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

PAPERWORK REDUCTION ACT REQUEST
SUPPORTING STATEMENT A

ONSHORE OIL AND GAS LEASING AND DRAINAGE PROTECTION
(43 CFR PART 3100, 3120, and Subpart 3162)

OMB CONTROL NUMBER 1004-0185

Abstract: The Bureau of Land Management (BLM) is proposing to revise the BLM's oil and gas leasing regulations. Among other things, the proposed rule would reflect provisions of the Royalty Resiliency Act pertaining to applications for agreements with an allocation schedule and would request public comment on changes pertaining to the bonding requirements for leasing, eliminate the leasing preference criteria and modify the public participation periods. The proposed rule would also improve the BLM's leasing process to ensure proper stewardship of public lands and resources and would revise some operating requirements. The BLM collects information to monitor and enforce compliance with requirements pertaining to Federal oil and gas leasing and operations and to decide to approve oil and gas leases and operations on public lands. This request is being submitted to OMB in association with the BLM's proposed rule pertaining to fluid mineral leasing requirements (RIN 1004-AF05).

Justification

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

This proposed rule aims to enhance the administration of oil and gas-related activities on America's public lands and reflects provisions in recently enacted laws that modify aspects of the Federal onshore oil and gas program. Specifically, the proposed rule would request public comment on changes pertaining to bonding requirements for leasing, eliminate the leasing preference criteria and modify the public participation periods. This rulemaking implements provisions of President Trump's January 20, 2025, Executive Order (E.O.) 14154, titled "Unleashing American Energy," which directs the removal of impediments imposed on the development and use of our Nation's abundant energy and natural resources. By removing such regulations, America's natural resources can be unleashed to restore American prosperity. Our focus must be on advancing innovation to improve energy and critical minerals leasing, development, and production capacity of the United States to provide a reliable, diversified, growing, and affordable supply of energy for our Nation. The BLM has identified the changes outlined in this rulemaking could reduce barriers to the use of Federal lands for energy development, consistent with the BLM's mission of managing public lands for multiple use and sustained yield. This proposed rule seeks to update the existing regulations accordingly.

The Secretary of the Interior manages a Federal onshore oil and gas program in accordance with the following authorities:

- Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) (FLPMA);
- Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.) (MLA);
- Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.) (MLAAL); recently enacted Royalty Resiliency Act (RRA) of 2024 (Public Law No. 118-81);
- One Big Beautiful Bill Act (Public Law No: 119-21, section 50101); and

- Regulations under 43 CFR Part 3100.

The Department of the Interior (DOI) issued Secretarial Order 3418, Unleashing American Energy in February 2025. Accordingly, the BLM is proposing to request public comment on its oil and gas bonding requirements, eliminate leasing preference criteria and modify public participation periods. The BLM believes that doing so, along with other proposed changes, would encourage energy exploration and production on Federal lands in order to meet the needs of our citizens and solidify the United States as a global energy leader long into the future. In the same vein, the BLM is ensuring that all regulatory requirements related to energy are grounded in clearly applicable law.

The BLM collects information to monitor and enforce compliance with requirements pertaining to Federal oil and gas leasing and operations and to decide to approve oil and gas leases and operations on public lands.

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

Respondents to these information collection requirements are holders of onshore oil and gas lease and public lands and Indian lands (except on the Osage Reservation), operators of such leases, and holders of operating rights on such leases.

The BLM uses the information in this request to monitor and enforce compliance with requirements pertaining to the following aspects of Federal leases:

- Statutory acreage limitations;
- Acreage chargeability;
- Relinquishments and terminations of a lease; and
- Drainage protection

The BLM also uses the information in this request to decide whether to approve proposals to:

- Waive, suspend, or reduce rental or royalty payments;
- Enter into various types of agreements, contracts, and consolidations;
- Store oil and gas underground on Federal lands;
- Transfer a lease interest;
- Reinstate a terminated lease;
- Obtain an oil and gas lease under railroads and certain other rights-of-way (ROW);
- Make lands available for competitive leasing; and
- Protest a BLM decision to offer lands for competitive leasing.

The information-collection activities in this request are as follows:

43 CFR 3100 — Oil and Gas Leasing: General

With some exceptions, the MLA, at 30 U.S.C. 184(d), limits the aggregate number of acres of Federal oil or gas leases any person, association, or corporation may take, hold, own, or control in any one state. This provision imposes similar limits on options to acquire interests in Federal oil or gas leases. The MLA provides for two collection activities that enable the BLM to enforce the acreage limitations with respect to options. The BLM regulations add detail to these two collections at 43 CFR 3100, in accordance with the MLA.

<u>43 CFR 3101.30 — Joinder Evidence Required</u>

When a lease or a portion of a lease cannot be independently developed and operated in conformity with an established well-spacing or well-development program, the BLM may approve a communitization or drilling agreement for such lands with other lands, whether or not owned by the United States, upon a determination that such an agreement is in the public interest. Before issuance of a lease for land within an approved unit, the BLM requires a statement as to whether a prospective oil and gas lease offeror has joined in a unit agreement and unit operating agreement or a statement giving satisfactory reasons for the failure to enter into such agreement.

Note: As discussed below, the BLM collects communitization and drilling agreements under 43 CFR 3105.

43 CFR 3102 – Qualification for Leases [PROPOSED TO MOVE FROM 3101]

43 CFR 3102.54 – Proof of Acreage Reduction

This collection is associated with situations in which a party holds excess accountable acreage as a result of:

- The termination or contraction of an oil and gas agreement;
- The elimination of a lease from an operating, drilling, or development plan; or
- A merger or the purchase of the controlling interest in a corporation.

Within 90 days of acquiring excess accountable acreage under the first or second scenario, the acquiring party must reduce the holdings to the prescribed limitation and must file proof of the reduction with the BLM. The deadline for reducing excess acreage and filing proof is 180 days under the third scenario.

43 CFR 3102.54 – Excess Acreage-Petition for Additional Time to Divest [PROPOSED TO MOVE FROM 3101]

Where, as the result of the termination or contraction of an oil and gas agreement or the elimination of a lease from an operating, drilling, or development contract, a party holds or controls excess accountable acreage, that party will have 90 calendar days from the date of termination, contraction or elimination, to reduce the holdings to the prescribed limitation and to file proof of the reduction in the proper BLM office. Where, as a result of a merger or the purchase of the controlling interest in a corporation, a party acquired acreage in excess of the amount permitted, the party holding the excess acreage will have 180 calendar days from the date of the merger or purchase to divest the excess acreage. If additional time is required to complete the divestiture of the excess acreage, a petition requesting additional time, along with a full justification for the additional time, may be filed with the authorized officer prior to the termination of the 180 days provided.

This information collection requirement was moved from 43 CFR 3101, Issuance of Leases to 43 CFR 3102, Qualifications of Lessees, because acreage limitations can also affect post-leasing actions such as assignments, transfers and reinstatements, and is substantively unchanged.

43 CFR 3103 — Fees, Rentals, and Royalty

43 CFR 3103.41 and 3103.42 — Waiver, Suspension, or Reduction of Rental or Royalty

The BLM may waive, suspend, or reduce the rental or minimum royalty, or reduce the royalty, on a leasehold or portion thereof if an operator/payor files an application that enables the BLM to determine that: (1) such action is necessary to promote development of oil or gas resources, or (2) the relevant lease or leases cannot be economically operated under the terms provided therein.

Each application must include:
- The serial number of the leases;
- The names of the record title holders, operating rights owners (sublessees), and operators;
- The description of lands by legal subdivision;
- A description of the relief requested;
- The number, location, and status of each well drilled;

- A tabulated statement for each month, covering a period of not less than six months prior to the date of filing the application, showing the aggregate amount or oil or gas subject to royalty, the number of wells counted as producing each month, and the average production per well per day; and
- A detailed statement of expenses and costs of operating the entire lease, the income from the sale of any production, and all facts tending to show whether the wells can be successfully operated upon the fixed royalty or rental.

Where the application is for a reduction in royalty, the applicant must also furnish:

- Full information as to whether overriding royalty payments out of production, or similar interests, are paid to payees other than the United States; the amounts paid; and efforts that have been made to reduce them; and
- Agreements of the holders to a reduction of all non-Federal royalties or similar payments from the leasehold to an aggregate not in excess of one-half the royalties due to the United States.

43 CFR 3105 — Cooperative Conservation

The information-collection activities in this subpart enable the BLM to manage situations in which owners of any right, title, or interest in a Federal oil and gas lease wish to adopt and operate under a joint plan for the development of oil and gas resources.

<u>43 CFR 3105.21 — Communitization Agreements (CAs)</u>

These types of agreements must be submitted to and approved by the BLM before they may be effective as to Federal leases. The BLM uses the information to determine whether the lease may be subject to drainage by an off-lease well, and whether it is in the public interest to combine operation efforts.

An application for a CA must include:
(1) A statement as to whether the proposed CA deviates from the BLM's current model CA form, and a certification that the applicant received the required signatures;
(2) An Exhibit A displaying a map of the agreement and the separate agreement tracts; and
(3) An Exhibit B displaying the separate tracts and ownership.

To ensure correct reporting to the ONRR, an application should be submitted at least 90 calendar days prior to first production, and an application to form a unit agreement, a unit expansion, or a designation of a successor operator must include the processing fee found in the fee schedule in 43 CFR 3000.120.

<u>43 CFR 3105.31 — Operating, Drilling, or Development Contracts</u>

The BLM requires a statement showing any interest held by a contractor, and a copy of the contract. A contract submitted for approval under this section shall be filed with the proper BLM office.

The BLM uses the information to determine whether the contracts involve a number of lessees sufficient to justify operations on a scale large enough to merit the discovery, development, production, or transportation of oil or gas and to finance the same.

<u>43 CFR 3105.41 — Subsurface Storage of Oil and Gas</u>

Any interested party who wants to obtain authorization to store oil and gas underground on Federal lands must file an application for a gas storage agreement. Applications for subsurface storage or designations of successor operator shall be filed in the proper BLM office. The final agreement signed by all the parties in interest must be submitted to the BLM. Applications for subsurface storage agreements or designations of successor operator must include the processing fee found in the fee schedule in 43 CFR 3000.120. The BLM uses the information to authorize subsurface storage that will avoid waste and promote conservation of the natural resources.

43 CFR 3105.50 — Consolidation of Leases

Leases may be consolidated upon written request of the lessee filed with the proper BLM office. The request must identify each lease involved by serial number and explain the factors that justify the consolidation. Include with each request for a consolidation of leases the processing fee found in the fee schedule in 43 CFR 3000.120.

43 CFR 3106 — Transfers by Assignment, Sublease, or Otherwise

43 CFR 3106.41 — Transfers of Record Title and of Operating Rights (Subleases) and 43 CFR 3106.42 — Transfers of Other Interests, Including Royalty Interests and Production Payments

The BLM uses the requested information (name, address, lease serial number, percentage of interest, and land description) to communicate with the assignee/transferee; to determine whether the assignee/transferee is qualified to hold a lease in accordance with pertinent legal and regulatory authorities; to record ownership of interests in Federal leases; to enable accurate rental billing of leaseholders; and to verify location of the lands. The assignor/transferor is not required to complete the boxes for "lease effective date" or "new serial number." The BLM supplies this information so that the assignee/transferee is aware of a new lease serial number when the lease is segregated as a result of a partial assignment and is aware of the anniversary date of the lease for rental payment purposes. Respondents check boxes to indicate whether the interest conveyed is for an oil and gas or geothermal assignment of record title, operating rights, or overriding royalty transfers. Under the regulations at 43 CFR 3106.42, the BLM requires use of these forms for transfers of royalty interests or payments out of production, if such transfers are created or reserved independently of a transfer of record title or of operating rights.

When a lessee submits an assignment or transfer, the BLM records this information in order to prevent unlawful extraction of mineral resources and to ensure prompt payment of rentals and royalties for the rights obtained under a Federal lease. This information also ensures that leases are not encumbered with agreements that cause the minerals to be uneconomical to produce, resulting in lost revenues to the Federal Government. In addition, this information enables the BLM to ensure the assignee or transferee is in compliance with bonding requirements, when necessary, before approval of the transfer or assignment.

The BLM requires the applicant to submit the following information on Form 3000-3, Assignment of Record Title Interest / Oil and Gas Leases, and Form 3000-3a, Transfer of Operating Rights / Oil and Gas Leases:

- Lease Serial Number—needed to determine the lease upon which an assignment/transfer for all or part of a record title interest, operating rights, or overriding royalty, or similar interest in a lease to another party, will be made.
- Lease Effective Date—needed to determine if the lease is still in effect.
- New Serial Number—the BLM provides a new serial number and segregates into two separate leases if the assignee conveys 100 percent record title interest of a portion of the lease to another party.
- Assignee/Transferee Name and Address—needed to identify ownership of the interest assigned/transferred and the qualifications of the transferee/assignee to take interest; and to ensure that the assignee/transferee is qualified to obtain interest in an oil and gas or geothermal lease and that the transfer will not result in holdings in violation of statutory acreage limits.

This assignment/transfer conveys the following interest: the BLM needs the legal land description and the percentage of interest owned, conveyed, and retained to determine the record title interest, operating rights, or overriding royalty, or similar interest in a lease transferred or assigned to another party.

Forms 3000-3 and 3000-3a are approved under OMB Control Number 1004-0034 (expiration date July 31, 2027). The underlying final rule does not change these forms.

Each transfer of record title or of operating rights (sublease) for each lease must include payment of the processing fee for assignments and transfers found in the fee schedule in 43 CFR 3000.120.

43 CFR 3106.43 — Mass Transfers

A mass transfer may be utilized in lieu of the provisions of 43 CFR 3106.41 and 3106.42 when an assignor or transferor transfers interests of any type in a large number of Federal leases to the same assignee or transferee. The mass transfer must be filed, in duplicate, with each proper BLM office administering any lease affected by the mass transfer. Where the BLM has authorized electronic submission, a duplicate copy of the mass transfer is not required. The transfer must be on the current Forms 3000-3 and 3000-3a, with an exhibit attached to each copy listing the following for each lease:

- The serial number;
- The type and percentage of interest being conveyed; and
- A description of the lands affected by the transfer, in accordance with 43 CFR 3106.50 of this title.

One reproduced copy of the form required by paragraph (b) of this section must be filed with the proper office for each lease involved in the mass transfer. Where the BLM has authorized electronic submission, a reproduced copy of the form per lease is not required.

The mass transfer must include the processing fee for assignments and transfers found in the fee schedule in 43 CFR 3000.120.

43 CFR 3106.81 — Heirs and Devisees Statement

In case of the death of an offeror, applicant, lessee, or transferee, the BLM requires a court order, death certificate, or other legal document demonstrating that the transferee is to be recognized as the successor of the deceased. The filing must include a qualification statement demonstrating qualification to hold interest in a lease, in accordance with 43 CFR 3102. The filing must include the processing fee for transfers to heir/devisee, found in the fee schedule in 43 CFR 3000.120. This information is necessary to update the appropriate lease(s) accomplished by operation of state law.

43 CFR 3106.82 — Change of Name

A legally recognized change of name of the lessee or sublessee must be reported to the BLM. The notice of name change must be submitted in writing with adequate information concerning the name change. For a corporate name change, the request must include the Secretary of State's Certificate of Name Change, along with the Articles of Incorporation or Amendment, if available. A notice of name change must include the processing fee for name change, found in the fee schedule in 43 CFR 3000.120. This information is necessary to update the appropriate lease(s) and agreement(s) accomplished by operation of state law.

43 CFR 3106.83 — Corporate Merger and Dissolution of Corporations, Partnerships, and Trust

Where a corporate merger affects leases where the transfer of property of the dissolving corporation to the surviving corporation is accomplished by operation of law, a transfer of any affected lease interest is not required. However, the BLM requires a notification of such merger. The required information includes:

- The Secretary of State's Certificate of Merger, along with the Articles of Incorporation or Amendment, if available;
- A Certificate of Dissolution of an incorporated entity certified as having been accepted by the state where the entity was incorporated;
- Dissolution of a partnership or trust through an order or decree that authorizes settlement, discharge, and distribution of the lease holdings and/or interests; and
- The processing fee for corporate merger, found in the fee schedule in 43 CFR 3000.120.

This information is necessary to update the appropriate lease(s) and agreement(s) accomplished by operation of state law.

43 CFR 3106.84 — Sheriff's Sale/Deed

> Where a notice of sale of the leasehold interest is published pursuant to state law applicable to the execution of sales of real property, the purchaser must submit to the proper BLM office a copy of the Sheriff's Certificate of Sale after any redemption period has passed. The purchaser(s) must file a qualification statement to hold interest in a lease, in accordance with 43 CFR 3102 of this title. Any ownership or interest otherwise forbidden by the regulations, which may be acquired by a sheriff's deed, may be held for a period not to exceed two years after its acquisition. Such notice must include the processing fee for the sheriff's deed, found in the fee schedule in 43 CFR 3000.120.

43 CFR Subpart 3108 — Relinquishment, Termination, or Cancellation

There are four collections in this subpart:

43 CFR 3108.10 — Relinquishment

A lessee may relinquish a lease only after filing a written relinquishment. All lessees holding record title interests in the lease must sign the relinquishment.

43 CFR 3108.22 — Class I Reinstatement Petition

In accordance with the MLA, at 30 U.S.C. 188 and 43 CFR 3108.22, the BLM may reinstate a lease at existing rental and royalty rates (i.e., grant a Class I Reinstatement), provided that the lessee:

- Has paid the full amount of rental due within 20 days after the anniversary date;
- Shows to the BLM's satisfaction that the failure to timely submit the full amount of the rental due was either justified or not due to a lack of reasonable diligence on the part of the lessee (e.g., paid to the ONRR through its online rental payment system); and
- Submits to the BLM a petition for reinstatement, together with a nonrefundable filing fee (specified in 43 CFR 3000.120) within 60 days after receipt of Notice of Termination of lease due to late payment of rental.

The BLM uses the information in the petition to determine whether to grant a Class I Reinstatement.

43 CFR 3108.23 — Class II Reinstatement Petition

In accordance with the MLA, at 30 U.S.C. 188 and 43 CFR 3108.23, the BLM may reinstate a lease at higher rental and royalty rates (i.e., grant a Class II Reinstatement) for competitive leases when the holder of a terminated lease:

- Has not paid or tendered back rental within 20 days of the anniversary date; and
- Has shown to the BLM's satisfaction that such failure was justified, was not due to a lack of reasonable diligence, or was inadvertent.

Terminated competitive leases may be reinstated if the required back rental and royalty at the increased rates accruing from the date of termination, together with a petition for reinstatement, are submitted on or before 60 days after the last date that any lessee of record received the Notice of Termination by certified mail, or 24 months after termination. There is a nonrefundable administrative fee of $500.

43 CFR Subpart 3109 — Leasing under Rights-of-Way

43 CFR 3109.12 — Application for Lease under Rights-of-Way

The BLM requires an application, but no specific form, to lease certain lands within a right-of-way (ROW) for the underlying oil and gas. The BLM needs the information under the Act of May 21, 1930, which authorizes the leasing of, or the entering into a compensatory royalty agreement for, oil and gas deposits under railroads and certain other types of ROW.

The ROW owner or his/her transferee must file the application in the proper BLM office and include the processing fee for leasing under ROW, found in the fee schedule in 43 CFR 3000.120. If the transferee files an application, it must also include:

- Facts as to the ownership of the ROW and of the transfer, if the application is filed by a transferee;
- An executed transfer of the right to obtain a lease, if necessary;
- A description of the development of oil or gas in adjacent or nearby lands, the location and depth of the wells, the production, and the probability of drainage of the deposits in the ROW;
- A description of each legal subdivision through which a portion of the ROW is desired to be leased; however, a description by metes and bounds of the ROW is not required;
- A map of the applicable lands; and
- The processing fee for leasing under ROW, found in the fee schedule in 43 CFR 3000.120.

43 CFR Part 3120 — Competitive Leases

43 CFR 3120.11— Lands Available for Competitive Leasing

The BLM collects information from parties that request the BLM to offer specific lands for competitive oil and gas lease sale. Such a request must describe the lands with enough specificity so that the BLM can determine what the entity is requesting. This is further described under 43 CFR 3120.31 below, Expressions of Interest. Since this activity is a part of the burden associated with the Expression of Interest, the burden is included under that activity in Table 12-2.

43 CFR 3120.31 — Expressions of Interest (EOI) Process

Lands must be identified for competitive leasing by submitting an EOI, including the applicant's name and address, to the BLM's online leasing system.

An EOI is a description of lands that an applicant seeks to include in a competitive auction. The expression must provide a description of the lands identified by legal land description, as follows:

- For lands surveyed under the public land rectangular survey system, describe the lands to the nearest aliquot part within the legal subdivision, section, township, range, and meridian;
- For unsurveyed lands, describe the lands by metes and bounds, giving courses and distances, and tying this information to an official corner of the public land surveys or to a prominent topographic feature;
- For approved protracted surveys, include an entire section, township, range, and meridian—do not divide protracted sections into aliquot parts;
- For lands that have water boundaries, include the base acreage on the initial survey or deed acquiring ownership;
- For fractional interest lands, identify the United States mineral ownership by percentage;
- For split estate lands where the surface rights are in private ownership and the rights to development of the mineral resources are publicly held and managed by the Federal Government, submit the private surface owner's name and address.

43 CFR 3120.43 — Protests [REVISED]

Before the BLM holds a competitive lease sale, it identifies eligible parcels in a Notice of Competitive Oil and Gas Lease Sale. The notice provides for a public protest period and instructions for challenging any BLM notice to offer certain lands. At least 45 calendar days prior to conducting a competitive auction, the BLM will make available to the public a list of lands to be offered for competitive lease sale in a Notice of Competitive Lease Sale. After posting the Notice of Competitive Lease Sale, the BLM will provide a protest period, of not less than 10 calendar days, for public input on the upcoming lease sale.

A protest statement requires each protest to include a statement of reasons to support the protest. It also requires that the protest state the interest of the protesting party, be signed, and reference the parcel number identified in the sale notice. Protests may be filed by mail in hard copy form or by fax, but not by email.

The BLM is proposing to move Protests from 43 CFR 3120.13 (current regulation) to 43 CFR 3120.43 so that it follows the posting of the Notice of Competitive Lease Sale. In addition, the BLM is proposing a new filing fee of $1 per page for filing protests over 50 pages, inclusive of exhibits.

43 CFR Subpart 3162 — Drainage

<u>43 CFR 3162.2-9 — Drainage Protection Reports: Preliminary, Detailed, and Additional</u>

Drainage occurs when a well is drilled close enough to the boundary of an adjacent parcel that oil or gas migrates from that parcel to the well. The information collected from this section enables the BLM to meet its responsibility for preventing drainage that could result in reduced royalties for their oil and gas resources.

While the lessee has the primary responsibility to protect the lease from drainage, the BLM routinely monitors drilling activities to determine whether appropriate steps are ensuring that Federal and Indian leases are not being drained. The BLM conducts an administrative review of leases each year to identify drainage situations and then sends the affected lessees/operating rights owners an initial contact letter. In response, the lessee(s) are required to submit a detailed drainage protection report. The content of the report varies, depending on the circumstances. The usual response indicates that a review of each drainage situation has been completed, and action is underway to sufficiently protect the BLM-administered lease from drainage.

The BLM may send a demand letter that requires an additional drainage protection report from lessees/operating rights owners. Demand letters are sent when the BLM believes that lessees and operating rights owners did not gather sufficient data to determine whether drainage is occurring or has not occurred, or did not analyze the data properly to determine that a protective well would be uneconomical. In the response, the lessee or operating rights owner notifies the BLM of plans for drainage protection and analysis and, if requested by the BLM, discloses the drainage area of the ultimate recovery of the offending well, the amount of oil and gas resources drained from the lease, and whether a protective well would be economical to drill.

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.

Forms 3000-3 and 3000-3a, which are approved by the OMB under Control Number 1004-0034, are electronically available to the public in fillable and printable format at: https://www.blm.gov/services/electronic-forms. Regarding information that does not require a specific form, respondents may compile the required non-form data and may choose to submit the information to the appropriate BLM office. Virtually all respondents prepare petitions, requests, applications, etc., in letter form on official company letterhead, and submit them by regular mail. This facilitates the BLM's review and collection of fees. Also, drainage determination information correspondence has no official or legal standing unless it is transmitted by mail or certified mail.

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 the BLM collects. The requested information is nonrecurring, occasional, and unique to each applicant/operator and to each specific oil and gas activity, and it is not available from any other data source. No similar information is available or able to be modified. Respondents supply the information, which are entities conducting oil and gas exploration and leasing activities. The information is required to receive a benefit. Each BLM state office has jurisdiction over specific lands, so no duplication occurs with respect to processing a respondent's application or information.

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

There is no significant impact on small businesses or other small entities from the information the BLM requests. The required information is the minimum necessary to allow the BLM to process an application or statement about oil and gas activities and drainage protection, and to comply with provisions of the applicable laws and regulations.

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.

A respondent uses applications and statements to submit information regarding oil and gas offers and leases on public domain and acquired lands. When the required information is not provided, lands cannot be leased, explored or developed, which would prevent the individual or entity from obtaining or retaining the benefit of an oil and gas lease.

Failure to collect the requested information would mean that the BLM would lack the information necessary to:
- Approve proposed oil and gas leasing, exploration, or operations;
- Monitor compliance with the terms and conditions of Federal oil and gas leases and with applicable laws; and
- Determine whether lessees/operating rights owners are fulfilling their obligation to protect their Federal oil and gas leases from drainage.

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 collections of information under this OMB control number are consistent with requirements outlined 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.

On June 24, 2026 (91 FR 38084), the BLM published a notice of proposed rulemaking (NPRM) providing the general public and interested parties the opportunity to submit comments on the proposed regulatory changes.

Comments submitted in response to the NPRM will be addressed in the preamble to the final rule. Comments that address the information collection requirements of this rulemaking will be summarized, along with the BLM's response to those comments, in the information collection request submitted to OMB under the PRA at the final rule stage of this rulemaking, as applicable.

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

The BLM does not provide payments or gifts to respondents.

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

There is no explicit pledge of confidentiality. This information collection is subject to a System of Records Notice, BLM-32, Minerals Authorization Tracking System.

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 ask respondents questions of a sensitive nature.

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

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

hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

* **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
* **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

Table 12-1, below, shows the BLM's estimate of the hourly cost burdens for respondents. The mean hourly wages for Table 12-1 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.release/ecec.nr0.htm.

Table 12-1: Hourly Cost Calculation

Occupational Category	Mean Hourly Wage	Benefits Multiplier	Total Mean Hourly Wage
Mining and Geological Engineers, Including Mining Safety Engineers—17-2151	$50.70	1.4	$70.98

The estimated annual reporting burdens for this collection are shown below in Table 12-2. The estimated hourly wage is shown at Table 12-1, above. The burden numbers are based on the BLM's years of experience with managing oil and gas leasing programs and the economic analysis performed by the BLM for the proposed rule. All responses occur "on occasion" and are necessary to obtain or retain a benefit (i.e., a Federal oil and gas lease). Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information.

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

Information Collection	Number of Annual Responses	Hours Per Response	Annual Burden Hours	Mean Hourly Wage	Hourly Cost Burden
Joinder evidence statement 43 CFR 3101.30	40	1	40	$70.98	$2,839.20
Excess Acreage - Proof of Acreage reduction 43 CFR 3102.54	1	1	1	70.98	$70.98
Excess Acreage - Petition for Additional Time to Divest Excess Acreage 43 CFR 3102.54	1	1	1	$70.98	$70.98
Waiver, suspension, or reduction of rental or royalty 3103.41 and 3103.42	820	2	1,640	$70.98	$116,407.20
Communitization agreements 43 CFR 3105.21	281	2	562	$70.98	$39,890.76
Operating, drilling, or development contracts 43 CFR 3105.31	1	1	1	$70.98	$70.98
Subsurface storage application 43 CFR 3105.41	1	1	1	$70.98	$70.98
Consolidation of leases 43 CFR 3105.50	50	1	50	$70.98	$3,549.00
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.41, 3106.42, and 3106.43 Form 3000-3	3,852	.5	1,926	$70.98	$136,707.48

Information Collection	Number of Annual Responses	Hours Per Response	Annual Burden Hours	Mean Hourly Wage	Hourly Cost Burden
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.41, 3106.42, and 3106.43 Form 3000-3a	4,944	.5	2,472	$70.98	$175,462.56
Heirs and devisees 43 CFR 3106.81	46	1	46	$70.98	$3,265.08
Change of name 43 CFR 3106.82	2,432	1	2,432	$70.98	$172,623.36
Corporate merger & Dissolution of corporations, partnerships and trust 43 CFR 3106.83	561	1	561	$70.98	$39,819.78
Sheriff's Sale/Deed 43 CFR 3106.84	1	1	1	$70.98	$70.98
Relinquishment 43 CFR 3108.10	300	1	300	$70.98	$21,294.00
Class I reinstatement petition 43 CFR 3108.22	45	3	135	$70.98	$9,582.30
Class II reinstatement petition 43 CFR 3108.23	34	3	102	$70.98	$7,239.96
Application for lease under ROW 43 CFR 3109.12	2	8	16	$70.98	$1,135.68
Protests 43 CFR 3120.43	39	8	312	$70.98	$22,145.76
Expressions of Interest Process 43 CFR 3120.41 and 3120.11(e)	395	8	3,160	$70.98	$224,296.80
Preliminary drainage protection report 43 CFR 3162.2-9	1,000	2	2,000	$70.98	$141,960.00
Detailed drainage protection report 43 CFR 3162.2-9	100	24	2,400	$70.98	$170,352.00
Additional drainage protection report 43 CFR 3162.2-9	10	20	200	$70.98	$14,196.00
Totals:	**14,956**	—	**18,359**	—	**$1,303,122**

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 are no capital or startup costs involved because the information requested is either available in the BLM public reading rooms or maintained by the lessees, applicants, and operators for their own use (for example, maps, reports, and lease files). Respondents are businesses that are familiar with oil and gas regulatory requirements. The costs are established fees that are associated with this collection. These costs are provided below in Table 13.

Various fees are associated with this collection. Except for Expressions of Interest and Class II petitions for reinstatement, the fees are listed at 43 CFR 3000.120 and are updated annually, in accordance with a method explained at 70 FR 58853 (October 7, 2005). The most recent update is at 89 FR 77170 (September 20, 2024).

Class II petitions for reinstatement are subject to an administrative fee of $500 per response. This fee is in accordance with 43 CFR 3108.23(b)(2)(vi).

In addition, petitioners for Class II reinstatements are required to reimburse the BLM for the cost of publishing a notice of reinstatement in the *Federal Register*, 43 CFR 3108.23(b)(2)(v). At present, the Office of the Federal Register charges $159 per column, which is the length of almost all reinstatement notices. The annual publication cost burdens are shown in Table 13-2.

Table 13: Estimated Annual Non-Hour Costs: Fixed Processing Fees

Information Collection	Number of Responses	Fixed Processing Fee per Response	Annual Cost Burden of Fixed Processing Fees
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.41 and 3106.42 Form 3000-3	3,852	$105	$404,460
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.41 and 3106.42 Form 3000-3a	4,944	$105	$519,120
Subsurface storage application 43 CFR 3105.41	1	$1,200	$1,200
Consolidation of leases 43 CFR 3105.50	50	$525	$26,250
Heirs and devisees 43 CFR 3106.81	46	$250	$11,500
Change of name 43 CFR 3106.82	2,432	$250	$608,000
Corporate merger & dissolution of corporations, partnerships and trust 43 CFR 3106.83	561	$250	$140,250
Sheriff's Sale/Deed 43 CFR 3106.84	1	$250	$250
Class I reinstatement petition 43 CFR 3108.22	45	$1,260	$56,700
Class II reinstatement petition - 43 CFR 3108.23 (34 x $500 = $17,000) and Class II reinstatement petition 43 CFR 3108.23 (34 x 159 = $5,406)	34	$651	$22,134

Information Collection	Number of Responses	Fixed Processing Fee per Response	Annual Cost Burden of Fixed Processing Fees
Application for lease under ROW 43 CFR 3109.12	2	$660	$1,320
Protests (Proposed $1 per page beyond 50 pages) 43 CFR 3120.43	14*	$1 per page, after 50 pages (average fee = $186)	$2,604
		Total Non-hour Cost Burden:	$1,793,788

* In 2024, the BLM only received 14 protests containing over 50 pages. Based on current records, if the BLM currently implemented this fee, the average surplus pages filing fee would be $186. With the proposed fee for protest that exceed 50 pages, it is expected that event fewer protest will exceed 50 pages. For this cost estimate, the BLM uses the known quantity of 14 protest that exceed 50 pages with an estimated maximum of 892 pages. There would be no fee for protests that do not exceed 50 pages.

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 hourly cost to the Federal Government is based on data at http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2025/general-schedule/.The benefits multiplier of 1.6 is implied by information at http://www.bls.gov/news.release/ecec.nr0.htm.

Table 14 -1: Hourly Cost Calculation

Position	Pay Grade	Hourly Pay Rate ($/hour)	Benefits Multiplier	Hourly Rate with Benefits	Percent of the Information Collection Completed by Each Occupation	Weighted Avg. ($/hour)
Technical Specialist	GS-12, Step 5	$41.11	1.6	$65.78	33%	$21.71
Resource Specialist	GS-11, Step 5	$34.30	1.6	$54.88	33%	$18.11
Land Law Examiner and/or Legal Instruments Examiner	GS-9, Step 5	$28.35	1.6	$45.36	34%	$15.42
						Total Weighted Average: $55.24

The table below shows the estimated annual Federal costs for each aspect of the collection. The weighted average hourly wage is shown in Table 14-1, above. The Federal cost for these information collections is based on actual BLM staff that process these information collections.

Table 14-2: Estimated Annual Cost to the Government

Information Collection	Number of Responses	Hours Per Response	Total Staff Hours	Hourly Rate	Hourly Cost
Joinder evidence statement 43 CFR 3101.31	40	1	40	$55.24	$2,210
Excess Acreage - Proof of Acreage reduction 43 CFR 3102.54	1	1	1	$55.24	$55
Excess Acreage - Petition for Additional Time to Divest Excess Acreage 43 CFR 3102.54	1	1	1	$55.24	$55
Waiver, suspension, or reduction of rental or royalty 43 CFR 3103.41 and 3103.42	820	4	3,280	$55.24	$181,187
Communitization agreement 43 CFR 3105.21	281	4	1,124	$55.24	$62,090
Operating, drilling, or development contracts 43 CFR 3105.31	1	1	1	$55.24	$55
Subsurface storage application 43 CFR 3105.41	1	1	1	$55.24	$55
Consolidation of leases 43 CFR 3105.50	50	3	150	$55.24	$8,286
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.41, 3106.42 and 3106.43 Form 3000-3	3,852	.5	1,926	$55.24	$106,392
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.41, 3106.4-2, and 3106.43 Form 3000-3a	4,944	.5	2,472	$55.24	$136,553
Heirs and devisees 43 CFR 3106.81	46	1	46	$55.24	$2,541
Change of name 43 CFR 3106.82	2,432	1	2,432	$55.24	$134,344
Corporate merger & Dissolution of corporations, partnerships and trust 43 CFR 3106.83	561	1	561	$55.24	$30,990
Sheriff’s Sale/Deed 43 CFR 3106.84	1	1	1	$55.24	$55
Relinquishment 43 CFR 3108.10	300	1	300	$55.24	$16,572
Class I reinstatement petition 43 CFR 3108.22	45	40	1,800	$55.24	$99,432
Class II reinstatement petition 43 CFR 3108.23	34	40	1,260	$55.24	$69,602
Application for lease under ROW 43 CFR 3109.12	2	40	80	$55.24	$4,419
Protests 43 CFR 3120.43	1,420	40	56,800	$55.24	$3,137,632
Expressions of Interest process 43 CFR 3120.41	395	8	3,160	$55.24	$174,558

Information Collection	Number of Responses	Hours Per Response	Total Staff Hours	Hourly Rate	Hourly Cost
Preliminary drainage protection report 43 CFR 3162.2-9	1,000	2	2,000	$55.24	$110,480
Detailed drainage protection report 43 CFR 3162.2-9	100	8	800	$55.24	$44,192
Additional drainage protection report 43 CFR 3162.2-9	10	8	80	$55.24	$4,419
Total Federal Government Cost:					**$4,326,176**

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

Currently, there are 16,340 annual responses, 29,410 annual burden hours, and $3,766,184 annual non-hour cost burdens inventoried under OMB Control Number 1004-0185. The BLM projects that the new estimated burdens under this OMB control number would be 14,956 annual responses, 18,359 annual burden hours and $1,793,788 annual non-hour cost burdens. The revisions and adjustments to the information collection requirements, along with the resulting impacts to the information collection burdens, are discussed below. These changes would be considered a program change as they would result from this rulemaking action.

Removed Information Collection Requirements.

The proposed rule would remove the below sections as they are not used by industry or the BLM.

<u>Notice of Option Statement 43 CFR 3100.31(b)</u>

The removal of this information collection requirement would result in the reduction of 1 annual response, 1 annual burden hour, and $1,200 annual non-hour cost burdens.

<u>Option Statement 43 CFR 3100.33</u>

The removal of this information collection requirement would result in the reduction of 2 annual response, 2 annual burden hours, and $26,250 annual non-hour cost burdens.

An option agreement, or statement, generally contains an exclusive right to explore and evaluate the lands during the option period. Parties use the agreement in real estate investing which grants one party the right, but not the obligation, to purchase an asset from or sell an asset to the other party. An option agreement outlines the agreed upon price and a future date for the transaction. The option period is a set period stated in the agreement during which a party may cancel the agreement without obligation to purchase the lease. The BLM proposes to rescind the regulatory sections covering options because industry has never filed options with the BLM. While the BLM has not previously received option statements from industry, the BLM cannot prohibit options and would continue to accept option statements for the lease file which is a public record.

Revised Information Collection Requirement

Proposed revisions to 43 CFR 3000.120 and proposed 3120.43 would introduce a $1 per page fee for protest filings that exceed 50 pages in length, including exhibits (see Item 13, above). This fee is proposed to discourage overly lengthy and administratively burdensome protest filings. This proposed revision is estimated to result in an additional of $2,604 annual non-hour cost burdens to respondents after the filing fee is implemented from a final rule.

The proposed rule would move 43 CFR 3120.13 Protests to 43 CFR 3120.43 under the discussion of the Notice of

Competitive Lease Sale to consolidate topics and enhance readability since protests are filed after the BLM publishes the Notice of Competitive Lease Sale.

Expression of Interest $5 Dollar Per Acre Fee -43 CFR 3120.41

Section 50101(d)(3) the One Big Beautiful Bill Act (30 U.S.C. 226) removed the Expression of Interest fee. This revision would reduce non-hour cost burden by $1,975,000.

Moved Information Collections Requirements

Proof of acreage reduction 43 CFR 3101.24(a) and Excess acreage petition - 43 CFR 3101.24(a)

These information collection requirements would be moved from 43 CFR 3101.24(a) to 43 CFR 3102.54 and the information collection requirements would remain substantively unchanged from the current requirement.

Adjustments to Burdens

Protest - 43 CFR 3120.43

The annual number of responses for Protests will be adjusted from 1,400 to 39 (-1,381) resulting in the annual burden hours adjusted from 11,360 to 312 (-11,048). This adjustment is based on the BLM's records that indicate that on average only about 39 protests are received each year. This adjustment would not impact the estimated non-hour cost burdens as the cost associated with Protest would be new as a result of the proposed rule.

Table 15: Summary of Burden Changes

Type of Burden Change	Annual Responses	Annual Burden Hours	Annual Non-hour Cost Burden
Current Burdens	**16,340**	**29,410**	**$3,766,184**
Proposed Removed Information Collection Requirements			
Notice of Option Statement 43 CFR 3100.31(b)	-1	-1	-$0
Option Statement 43 CFR 3100.33	-2	-2	-$0
Proposed Revised Information Collection Requirement			
Protest 3120.43 $1 per page exceeding 50 pages	No change	No change	+$2,604
Expression of Interest Fee	No change	No change	-$1,975,000
Net Burden Changes Due to Proposed Rule	**-3**	**-3**	**+$2,604**
Adjustments to Burden Estimates			
Protests – 43 CFR 3120.43	-1,381	-11,048	No change
New Burdens:	**14,956**	**18,359**	**$1,793,788**

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 results of this information 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 expiration date will not be displayed because this information collection does not include any forms.

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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