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

PAPERWORK REDUCTION ACT REQUEST
SUPPORTING STATEMENT A

ROYALTY FOR OIL AND GAS LOST FROM ONSHORE FEDERAL AND INDIAN LEASES (43 CFR PARTS 3178 AND 3179)

OMB CONTROL NUMBER 1004-0211

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 04/10/2024).

Abstract: The Bureau of Land Management's (BLM) rule provides the standard by which operators of Federal and Indian (except The Osage Nation) oil and gas leases are able to determine when a loss of production is avoidable with a royalty obligation or unavoidable with no royalty obligation. This proposed rule is a deregulatory action that would revise the regulations to: streamline the current number of sections in the rule, remove air quality litigation concerns; reduce operator burdens of the 2024 waste prevention rule; and promulgate clear definitions for avoidable and unavoidable losses, limitations on unavoidable losses, authorized venting, flaring, and combustion, emergencies, and venting, flaring, and combustion measurement requirements. This request is being submitted in association with the proposed venting and flaring proposed rule (RIN 1004-AF33).

Justification

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

The BLM manages more than 245 million acres of land and 700 million acres of subsurface mineral estate, making up nearly a third of the nation's mineral estate. The BLM maintains a program for leasing these lands for oil and gas development and regulates oil and gas production operations on Federal leases. While the BLM does not manage the leasing of Indian Tribal and allotted lands for oil and gas production, the BLM does regulate oil and gas operations once the mineral rights have been leased.

In the past fifteen years, the United States has experienced a dramatic increase in oil and natural gas production onshore due to technological advances, such as horizontal drilling combined with hydraulic fracturing. Between 1990 and 2000, the United States Federal production was approximately 2.4 billion barrels of oil and 19.4 trillion cubic feet (Tcf) of gas per year, on average. Between 2014 and 2019, the United States produced approximately 3.6 billion barrels of oil and 30 Tcf of gas per year, on average. This boost in production has brought many benefits in the form of expanded and more secure domestic supplies, increased economic activity in certain regions of the country, and greater royalty revenues for Federal, State, and Tribal governments. First, the 2024 rule is currently under litigation with a court-ordered stay in place for the five plaintiff states (North Dakota, Montana, Wyoming, Utah, and Texas). Based on the court decision for the preliminary injunction, it is likely the court would vacate the 2024 rule either partly or in its entirety. A vacatur would revert BLM to the Notice to Lessees 4A (NTL-4A) effective in 1980. Enforcement of NTL-4A has proven to be impractical given current production practices and volumes. Second, the proposed rule offers the BLM the opportunity to streamline determining when the loss of oil or gas is avoidable (royalty bearing), or unavoidable (non-royalty bearing). With the proposed rule, operators will be able to report most of these losses without a prior BLM determination on the loss. This approach reduces both BLM and operator administrative burden significantly. Lastly, the BLM would remove the controversial Leak Detection and Repair (LDAR) program which has a significant cost with negligible associated royalty income. The proposed rule lowers litigation risk, improves clarity, and streamlines operator compliance.

The Secretary of the Interior has authority under the following statutes and regulations to manage oil and gas operations and production on Federal and Indian (except The Osage Nation) lands:

- The Mineral Leasing Act (MLA), 30 U.S.C. 181 et seq.;
- 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;
- The Indian Mineral Leasing Act, 25 U.S.C. 396;
- The Indian Mineral Development Act, 25 U.S.C. 2101-2108; and
- Regulations at 43 CFR parts 3160, 3170, 3178, and 3179.

On April 10, 2024, the Bureau of Land Management ("BLM") published a final rule concerning royalties due on lost oil and gas entitled "Waste Prevention, Production Subject to Royalties, and Resource Conservation" (89 FR 25378) (the "2024 Rule"). In response to Executive Order ("EO") 14154, Unleashing American Energy (Jan. 20, 2025), and additional direction from the Secretary – including reducing requirements that burden energy development at considerable expense – the BLM proposes to modify the rule by reducing unnecessary compliance burdens for operators and streamlining BLM royalty determinations on lost oil or natural gas. The proposed rule retains provisions from earlier rules, adds new provisions, and codifies certain provisions of Notice to Lessees (NTL) 4A (Royalty or Compensation for Oil and Gas Lost) (1980). NTL-4A was implemented in the vertical drilling era but has proven ill-suited to addressing new drilling and well completion techniques and increased volumes of gas associated with horizonal drilling combined with hydraulic fracturing. The proposed regulations would be codified in the Code of Federal Regulations and would replace current requirements governing royalty determinations.

The proposed venting and flaring rule subject to this request contains information collection requirements that are subject to the Paperwork Reduction Act of 1995 (PRA). The information collection activities and the associated burdens related to 43 CFR 3160 have been removed in the proposed rule. In accordance with PRA requirements outlined in 5 CFR 1320.11, this information collection request is in conjunction with the BLM's proposed rule for 43 CFR Parts 3160 and 3170.The requirements contained in 43 CFR part 3170, and outlined in Item 2 below, are designed to address the circumstances under which oil or gas produced from Federal and Indian leases may be used royalty-free in operations on the lease, unit participating area (unit PA), or communitized area (CA). The proposed rule for subpart 3179 contains fewer requirements that are designed to provide operators with the requirements for oil and gas losses that are royalty bearing and non-royalty bearing from the production of oil and gas on BLM-regulated lands. The information collection requirements outlined below are necessary to assist the BLM in ensuring the loss of gas during oil and gas production through venting, and flaring receive the appropriate royalty designation and managing oil and gas production used on-lease.

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.

In general, the proposed rule would apply to Federal and Indian leases, as well as state and private tracts committed to a federally-approved unit PA or CA.

The proposed rule significantly reduces operator burdens when compared with the current rule but ensures that the vented, flared, and combusted volumes are accounted for, and the royalty obligation is clear. The current rule contains burdensome requirements that had no assurances of reducing or preventing waste and risked being interpreted by the court as air quality requirements.

The collection of information is necessary to assist the BLM in accounting for the volume and royalty status for venting, flaring, and combustion of gas that occurs from Federal and Indian leases, unit PAs, and CAs. Respondents are operators of Federal and Indian oil and gas leases. The information collection requirements are outlined in the BLM's avoidable/unavoidable loss standards as well as on BLM Form 3160-5 (Sundry Notices and Reports on Wells).

Information Collected on Form 3160-5, Sundry Notices and Reports on Wells:

- (Item 1) Identify the type of well. The BLM needs this information to identify the type of well for the individual operation.
- (Items 2-3) Identify the name of the operator, address, and telephone number. The BLM needs this information to identify the operator of the individual operation.
- (Item 4) Identify the location of well. The BLM needs this information to identify the location of the well for the individual operation.
- (Item 5) Identify the lease serial number. The BLM needs this information to identify the

lease serial number of the individual operation.

- (Item 6)Identify the BIA identifier if the action is on Indian trust land. The BLM needs this information to identify if the individual operation is on Indian trust land.
- (Item7) Identify the unit or CA name and number. The BLM needs this information to identify if the individual operation is within a unit or CA.
- (Item 8) Identify the well name and number. The BLM needs this information to identify the well name and number of the individual operation.
- (Item 9) Identify the API well number. The BLM needs this information to identify the API well number of the individual operation.
- (Item 10)Identify the field and pool or exploratory area. The BLM needs this information to identify the field and pool or exploratory area of the individual operation.
- (Item 11) Identify the county or parish. The BLM needs this information to identify the county or parish of the individual operation.
- (Item 12) Identify the appropriate notice, report, or other data. The BLM needs this information to identify the appropriate notice, report, or other data on the individual operation.
- (Item 13) Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations.
- (Item 14) Signature title and date.

The proposed rule would not change the information collected on the Form 3160-5, Sundry Notices and Reports on Wells.

43 CFR PART 3178

The information collection burdens for 43 CFR Part 3178 have remained the same since its effective date on January 17, 2017. There are no changes to the information collection burdens with the 43 CFR Part 3179 proposed rulemaking.

Request for Approval for Royalty-Free Uses On-Lease or Off-Lease (43 CFR 3178.5, 3178.7, and 3178.9).

Section 3178.5 requires submission of a Sundry Notice (Form 3160-5) to request prior written BLM approval for use of gas royalty-free for the following operations and production purposes on the lease, unit PA or CA:

- Using oil or gas that an operator removes from the pipeline at a location downstream of the facility measurement point (FMP);

- Removal of gas initially from a lease, unit PA, or CA for treatment or processing because of particular physical characteristics of the gas, prior to use on the lease, unit PA or CA; and
- Any other type of use of produced oil or gas for operations and production purposes pursuant to § 3178.3 that is not identified in § 3178.4.

Section 3178.7 requires submission of a Sundry Notice (Form 3160-5) to request prior written BLM approval for off-lease royalty-free uses in the following circumstances:

- The equipment or facility in which the operation is conducted is located off the lease, unit PA, or CA for engineering, economic, resource-protection, or physical-accessibility reasons; and
- The operations are conducted upstream of the FMP.

Section 3178.9 requires the following information in a request for prior approval of royalty-free use under § 3178.5, or for prior approval of off-lease royalty-free use under § 3178.7:

- A complete description of the operation to be conducted, including the location of all facilities and equipment involved in the operation and the location of the FMP;
- The volume of oil or gas that the operator expects will be used in the operation and the method of measuring or estimating that volume;
- If the volume expected to be used will be estimated, the basis for the estimate (e.g., equipment manufacturer's published consumption or usage rates); and
- The proposed disposition of the oil or gas used (e.g., whether gas used would be consumed as fuel, vented through use of a gas-activated pneumatic controller, returned to the reservoir, or disposed by some other method).

The proposed Subpart 3179 has information collection requirements as discussed below. The purpose of this subpart is to implement and carry out the purposes of statutes to ensure accurate reporting of production and collection of royalties from covered Federal and Indian oil and gas leases with requirements for flaring, venting, and combustion of produced associated gas, and clearly defining unavoidably and avoidably lost gas.

43 CFR SUBPART 3179

The proposed rule clearly defines the concept of "unavoidably lost" gas by stating 12 specific operations/sources of losses that qualify for royalty-free treatment. The rule also has specific operations that require either volume or time limits on royalty-free treatment. The rule would deem any loss that does not meet the specific criteria for "unavoidably lost" to be "avoidably lost," and therefore royalty-bearing. Specifically, the determination of gas as an "unavoidable loss" the following operations subject to limitations as noted in the rule:

- Well drilling, well completions and recompletions, and subsequent well tests;
- Emergencies for the first 48 hours of the event;

- Normal operating losses from a natural gas activated pneumatic controller or pneumatic pump;
- Normal operating losses from oil storage tanks;
- Downhole well maintenance/liquids unloading;
- Leaks;
- Facility and pipeline maintenance;
- Pipeline capacity/processing constraints;
- Removal of ≥ 50% of natural gas liquids (NGL) from the gas stream;
- Poor quality gas that cannot be marketed; and

Subpart 3179 requires that gas-well gas may not be vented or flared, except where it is "unavoidably lost" as described above. The proposed rule allows operators to vent, flare, or combust all gas that is not captured.

§ 3179.41 Determining when the loss of oil or gas is avoidable or unavoidable.

1. Request for longer test period or increased limit – 43 CFR 3179.41 (b)(2) and (b)(3) / Form 3160-5. [IC MOVED AND UNCHANGED]

§ 3179.41(b) provides the operator with a list of 12 operations for which the loss of gas is considered an unavoidable loss (royalty-free) subject to certain limitations. The proposed rule does not require the operator to notify the BLM via Sundry Notice when conducting these operations within the prescribed limits.

The proposed § 3179.41(b)(2), found under § 3179.81 in the current rule, allows for royalty-free venting and flaring following a new completion or recompletion until one of the following occurs: (1) 30 days have passed since beginning of the flowback following completion or recompletion; (2) 50,000 Mcf of gas have been vented or flared; (3) flowback has been routed to the production separator. The proposed rule increases the volumetric threshold from 20,000 Mcdf of gas in the current rule to 50,000 Mcf in the proposed rule.

The proposed § 3179.41(b)(3), found under § 3179.82 in the current rule, permits an operator to vent, flare or combust gas for no more than 48 hours during well tests for an existing completion. An operator is required to submit its request for a longer test period or an increased volumetric limit using a Sundry Notice. This provision remains unchanged from the current rule to the proposed rule and has been the same well test standard for existing well completions since NTL-4A.

2. Notification prior to flaring of gas when at least 50 percent of natural gas liquids have been removed and captured for market – 43 CFR 3179.41(b)(11).

Proposed § 3179.41(b)(11) requires that an operator notify the BLM through a Sundry Notices venting or flaring of gas from which at least 50 percent of natural gas liquids have been removed on-lease and captured for market, that the operator is conducting such capture and the inlet of the equipment used to remove the natural gas liquids must be an FMP.

3. Documentation unmerchantable gas demonstrating poor gas quality and rejection of gas for sales by a midstream company or gas processor to the Authorized Officer upon request – 43 CFR 3179.41(b)(12). [NEW]

Proposed § 3179.41(b)(12) requires an operator to submit a gas analysis report that demonstrates the poor gas quality and documentation of the rejection of the gas for sales by a midstream company or gas processor upon request of the AO. This is a new requirement in the proposed rule and is included because of a public comment received in the previous rulemaking.

Except as provided in § 3179.41(b), oil-well gas may not be vented flared, or combusted royalty-free. Any gas from an oil-well or a gas-well vented flared or combusted for reasons or operations beyond those in § 3179.41(b) is an avoidable loss with a royalty obligation.

Changes to drilling losses in the proposed rule aligns with the 2022 MLA amendment. Harmonizing these regulatory requirements with the MLA is required for clarity as well as implementation of the statute.

4. Reporting to ONRR - Form ONRR-4054 (OMB No. 1012-0004).

The operator is required to report produced oil and gas volumes to ONRR. The burden associated with the reporting of volumes of gas vented or flared is accounted for under ONRR's OMB control number 1012-0004, 30 CFR Parts 1210 and 1212, Royalty and Production Reporting, using Form ONRR-4054, Oil and Gas Operations Report, commonly referred to as the OGOR.

§ 3179.50 Measurement of oil-well gas volume at Type 1 equipment. [MOVED FROM 3179.71]

§ 3179.50(b) of the rule requires operators to measure volumes of gas using orifice meters or ultrasonic meters for Type 1 equipment measuring greater than 1,050 Mcf per month over the averaging period from wells, facilities and equipment on a lease, unit PA, or CA. The operator is required to install measurement for gas vented, flared, or combusted, but there are no information collection activities associated with the installation of measurement equipment. The burden associated with the reporting the volume of gas vented, flared, or combusted is accounted for under ONRR's OMB control number 1012-0004, 30 CFR Parts 1210 and 1212, Royalty and Production Reporting, using Form ONRR-4054, Oil and Gas Operations Report, commonly referred to as the OGOR.

§ 3179.51 Required reporting of vented and flared gas volumes. [REVISED]

The operator must report all vented and flared volumes, both avoidable and unavoidable losses, using all applicable ONRR reporting requirements. The operator must report the flared gas quality in Btu based on the gas sample required at the facility measurement point in Part 3175 on the OGOR using the venting or flaring measurement point number (VFMP).

While the reporting requirements remain largely unchanged in the proposed rule, the recordkeeping requirements for individual flaring events have been removed. The BLM proposes that a record of the flaring events as required in the current rule will not provide information that would assist in collection of royalties when they are owed. The proposed rule reduces operator burden for recordkeeping.

The BLM believes that the current recordkeeping requirements is not needed and is unduly burdensome on operators because the production reporting should tell the story of the volume produced and how that volume was ultimately used or sold. The BLM also believes that the reporting requirement is sufficient to establish the foundation for production accountability for losses, regardless of their royalty obligation.

§§ 3179.60 Requirement for an operator-assigned venting or flaring measurement number (VFMP) and 3179.61 Applying for a venting or flaring measurement point number. [NEW]

The BLM proposes to require operators to create an operator-assigned venting or flaring measurement point number (VFMP) according to the requirements established in paragraphs (a) through (c). The proposed VFMP number will be used when reporting vented or flared volumes on the OGOR. Further, the VFMP number allows for accurate accounting of vented or flared gas volumes while establishing fewer measurement requirements than those established for facility measurement points (FMP) in Subpart 3175.

<u>Application for an operator-assigned VFMP number – 43 CFR 3179.60 & 61 Form 3160-5 and Application for new VFMP number following a BLM-approved change of operator – 43 CFR 3179.61 Form 3160-5</u>. [NEW]

To establish the VFMP, the BLM proposes the operator submit a Sundry Notice when venting, flaring, or combusting gas at Type 1 equipment under § 3179.50. Once the BLM approves the VFMP operator-assigned number, the operator will use this number to report vented, flared, or combusted gas volumes on the OGOR. An operator will only need to establish the VFMP number once. If there is a BLM approved change of operator, the new operator must submit a Sundry Notice for a new VFMP number under § 3179.61(d).

The proposed VFMP will be used for production reporting of vented, flared, or combusted gas, whether royalty bearing or not, on the OGOR using the appropriate disposition code.

§ 3179.100 Emergencies.

The proposed rule allows for royalty-free venting, flaring, or combusting during an emergency. The rule defines "emergency" in a manner that emphasizes its temporary, infrequent, and unavoidable nature. The proposed rule places a 48-hour limit on royalty-free emergency flaring consistent with the 2022 MLA amendment. If an emergency persists for longer than 48 hours, royalties on lost production will be due. Proposed § 3179.100 allows an operator to vent, flare, or combust gas royalty-free under § 3179.41(b)(4) of this subpart during an emergency. This proposed section has been revised for consistency with the 2022 MLA amendment. Consistency with the MLA is required and increases efficiency while reducing confusion for operators over compliance matters.

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 BLM proposes to require the operator to submit all Sundry Notices electronically to the BLM office having jurisdiction over the lease, unit PA, or CA using BLM's electronic commerce application. Proposed § 3179.43(a). An operator is exempt from this requirement if it is a small business as defined by the U.S. Small Business Administration and does not have access to the internet. This new requirement makes this subpart consistent with the Sundry Notice submission requirement in Subpart 3173.

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 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.

The BLM estimates that most of the respondents are small businesses according to the U.S. Small Business Administration. While the majority of respondents may be small businesses, the BLM anticipates most of these small business have access to the internet. The BLM reviews the requirements to ensure that the information requested of small organizations and all other potential respondents is the minimum necessary. There are special provisions for small organizations that meet the definition of a small business by the Small Business Association and have no access to the internet. Small businesses that meet the criteria will be allowed to mail in the information collection requirements to the appropriate BLM Field Office with jurisdiction.

The BLM structures the request to require only necessary data.

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 collection of information is necessary to assist the BLM in accounting for vented, flared, and combusted lost gas for production accountability and royalty purposes. The frequency of most of the information collections contained in this rule is "on occasion". For the "on occasion" information collections, the frequency is triggered by certain covered events, and therefore, less frequent collection would mean no collection. If the collection is not conducted or is conducted less frequently, it is foreseeable that production loss would be reported under the ONRR information collection activities.

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.**

The only variances to the requirements outlined above pertain to certain recordkeeping requirements contained in the current regulations at § 3162.4-1(d). Generally, the record retention periods are 7 years for Federal leases, unit PAs or CAs that include Federal leases, but do not include Indian leases and 6 years for Indian leases, unit PAs or CAs that include Indian leases, but do not include Federal leases. These timeframes are notwithstanding any applicable litigation holds which require the retention of such records for 7 years after a non-appealable decision is made or upon release of the Secretary or his/her authorized representative. This recordkeeping requirement is necessary to ensure that required covered records are maintained during the life cycle of leases and is authorized by the Federal Oil and Gas Royalty Management Act (See 30 U.S.C. 1713). The information collection requirements are otherwise constant with the requirements outlined above and in 5 CFR 1320.5(d).

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.

In accordance with OMB's regulations at 5 CFR 1320.11, the BLM published a Notice of Proposed Rulemaking (NPRM) on XXXXXX XX, 2025 (90 FR XXXXX) providing the public and all interested parties 60 days to comment on the information collection requirements as contained the proposed rule (RIN 1004-AF33).

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

The BLM will 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.

These regulations provide no assurance of confidentiality to respondents. However, operators routinely provide information to the BLM that they consider confidential; if they indicate on the Sundry Notice that the information is considered confidential, the BLM will handle the information in accordance with applicable regulations in 43 CFR Part 2, Subpart F should the information be subject to a Freedom of Information Act request.

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.

The BLM does 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 following tables show the BLM's estimate of the hourly cost burdens for respondents. The mean hourly wages were determined using national Bureau of Labor Statistics data at: 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.r/ecec.nr0.htm.

Respondents to these information collection requirements are operators of Federal and Indian (except Osage Tribe) oil and gas leases. The BLM estimates that there will be approximately 1,000 total industry respondents required to comply with information collection requirements because of this proposed rule. However, not all industry respondents will respond to all information collection requirements. The hour and cost burdens to respondents include time spent researching, preparing, and submitting information. The weighted average hourly wage associated with these information collections is shown at Table 12-1, below. The frequency of response for each of the information collections is "on occasion." Table 12-2 below itemizes the estimated hour and cost burdens. The burden estimates are based on the BLM's experience managing oil and gas leases; including program records and economic analysis conducted as part of the regulation development.

Table 12-1: Estimated Weighted Average Hourly Costs

Occupational Category	Mean Hourly Wage	Benefits Multiplier	Total Mean Hourly Wage	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
Weighted Hourly Wage:	--------	--------	--------	**100%**	**$78.26**

Table 12-2: Estimates of Hour and Cost Burdens

Collection of Information	Annual Responses	Average Response Time (hours)	Annual Burden Hours	Hourly Cost	Time Cost
Request for Approval for Royalty-Free Uses On-Lease or Off-Lease -- 43 CFR 3178.5, 3178.7, 3178.8, and 3178.9 Form 3160-5	50	8	400	$78.26	$31,304
Request for longer test period or increased limit -- 43 CFR 3179.41(b)(3) and (c) Form 3160-5	50	1	50	$78.26	$3,913
Notification prior to flaring of gas when at least 50 percent of natural gas liquids have been removed and captured for market - 43 CFR 3179.41(b)(11) Form 3160-5	6	2	12	$78.26	$939
Documentation unmerchantable gas demonstrating poor gas quality and rejection of gas for sales by a midstream company or gas processor to the Authorized Officer upon request – 43 CFR 3179.41(b)(12)	5	2	10	$78.26	$783
Application for an operator-assigned VFMP number – 43 CFR 3179.60 & 61 Form 3160-5	7,500	2	15,000	$78.26	$1,173,900
Application for new VFMP number following a BLM-approved change of operator – 43 CFR 3179.61 Form 3160-5	1,000	2	2,000	$78.26	$156,520
Emergencies (Request for an additional 6 days of royalty-free venting, flaring, or combustion for an emergency event) -- 43 CFR § 3179.100 Form 3160-5	25	8	200	$78.26	$15,652
Totals:	**8,636**	-----	**17,672**	-----	**$1,383,011**

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.**

There is no cost burden associated with the information collection requirements of the proposed rule other than what has already be captured above in 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.

Table 14-1 shows the BLM's estimate of the hourly cost to the Federal government resulting from this collection of information. The hourly pay rates are based on U.S. Office of Personnel Management data at: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2025/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: Estimated Weighted Average Federal Hourly Costs

Position	Hourly Pay Rate ($/hour)	Benefits Multiplier	Hourly Rate with Benefits	Percent of the Information Collection Completed by Each Occupation	Weighted Avg. ($/hour)
Clerical - GS-5, step 5	$21.90	1.6	$35.04	10%	$3.50
Professional - GS-9, step 5	$33.19	1.6	$53.10	80%	$42.48
Managerial - GS-13, step 5	$57.23	1.6	$91.57	10%	$9.16
		—	—	**100%**	**$55.14**

Table 14-2: Estimated Annual Cost to the Government

Collection of Information	Number of Responses	Staff Time Per Response	Total Staff Hours	Weighted Average Hourly Rate	Dollar Equivalent
Request for Approval for Royalty-Free Uses On-Lease or Off-Lease -- 43 CFR 3178.5, 3178.7, 3178.8, and 3178.9 / Form 3160-5	50	2	100	$55.14	$5,514
Request for longer test period or increased limit -- 43 CFR 3179.41(b)(3) and (c) / Form 3160-5	50	1	50	$55.14	$2,757
Notification prior to flaring of gas when at least 50 percent of natural gas liquids have been removed and captured for market - 43 CFR 3179.41(b)(11) Form 3160-5	6	0.5	3	$55.14	$165
Documentation unmerchantable gas demonstrating poor gas quality and rejection of gas for sales by a midstream company or gas processor to the Authorized Officer upon request – 43 CFR 3179.41(b)(12)	5	1	5	$55.14	$276
Application for an operator-assigned VFMP number – 43 CFR 3179.60 & 61 / Form 3160-5	7,500	1	7,500	$55.14	$413,550
Application for new VFMP number following a BLM-approved change of operator – 43 CFR 3179.61 / Form 3160-5	250	1	250	$55.14	$13,785
Emergencies (Request for an additional 6 days of royalty-free venting, flaring, or combustion for an emergency event) -- 43 CFR § 3179.100 Form 3160-5	25	1	25	$55.14	$1,379
				Totals Federal Cost:	**$437,426**

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

Currently, there are 58,351 annual responses, 125,751 annual burden hours, and $ 24,175,000 non-hour cost burdens approved under this OMB Control Number. The BLM projects that the information collections as revised in this proposed rule would result in the following revised burdens:

- 8,636 annual responses (from 58,351 to 8,636), a reduction of 49,715 annual responses.
- 17,672 annual burden hours (from 125,751 to 17,672), a reduction of 108,079 annual burden hours.
- $0 non-hour cost (from $24,175,000 to $0), a reduction of $24,175,000 annual non-hour burden cost.

The change in annual burdens would result from the revisions in the proposed rule which would remove and revise certain information collection requirements. The information collection requirements are discussed above in question 2 and the resulting estimated burdens are provided in Table 12-2. The changes to the information collection requirements, along with the resulting burden changes are discussed below.

<u>Revised Information Collection Requirements</u>

Current rule § 3179.102 Allowance for new well completion and recompletion venting, flaring, and combustion and § 3179.103 Allowance for well tests for an existing completion venting, flaring, and combustion. Proposed rule § 3179.41 Determining when a loss of oil or gas is avoidable or unavoidable. (Specifically proposed § 3179.41(b)(2) and (3))

The reporting requirements will remain unchanged; however, the threshold for reporting was increase for 20 MMcf to 50 MMcf volume of gas vented or flared. This would result in a reduction of 50 responses and 50 burden hours.

<u>New Information Collection Requirements</u>

§ 3179.41 Determining when loss of oil or gas is avoidable or unavoidable.

The proposed rule would require operators to submit documentation, upon request of the Authorized Officer, demonstrating that the produced gas is unmerchantable and the midstream company or gas processor refuses to purchase the gas. (§ 3179.41 (c)(12)). This would result in an increase of 5 responses and 10 burden hours.

§ 3179.60 & 61 Application for an operator-assigned VFMP number.

This would result in an increase of 7,500 responses and 15,000 burden hours.

§ 3179.61 Application for new VFMP number following a BLM-approved change of operator.

This would result in an increase of 1,000 responses and 2,000 burden hours.

<u>Removed Information Collection Requirements</u>

§ 3162.3-1 Drilling applications and plans.

The proposed rule would amend § 3162.3-1 to remove the following information requirements from the requirements for an Application for Permit to Drill:

- Waste minimization plan; Anticipated initial oil production rate from the oil well and the anticipated production decline over the first three years of production, Anticipated initial oil-well gas production rate from the oil well and the anticipated production decline over the first three years of production;
- Self-Certification; and
- Any other information demonstrating the operator's plans to avoid the waste of gas production from any source, including, as appropriate, from pneumatic equipment, storage tanks, and leaks.

This information collection requirement was revised to remove the self-certification and waste minimization plan requirement. The BLM collected information for the waste minimization plan that was intended to assure the BLM that operators had planned for the capture of associated gas when drilling an oil well. However, the current rule does not limit the amount of gas that can be flared for an oil well. The BLM has removed the requirement for self-certification or waste minimization plan to reduce the operator burden for preparing the plan and the BLM burden to review the plan when there is no evidence of a causal or correlative effect to a reduction in waste based on the plan. The information collection burden for the remaining parts of the APD exist in OMB Control number 1004-0220. All burdens that were added in 2024 as a result of the Waste Prevention Rule would be removed from this OMB Control number as a result of this proposed rule. This revision would remove the information collection requirements particular to respondents subject to the BLM's venting and flaring regulation and the burden associated with the remaining information collection requirements generally applicable to drilling applications and plans is accounted for under OMB Control Number 1004-0220. These revisions in the proposed rule would result in a reduction of -5,000 responses and -5,000 burden hours.

Current § 3179.71(d), (e), and (f) Measurement of flared oil-well gas volume and Installing and Maintaining Orifice Meters - Proposed 43 CFR 3179.51(c) Required reporting of vented, flared, or combusted gas volumes.

The sampling and reporting requirements under current § 3179.71(d), (e), and (f) are removed from the proposed rule which allows the operator to use the gas quality measured at the facility measurement point for the vented, flared, or combusted volume (proposed § 3179.51(c)). The operator will not have any information collection burdens for the requirement for gas sampling and reporting beyond those already required in Part 3175. The removal of this information collection requirement would result in a reduction of 400 annual responses, a reduction of 400 annual burden hours, and a reduction of $24,175,000 in non-hour cost burden. Since the installation of sampling systems is no longer required to comply with what will be a removed information collection requirement, the BLM views the costs associated with them as a general cost of regulatory compliance and not a cost incurred by operators to comply with information collection requirements.

§ 3179.72(c) Required reporting of vented and flared gas volumes.

The requirement to maintain records of each flaring event has been removed from the proposed rule. The BLM proposes that there will no longer be an information collection burden for the operator for each flaring event. In the proposed rule, the BLM requires the operator to report all vented, flared, or combusted gas on the OGOR to ONRR. The ONRR reporting requirements will capture all flaring events. The removal of this information collection requirement would result in a reduction of 25,000 annual responses and 6,250 annual burden hours.

§ 3179.80 Loss of well control while drilling.

§ 3179.80 provided that the operator must notify the BLM within 24 hours of the start of the loss of well control event and submit a Sundry Notice within 15 days following conclusion of the event to the BLM describing the loss of well control. The BLM anticipates that the loss of well control will be captured under emergencies. This would result in a decrease of 1 response and 1 burden hour.

§ 3179.100 Leak detection and repair program.

§ 3179.100 required an operator to maintain a leak detection and repair (LDAR) program designed to prevent the unreasonable and undue waste of federal or Indian gas and to submit an annual report on inspections and repairs. The removal of this information collection requirement would result in a decrease of 6,000 annual responses and 48,000 annual burden hours.

§ 3179.101 Repairing leaks.

§ 3179.101(b) required that an operator repair any leak as soon as practicable, and in no event later than 30 calendar days after discovery, unless good cause exists to delay the repair for a longer period. Good cause for delay of repair exists if the repair (including replacement) is technically infeasible (including unavailability of parts that have been ordered), would require a pipeline blowdown, a compressor station shutdown, a well shut-in, or would be unsafe to conduct during operation of the unit. Paragraph (b) of this section required that if there is good cause for delaying the repair beyond 30 calendar days, the operator must notify the BLM of the cause by Sundry Notice. The removal of this information collection requirement would result in a decrease of 75 annual responses and 150 annual burden hours.

§ 3179.102(a) Leak detection inspection recordkeeping and § 3179.102 (b) Annual summary report on the previous year's inspection activities.

Operators were required to keep records in inspections and repairs and submit those records to BLM upon request. § 3179.102 requires that an operator maintain the following records for the period required under § 3162.4-1(d) of this title and make them available to the BLM upon request:

(1) For each inspection required under § 3179.100 of this subpart, documentation of:

(i) The date of the inspection; and

(ii) The site where the inspection was conducted;

(2) The monitoring method(s) used to determine the presence of leaks;

(3) A list of leak components on which leaks were found;

(4) The date each leak was repaired; and

(5) The date and result of the follow-up inspection(s) required under § 3179.101(c) of this subpart. Record retention requirements are notwithstanding any applicable litigation holds which require the retention of such records for 7 years after a non-appealable decision is made or upon release of the Secretary or his/her authorized representative

The removal of this information collection requirement would result in a decrease of annual 12,000 responses and 60,000 annual burden hours.

Burden Adjustments

The burdens for the below information collection requirements will be adjusted based on more current program data. The proposed rule would not change these requirements.

§ 3179.41(b)(11) Notification prior to flaring of gas when at least 50 percent of natural gas liquids have been removed and captured for market.

The estimated number of annual responses will be reduced from 25 to 6 (-19) resulting in the number of annual burden hours reduced from 50 to 12 (-38). This is an overall reduction in 19 annual responses and 38 annual burden hours.

§ 3179.100 Emergencies (Report of volumes flared or vented beyond 48 hours).

The estimated number of annual responses will be reduced from 500 to 25 (-475) and the average response time increased from 2 hours to 8 hours resulting in a net -800 decrease in annual burden hours. The burden is being adjusted based on more current data available for the number of responses and response time associated with this information collection requirement.

Summary of Burden Changes

Table 15, below, summarizes the burden changes that are projected as a result of the proposed rule along with proposed adjustments to burden estimates that not associated with this rulemaking action.

Table 15: Summary of Burden Changes

Type of Change	Responses	Hours	Non-hour Cost Burden
Current Burdens	58,351	125,751	$24,175,000
Total Net Program Changes Due to Proposed Rule	-49,221	-107,241	-$24,175,000
Burden Adjustments	-494	-838	$0
New Total Net Annual Burdens:	**8,636**	**17,672**	**$0**

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 any of the collected information.

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 displays the expiration date for control number 1004-0137 on the forms as the forms are used across several BLM lines of business and OMB has approved those forms under OMB Control Number 1004-0137. Additionally, the OMB Control Number and expiration date are also 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 of 5 CFR 1320.9.

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