceeds the objectives of the applicable requirement for which the variance is requested; and (6) list the FMP number(s) for which the variance is requested.

The BLM uses this application information to determine if the variance meets or exceeds the current requirement and is in the public interest. If the application request meets or exceeds the current requirement and is in the public interest, the BLM will approve the variance request. If the application request does not meet or exceed the current requirement and is not in the public interest, the BLM will deny the request for a variance. This application is production site specific and cannot be generalized to other production locations operated by the applicant.

***Recordkeeping and record retention 43 CFR 3170.7***

The records retention requirements at 43 CFR 3170.7 apply not only to operators, but also to lessees, operators, purchasers, transporters, and any other person directly involved in producing, transporting, purchasing, selling, or measuring oil or gas through the point of royalty measurement or the point of first sale, whichever is later. These persons must retain all records, including source records, that are relevant to determining the quality, quantity, disposition, and verification of production attributable to Federal or Indian leases for the periods prescribed in paragraphs (c) through (e) of this section. Paragraph (c) generally requires that for Federal leases, and units or CAs that include Federal leases, but do not include Indian leases, the record holder must maintain records for seven years and paragraph (d) generally requires that for Indian leases, and units or CAs that include Indian leases, but do not include Federal leases, the record holder must maintain records for six years; and paragraph (e) generally requires that for units and communitized areas that include both Federal and Indian leases, 6 years.

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

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

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

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

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

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

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

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

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

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

The BLM uses these records to both verify source records for compliance with measurement rules and conduct oil and gas production audits to confirm production reporting accuracy. The information activities are required to confirm that the Federal government and Indian mineral interest owners are receiving the royalty payments owed to them.

*Reporting Theft or Mishandling of Oil – 43 CFR 3173.8*

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

The BLM requires the reporting of theft or mishandling of oil to make a determination based on the information provided whether the loss of oil is an avoidable (royalty obligation) or an unavoidable (no royalty obligation) loss. This is a very rare occurrence. However, the BLM does need to make the avoidable/unavoidable loss determination should mishandling or theft occur at a facility.

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

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

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

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

- Reflect the position of the production and water recovery equipment, piping for oil, gas, and water, and metering or other measuring systems in relation to each other, but need not be to scale;
- Commencing with the header, identify all of the equipment, including, but not limited to, the header, wellhead, piping, tanks, and metering systems located on the site, and include the appropriate valves and any other equipment used in the handling, conditioning, or disposal of production and water, and indicate the direction of flow;
- Identify by API number the wells flowing into headers;
- Indicate which valve(s) must be sealed and in what position during the production and sales phases and during the conduct of other production activities (e.g., circulating tanks or drawing off water), which may be shown by an attachment, if necessary;
- Clearly identify the lease, unit production area (PA), or CA to which the diagram applies and the land description of the facility, and the name of the company submitting the diagram, with co-located facilities being identified for each lease, unit PA, or CA; and
- Clearly identify as an attachment all meters and measurement equipment. Specifically identify all approved and assigned facility measurement points (FMPs).

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

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

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

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

A site facility diagram (SFD) is one of the BLM's primary mechanisms for monitoring operators' compliance with measurement regulations and policy. These IC activities enable the BLM to verify, among other things, royalty-free-use volumes reported by the operator on its Oil and Gas Operations Reports. These IC activities also enhance production accountability and help to verify measurement locations and determine if unapproved commingling of production is occurring. A SFD is used by Petroleum Engineering Technicians while conducting on-site production inspections.

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

Section 3173.12 requires operators to obtain BLM approval of facility measurement points (FMPs). An FMP is a BLM-approved point where oil or gas produced from a Federal or Indian lease, unit, or CA is measured and the measurement affects the calculation of the volume or quality of production on which royalty is owed. See 43 CFR 3170.3.

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

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

All requests for an FMP must include the following:

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

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

used during well testing operations. Each request must meet the requirements listed above.

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

- For a stand-alone lease, unit PA, or CA that produced 10,000 Mcf<sup>1</sup> or more of gas per month or 100 bbl<sup>2</sup> or more of oil per month, by January 17, 2018;
- For a stand-alone lease, unit PA, or CA that produced 1,500 Mcf or more, but less than 10,000 Mcf of gas per month, or 10 bbl or more, but less than 100 bbl of oil per month, by January 17, 2019;
- For a stand-alone lease, unit PA, or CA that produced less than 1,500 Mcf of gas per month or less than 10 bbl of oil per month, by January 17, 2020; and
- For a stand-alone lease, unit PA, or CA that has not produced for a year or more before January 17, 2017, the operator must apply for an FMP prior to the resumption of production.

Note: Due to competing priorities, BLM's leadership decided to forgo further development of BLM's electronic database, Automated Fluid Mineral Support System (AFMSS). The decision to cease further AFMSS development resulted in the FMP module never having been developed. Since the effective date of subpart 3173, the BLM has not had any operator or BLM information collection activities related to the implementation of the FMP requirements. Therefore the BLM will continue to maintain information collection activities within this OMB control number, but will use it as a placeholder for the time when BLM is able to effectively implement the FMP requirements following the development of the new electronic database. Currently, the BLM is working to redesign and build a new electronic database. The new electronic database will have the ability to receive applications for FMPs and assign FMP numbers.

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

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

As mentioned earlier, the BLM has been unable to implement the requirements associated with FMP approvals, FMP number assignments, or modifications to FMPs due to the unavailability of these functions within the electronic database. The BLM will maintain these information collection activities as placeholders within this OMB control number for future use when the BLM brings its new electronic database online.

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

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

The regulation that requires approval of a CAA is at 43 CFR 3173.15 (see 81 FR at 81432 to 81433). Section 3173.16 (see 81 FR at 81433) requires an operator to submit information to correct any inconsistencies or

<sup>1</sup> "Mcf" means 1,000 cubic feet of gas.

<sup>2</sup> In the United States, "bbl" (or barrel) means a unit of oil volume that is equivalent to 42 U.S. gallons.

deficiencies identified by the BLM, where an operator's request for assignment of an FMP number (see 43 CFR 3173.12) includes a facility associated with a CAA existing on January 17, 2017. Both of these IC activities are one-time only.

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

- A completed Sundry Notice for approval of commingling and allocation;
- A completed Sundry Notice for approval of off-lease measurement under §3173.23, if any of the proposed FMPs are outside the boundaries of any of the leases, units, or CAs from which production would be commingled (which may be included in the same Sundry Notice as the request for approval of commingling and allocation), except as provided in the reservations listed below;
- A proposed allocation agreement, including an allocation methodology (including allocation of produced water), with an example of how the methodology is applied, signed by each operator of each of the leases, unit PAs, or CAs from which production would be included in the CAA;
- A list of all Federal or Indian lease, unit PA, or CA numbers in the proposed CAA, specifying the type of production (i.e., oil, gas, or both) for which commingling is requested;
- A topographic map or maps of appropriate scale showing the following:
  - The boundaries of all the leases, units, unit PAs, or communitized areas whose production is proposed to be commingled; and
  - The location of existing or planned facilities and the relative location of all wellheads (including the API number) and piping included in the CAA, and existing FMPs or FMPs proposed to be installed to the extent known or anticipated;
- A surface use plan of operations if new surface disturbance is proposed for the FMP and its associated facilities are located on BLM-managed land within the boundaries of the lease, units and communitized areas from which production would be commingled;
- A right-of-way grant application (Standard Form 299), filed under 43 CFR part 2880, if the proposed FMP is on a pipeline, or under 43 CFR part 2800, if the proposed FMP is a meter or storage tank;
- Written approval from the appropriate surface-management agency, if new surface disturbance is proposed for the FMP and its associated facilities are located on Federal land managed by an agency other than the BLM;
- A right-of-way grant application for the proposed FMP, filed under 25 CFR part 169, with the appropriate BIA office, if any of the proposed surface facilities are on Indian land outside the lease, unit, or communitized area from which the production would be commingled;
- Documentation demonstrating that each of the leases, unit PAs, or CAs proposed for inclusion in the CAA is producing in paying quantities (or, in the case of Federal leases, is capable of production in paying quantities) pending approval of the CAA; and
- All gas analyses, including Btu content (if the CAA request includes gas) and all oil gravities (if the CAA request includes oil) for previous periods of production from the leases, units, unit PAs, or communitized areas proposed for inclusion in the CAA, up to 6 years before the date of the application for approval of the CAA. Gas analysis and oil gravity data is not needed if the CAA falls under §3173.14(a)(1).

The reservations are as follows:

- If off-lease measurement is a feature of the commingling and allocation proposal, then a separate Sundry Notice under 43 CFR 3173.23 is not necessary as long as the information required under section 3173.23 is included as part of the request for approval of commingling and allocation;
- A surface plan of operations may be included in the same Sundry Notice as the request for approval of commingling and allocation; and
- The requirement for a right-of-way application filed under 43 CFR part 2880 applies only when new surface disturbance is proposed for the FMP, and its associated facilities are located on BLM-managed land outside any of the leases, units, or communitized areas whose production would be commingled.

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

- The BLM will allow the existing CAA (and any off-lease measurement, if applicable) if it meets certain conditions enumerated at section 3173.16(a)(1) or (a)(2)<sup>3</sup>; or
- If the existing CAA does not meet the conditions at section 3173.16(a)(1) or (a)(2), the BLM will take action to address any inconsistencies or deficiencies regarding the minimum standards and requirements for a CAA under §3173.14.

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

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

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

Generally, operators apply to the BLM for a CAA to reduce capital expenditures for constructing production facilities. If an operator is able to obtain commingling approval, it requires fewer separators and tanks at the facility. In order to approve commingling of surface production, the BLM has to review the application and ensure that it fulfills the requirements for commingling and is in the public's or Indian mineral interest owner's best interest. Only if commingling is approved appropriately can accurate allocation of production to the mineral interest owner be assured. The approval/denial of an application to commingle directly affects the volume attributable to a Federal or Indian lease and therefore, the royalties owed.

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

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

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

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

Section 3173.20 authorizes an operator to request a modification or termination of a CAA. The operator must

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<sup>3</sup> Under 43 CFR 3173.16(a)(1), the BLM will continue to allow an existing CAA if it involves downhole commingling that includes Federal or Indian leases, unit PAs, or CAs. Under 43 CFR 3173.16(a)(2), the BLM will grandfather an existing CAA if it is for surface commingling and the average production rate over the previous 12 months for each Federal or Indian lease, unit PA, and CA included in the CAA is less than 1,000 Mcf per month for gas, or less than 100 bbl per month for oil.



submit a Sundry Notice to the BLM requesting the modification or termination. The notice must identify the FMP(s) for the lease(s), unit(s), or CA(s) previously subject to the CAA.

An operator may apply to the BLM to modify or terminate an existing CAA for any number of reasons including, but not limited to, a change in measurement, allocation methodology, or cessation of production from a lease, unit PA, or CA participating in the CAA. The BLM would need to evaluate the CAA modification to ensure it continues to meet the requirements of the rule and production accountability and verifiability are maintained. When an operator terminates a CAA, the BLM needs to be informed to have the discretion to inspect the facilities and ensure production is properly segregated.

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

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

These IC activities are “on occasion.”

*Request for Approval (43 CFR 3173.23)*

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

- A completed Sundry Notice;
- Justification for off-lease measurement;
- A topographic map of appropriate scale showing the boundary of the lease(s), unit(s), or CA(s) from which the production originates, the location of existing or planned facilities, the relative location of all wellheads (including the API number for each well) and piping included in the off-lease measurement proposal, and existing FMPs or FMPs proposed to be installed to the extent known or anticipated;
- The surface ownership of all land on which equipment is, or is proposed to be, located; and
- A statement that indicates whether the proposal includes all, or only a portion of, the production from the lease, unit, or CA and if the proposal includes only a portion of the production, the application would be required to identify the FMP(s) where the remainder of the production from the lease, unit, or CA is measured or is proposed to be measured.

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

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

- Would involve new surface disturbance and consists of a meter or storage tank; or

- Is on a pipeline.

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

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

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

The BLM receives a sundry notice to approve or terminate the ability of an operator to locate the FMP outside of the lease, unit PA, or CA boundaries. The BLM uses the location of the FMP to conduct production inspection activities in the field. All the rules' measurement requirements apply to FMPs specifically. A BLM inspector needs to know if the FMP is located on- or off-lease to ensure that they are inspecting the correct meters.

*Response to Notice (43 CFR 3173.25)*

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

Since the BLM has been unable to implement the requirements for FMPs and FMP number assignments, the ability for the BLM to review a historic off-lease measurement approval during the FMP approval process has never been implemented. As a result of this delay in implementation, the BLM is reducing the information collection activity in Table 12-2 to one response as a placeholder for the activity when BLM can implement the requirement.

*Request for Termination (43 CFR 3173.27)*

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

The BLM needs to know where the FMP is located in order to inspect and enforce the measurement rules. This information collection activity provides a record for BLM inspectors to understand if there had been an off-lease measurement approval in place that was terminated either by the BLM or the operator. In addition, the operator is responsible for establishing a new FMP that is subject to inspection and enforcement. This information collection activity allows the BLM to understand where the meter is located that is subject to inspection.

***Measurement Tickets -- 43 CFR 3174.12 (Monthly)***

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

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

*Measurement of oil by tank gauging*

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

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

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

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

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

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

Measurement tickets or run tickets are required accounting of oil sold from Federal or Indian leases, unit PAs, or CAs. These tickets serve as source records (See 43 CFR 3170.3) showing the volume and quality of the oil from which ONRR bases its royalty calculation. Measurement tickets are the foundation of oil production royalty calculations. These documents serve as the receipt of a sale for all parties involved in the transaction: oil operator, oil purchaser, and mineral interest owner. The BLM requires operators to produce and maintain these records for the BLM should there be any dispute about the volume or quality of the oil sold and on which the Federal or Indian royalty is based. At minimum the BLM requires an accounting of the oil monthly which is consistent with ONRR's reporting requirements. The BLM's requirement for a minimum of a monthly measurement ticket is consistent with standard oil and gas industry practice. All of the information required on the measurement tickets is also standard oil and gas industry practice. The BLM is not requiring anything beyond what would be required if the oil sold were all private minerals. The BLM requires the minimum and accepted industry practice.

**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.**

As of January 17, 2017, and pursuant to 43 CFR § 3173.10(b), operators must file the Form 3160-5, *Sundry Notices and Reports on Wells*, and any associated documents using the Bureau of Land Management's electronic commerce application, Automated Fluid Minerals Support System (AFMSS). <https://afmss.blm.gov/afmss-gateway-ui/>.

Due to competing priorities, BLM's leadership decided to forgo further development of BLM's electronic database, AFMSS. The decision to cease further AFMSS development resulted in the FMP module never having been developed. Since the effective date of subpart 3173, the BLM has not had any operator or BLM information collection activities related to the implementation of the FMP requirements (§ 3173.12). Therefore, the BLM will continue to maintain information collection activities within this OMB control number but will use it as a placeholder for the time when BLM is able to effectively implement the FMP requirements following the development of the new electronic database. Currently, the BLM is working to redesign and build a new electronic database. The new electronic database will have the ability to receive applications for FMPs and assign FMP numbers.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

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

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

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

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The frequency the majority of these information collections is “on occasion.” Therefore, less frequent data collection would mean not collecting the information. If we did not collect the information, or we collected it less frequently, oil and gas leasing activities and operations could not occur on Federal or Indian trust leases in compliance with pertinent statutes. However, some oil and gas information collection activities are more frequent. The measurement rules, collectively subparts 3173, 3174, and 3175, requirements are risk based. Requirements that are monthly or quarterly indicate a higher oil or gas production volume with corresponding greater risk to Federal or Indian royalties. If the oil or gas production is high or are directly tied to royalty payments, the BLM has a monthly or quarterly information collection activity. Oil and gas operators are required to report oil and gas production and pay royalties to ONRR monthly. The frequency of information collection activities is designed to align with the risk to measurement or production reporting that directly affects Federal or Indian royalty income. If the BLM were to reduce the frequency of information collection at high oil and gas production locations, the BLM has less ability to verify the volume and quality of oil and gas for which royalty is owed. In turn, this puts at risk Federal and Indian royalty income as well as reduces the BLM’s ability to enforce measurement requirements that directly affect royalty income.

**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.**

Below are the categories of regulations present special circumstances as described by 5 CFR 1320.5(d):

*Oil Measurement Tickets*

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

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

The BLM requires measurement tickets or run tickets to account for the oil sold from Federal and Indian leases, unit PAs, or CAs. These tickets provide a means for BLM to verify and audit the volumes reported on the ONRR's Oil and Gas Operations Report (OGOR), the basis for royalty calculations. Discrepancies between the volume and quality of oil reported on the measurement tickets and the volume and quality of oil reported on the OGOR may warrant further investigation by either the BLM and/or ONRR. A measurement ticket is a "source record" (See 43 CFR 3170.3) and the foundation of the calculation for the oil royalty obligation.

*Recordkeeping and Records Retention 43 CFR 3170.7*

The records retention requirements at 43 CFR 3170.7 apply not only to operators, but also to lessees, operators, purchasers, transporters, and any other person directly involved in producing, transporting, purchasing, selling, or measuring oil or gas through the point of royalty measurement or the point of first sale, whichever is later. These persons must retain all records, including source records, that are relevant to determining the quality, quantity, disposition, and verification of production attributable to Federal or Indian leases for periods ranging from 6 to 7 years as prescribed by paragraphs (c) through (e) of this section.

The BLM needs this information in order to monitor oil and gas operations in accordance with its statutory obligations. The BLM's records retention requirements for Federal oil and gas leases reflect the ones established in the 1996 amendments to the Federal Oil and Gas Royalty Management Act (FOGRMA).<sup>4</sup> The BLM bases its requirement to retain records under specific circumstances beyond 7 years on 30 U.S.C. 1724(f), as required under FOGRMA. The requirement to retain Indian records for 6 years is also based on FOGRMA. See 30 U.S.C. 1713(b).

- 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 August 28, 2024, the BLM published a *Federal Register* notice soliciting comments for a period of 60 days on this collection of information (89 FR 68923). The comment period closed on October 28, 2024. 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:

<sup>4</sup> Federal Oil and Gas Royalty Simplification and Fairness Act of 1996, Public Law 104–185, 110 Stat. 1700 (Aug. 13, 1996).

- Marathon - Dickinson, ND
- Devon - Oklahoma City, OK
- Hilcorp - Houston, TX

One respondent believes the BLM's hourly burden estimate for preparing a request for approval of commingling and allocation is too low and be increased to 160 hours to prepare this request. Another respondent believes that a request for approval of commingling and allocation should be increased from 40 hours to 60 hours. The BLM understands why respondents believed this hourly burden should be increased. However, one respondent was including the time BLM uses to adjudicate a request and not simply the time required to prepare the request. The other respondent did not provide an explanation for the recommended increase in time. The BLM did not change the hourly burden for the preparation of a request for approval of Commingling and Allocation of production (§ 3173.15)

One respondent believes the BLM should increase the burden estimate to prepare site facility diagrams (§ 3173.11) from 8 hours per diagram to 16 hours per diagram. The BLM believes the time to prepare a site facility diagram is highly variable depending on how large and complex the facility is and whether the diagram is prepared in-house by the operator or prepared by a contractor. Since the respondent is a larger operator, the BLM believes it's likely that more time is spent by this respondent than would be spent by a smaller operator. Since 80 percent of BLM's operators are small operators, the BLM increased the hourly burden by weighting the burden as 80 percent of operators would need 8 hours to complete the diagram and 20 percent of operators would need 16 hours to complete the diagram. As a result, the BLM increased the hourly burden to 10 hours per diagram.

One respondent believes the request for approval of a Facility Measurement Point (FMP) needs to be increased from 8 hours to 16 hours. Since the BLM has been unable to accept or process these requests for approval, it is very difficult for either the agency or the respondent to have a good understanding of how long activity will take. See item 3 discussed earlier. As mentioned earlier, since the electronic database is unable to process FMP applications, the BLM will continue to maintain information collection activities within this OMB control number. But the BLM will use this activity as a placeholder for the time when BLM is able to effectively implement the FMP requirements following the development of the new electronic database.

One respondent believes the BLM underestimated the response time for variance requests. The BLM estimates this will take 8 hours to complete a variance request. The respondent believes this hourly burden needs to be increased to 40 hours per request. The variance request requires an applicant to demonstrate how the proposed alternative method meets or exceeds the requirements of the regulation from which the applicant is seeking a variance. The BLM believes the applicant would need to invest time to determine if the alternative does meet or exceed the requirement. Also, the BLM believes that the time spent in this activity may results in some variance requests never being submitted. Variance requests that are unlikely to be approved would likely take longer to work to prepare a justification and rationale. Therefore, BLM increased its 8-hour response time estimate to prepare a variance request based on the respondents suggested estimate of 40 hours per request.

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

We do not provide payments or gifts to the respondents.

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

Under the privacy provisions of the E-Government Act of 2002, individuals/respondents were informed as to whether or not providing the information is mandatory to obtain a benefit. Each of the forms display a Privacy Act

notice. There is no explicit assurance of confidentiality provided since there is no direct legal authority for such a pledge.

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

We do not require respondents to answer questions of a sensitive nature.

- 12. Provide estimates of the hour burden of the collection of information. The statement should:**
- \* **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
  - \* **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
  - \* **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

The occupational categories and the estimated burden are based on the BLM's experience with these collections as well as its experiences interacting with industry experts on these regulatory requirements.

As shown at Table 12-1, below, the weighted average respondent hourly cost is \$78.26. This cost was determined using national Bureau of Labor Statistics data at [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm). The benefits multiplier of 1.4 is supported by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 12-1: Estimated Weighted Average Hourly Costs**

Position	Mean Hourly Pay Rate	Benefits Multiplier	Hourly Rate with Benefits	Percent of Collection Time	Weighted Average Hourly Cost
General Office Clerk (43-9061)	\$20.94	1.4	\$29.32	10%	\$2.93
Engineer (17-2199)	\$56.90	1.4	\$79.66	80%	\$63.73
Engineering Manager (11-9041)	\$82.83	1.4	\$115.96	10%	\$11.60
<b>Totals:</b>	----	----	----	<b>100%</b>	<b>\$78.26</b>

***Estimated Hour and Cost Burdens:*** Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information. The weighted average hourly wage associated with these information collections is shown at Table 12-1, above. The BLM's estimate of the time it takes a respondent to supply the information was verified by consultations with several respondents (see Item 8, above).

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

Except for the one-time burdens and the monthly burden indicated in Column A of Table 12-2, the frequency of response for each of the information collections is "on occasion." The burden estimates are based on the BLM's



years of experience of implementing these regulatory requirements within the onshore oil and gas industry as well as from feedback provided by actual respondents. Based on the BLM's experience, there are approximately 864 entities holding onshore oil and gas leases on BLM public lands. It is this sector of the regulated community who are respondents to these information collection requirements.

**Table 12-2: Estimated Hour Burdens**

Collection of Information	Number of Responses	Frequency	Response Time (hours)	Annual Burden Hours	Weighed Hourly Rate	Total Wage Equivalent
Variance Requests -- 43 CFR 3170.6 (Form 3160-5)***	100	On occasion	40**	4,000	\$78.26	\$313,040
Recordkeeping 43 CFR 3170.7	200	On occasion	8	1,600	\$78.26	\$125,216
Reporting Theft or Mishandling of Oil -- 43 CFR 3173.8 (non-form)	1	On occasion	40	40	\$78.26	\$3,130
Site Facility Diagrams -- 43 CFR 3173.11 (Form 3160-5)***	9,156	On occasion	10**	91,560	\$78.26	\$7,165,486
Request for Approval of an FMP for Future Measurement Facilities -- 43 CFR 3173.12(d) (Form 3160-5)*	1	One-Time	8	8	\$78.26	\$626
Request for Approval of an FMP for Existing Measurement Facilities -- 43 CFR 3173.12(e) (Form 3160-5)*	1	One-Time	8	8	\$78.26	\$626
Modifications to an FMP -- 43 CFR 3173.13(b)(1) (Form 360-5)*	1	On occasion	8	8	\$78.26	\$626
Request for Approval of a CAA -- 43 CFR 3173.15 (Form 3160-5 and Related Information)***	2,162	One-Time	40	86,480	\$78.26	\$6,767,925
Response to Notice of Insufficient CAA -- 43 CFR 3173.16 (Form 3160-5 and Related Information)***	150	On occasion	40	6,000	\$78.26	\$469,560
Request to Modify or Terminate a CAA -- 43 CFR 3173.18 and 3173.20 (Form 3160-5 and Related Information)***	500	On occasion	40	20,000	\$78.26	\$1,565,200
Request for Approval or Termination of Off-Lease Measurement -- 43 CFR 3173.23 and 3173.27 (Form 3160-5 and related Information)***	166	On occasion	10	1,660	\$78.26	\$129,912
Response to Notice of Insufficient Off-Lease Measurement Approval -- 43 CFR 3173.25 (Form 3160-5 and Related Information)***	1	On occasion	40	40	\$78.26	\$3,130
Measurement Tickets -- 43 CFR 3174.12 (non-form)	90,000	Monthly	0.75	67,500	\$78.26	\$5,282,550
<b>Totals:</b>	<b>102,439</b>	<b>—</b>	<b>—</b>	<b>278,904</b>	<b>----</b>	<b>\$21,827,027</b>

\* See 3173.12(d) and (e), and 3173.15 explanations provided earlier. A representative number of 1 respondent is used as placeholder as these information collections are not currently being implemented.

\*\*The response time was increased based on solicited feedback from the regulated community.

\*\*\* The form 3160-5, Sundry Notice, is used broadly across the BLM's oil and gas program. The form is estimated to take 8 hours to complete. However, within the context of these ICs, the form is only part of the overall burden associated with these activities.

**13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)**

**\* The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of**

services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- \* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- \* Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

No capital and start-up costs are involved with this information collection -- respondents are not required to purchase additional computer hardware or software to comply with these information collection requirements. All the cost incurred by respondent to these information collections pertain to the monetization of the burden hours which is already captured in Item 12, above (See Table 12-2).

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

The federal cost to conduct these information collections is based on the GS grades and positions who are involved in processing the information received under these regulations. The hourly cost to the Federal Government is based on U.S. Office of Personnel Management Salary Table data at: [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/RUS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/RUS_h.pdf). The benefits multiplier of 1.6 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>. The hourly labor cost calculations are shown below:

**Table 14-1: Weighted Average Hourly Federal Labor Cost**

Position	Pay Grade	Hourly Pay Rate (\$/hour)	Benefits Multiplier	Hourly Rate with Benefits	Percent of Collection Processing Time	Weighted Avg. (\$/hour)
Clerical	GS-5, step 5	\$21.49	1.6	\$34.38	10%	\$3.44
Professional	GS-9, step 5	\$32.56	1.6	\$52.10	80%	\$41.68
Managerial	GS-13, step 5	\$56.16	1.6	\$89.86	10%	\$8.99
<b>Weighted Average Hourly Pay Rate (\$/hour): \$54.11</b>						

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

**Table 14-2: Estimated Annual Cost to the Government**

Collection of Information	Number of Responses	Processing Time Per Response (hours)	Total Processing Hours	Hourly Wage Cost	Total Wage Cost
Variance Requests 43 CFR 3170.6 Form 3160-5	100	3	300	\$54.11	\$16,233
Reporting Theft or Mishandling of Oil – 43 CFR 3173.8 (non-form)	1	20	20	\$54.11	\$ 1,082
Site Facility Diagrams 43 CFR 3173.11 Form 3160-5	9,156	1	9,156	\$54.11	\$495,431
Request for Approval of an FMP for Future Measurement Facilities 43 CFR 3173.12(d) Form 3160-5	1,000	1.5	1,500	\$54.11	\$81,165
Request for Approval of an FMP for Existing Measurement Facilities 43 CFR 3173.12(e) Form 3160-5	166,232	1	166,232	\$54.11	\$8,994,814
Modifications to an FMP 43 CFR 3173.13(b)(1) Form 3160-5	1,000	40	40,000	\$54.11	\$2,164,400
Request for Approval of a CAA 43 CFR 3173.15 Form 3160-5 and Related Information	2,162	16	34,592	\$54.11	\$1,871,773
Response to Notice of Insufficient CAA 43 CFR 3173.16 Form 3160-5 and Related Information	150	5	750	\$54.11	\$40,583
Request to Modify or Terminate a CAA 43 CFR 3173.18 and 3173.20 Form 3160-5 and Related Information	500	0.25	125	\$54.11	\$6,764
Request for Approval or Termination of Off-Lease Measurement 43 CFR 3173.23 and 3173.27 Form 3160-5 and related Information	166	4	664	\$54.11	\$35,929
Response to Notice of Insufficient Off-Lease Measurement Approval 43 CFR 3173.25 Form 3160-5 and Related Information	15	2	30	\$54.11	\$1,623
Measurement Tickets 43 CFR 3174.12	90,000	2	180,000	\$54.11	\$9,739,800
<b>Total Cost:</b>					<b>\$23,449,597</b>

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

The burden currently inventoried under this OMB control number is 301,663 annual responses, 1,835,888 annual burden hours, and \$31,080,000 in annual cost burden. There are no program changes to the information collections under this OMB control number. The BLM is, however, adjusting the burden downward to 102,439 annual responses, increasing the annual burden hours to 278,904 annual burden hours, and \$0 increased annual cost burden. The change in burden is a result of the follow:

- Moving ICs to OMB# 1004-0220 (See Table 15-1, below);
- Reducing the estimated number of respondents to 1 for three ICs pertaining to FMPs (See Table 12-2, above and Table 15-2, below);

- Increasing the response time from 8 hours per response to 40 hours per response to prepare a variance (§ 3170.6) (See Table 12-2, above and Table 15-2, below);
- Increasing the response time from 8 hours per response to 10 hours per response to prepare a site facility diagram (§ 3173.11) (See Table 12-2 above and Table 15-2, below); and
- More clearly documenting the burden for three ICs (See Table 15-2 and below).
  - The burden associated with recordkeeping and reporting theft, or mishandling was previously considered included with the burden for other ICs; however, to be more specific for the burden impacts of these ICs, we made them separate ICs.
  - The burden for response to notice of insufficient off-lease measurement approval was reduced as program records indicate that the BLM received no more than one response per year to this requirement.

**Table 15-1: ICs Moved to OMB Control Number 1004-0220**

Collection of Information	Number of Responses	Annual Burden Hours
Application for Permit to Drill or Re-enter -- 43 CFR 3162.3-1(a) through (i), 3164.1, 3172.3-1, and Section III.A. of Onshore Order 1 (Form 3160-3 and Related Information)	3,000	24,000
Subsequent Well Operations (formerly labeled "Sundry Notices and Reports on Wells") -- 43 CFR 3162.3-2 (Form 3160-5)	15,100	120,800
Plan for Well Abandonment -- 43 CFR 3162.3-4	1,500	12,000
Well Completion or Recompletion Report and Log -- 43 CFR 3162.4-1(a), (b), (d), and (e) (Form 3160-4 and Related Information)	5,000	20,000
Notification of Production Start or Resumption -- 43 CFR 3162.4-1(c) (Form 3160-5)	1,000	8,000
Samples, Tests, and Surveys (formerly labeled "Drilling Tests, Logs, and Surveys") -- 43 CFR 3162.4-2	110	880
Disposal of Produced Water -- 43 CFR 3162.5-1(b), 3164.1, and Onshore Oil and Gas Order No. 7	1,500	12,000
Report of Spills, Discharges, or Other Undesirable Events -- 43 CFR 3162.5-1(c)	215	1,720
Contingency Plan -- 43 CFR 3162.5-1(d)	52	1,664
Horizontal and Directional Drilling -- 43 CFR 3162.5-2(b)	2,100	16,800
Well Markers -- 43 CFR 3162.6	1,000	8,000
Notice of Staking -- 43 CFR 3164.1 and Section III.C. of Onshore Order 1	300	4,800
Waiver Request -- 43 CFR 3164.1 and Section III.I. of Onshore Order 1	150	600
Application for Suspension or Other Relief -- 43 CFR 3165.1	100	1,600
State Director Review -- 43 CFR 3165.3(b)	55	880
<b>Total Burden Moved to 1004-0220</b>	<b>31,182</b>	<b>233,744</b>

**Table 15-2: Adjusting and Clarifying Burden:**

	Previous Burden		New Burden		Difference	
	Annual Responses	Annual Burden Hours	Annual Responses	Annual Burden Hours	Annual Responses	Annual Burden Hours
Request for Approval of an FMP for Future Measurement Facilities -- 43 CFR 3173.12(d) (Form 3160-5) One-Time	1,000	8,000	1	8	(999)	(7,992)
Request for Approval of an FMP for Existing Measurement Facilities -- 43 CFR 3173.12(e) (Form 3160-5) One-Time	166,232	1,329,856	1	8	(166,231)	(1,329,848)
Variance Requests -- 43 CFR 3170.6	100	800	100	4,000	0	+3,200
Site Facility Diagrams -- 43 CFR 3173.11	9,156	73,248	9,156	91,560	0	+18,312
Modifications to an FMP -- 43 CFR 3173.13(b) (1) (Form 360-5)	1,000	8,000	1	8	(999)	(7,992)
Recordkeeping 43 CFR 3170.7	0	0	200	1,600	+200	+1,600
Reporting Theft or Mishandling of Oil -- 43 CFR 3173.8 (non-form)	0	0	1	40	+1	+40
Response to Notice of Insufficient Off-Lease Measurement Approval -- 43 CFR 3173.25	15	600	1	40	(14)	(560)
<b>Total Impacted Burden:</b>	<b>177,503</b>	<b>1,420,504</b>	<b>9,461</b>	<b>97,264</b>	<b>(168,042)</b>	<b>(1,323,240)</b>

**Table 15-3: Summary of Burden Changes**

	Annual Responses	Annual Burden Hours	Annual Cost Burden
Current Burden for 1004-0137	301,663	1,835,888	\$31,080,000
Moved to OMB# 1004-0220	(31,182)	(233,744)	(\$31,080,000)
Adjusting and Clarifying Burden	(168,042)	(1,323,240)	\$0
<b>New Burden for 1004-0137</b>	<b>102,439</b>	<b>278,904</b>	<b>\$0</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.**

The BLM will not publish the results of this collection.

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

The BLM will display the expiration date of the OMB approval on the form included in this information collection. The OMB number and expiration date displayed on the form as well as at [www.reginfo.gov](http://www.reginfo.gov).

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

There are no exceptions to the certification requirements of 5 CFR 1320.9.

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