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4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE-2012-0015; OMB Number 1014-0019]

**Information Collection Activities: Oil and Gas Production Requirements;
Submitted for Office of Management and Budget (OMB) Review; Comment
Request**

ACTION: 30-day Notice.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), we are notifying the public that we have submitted to OMB an information collection request (ICR) to renew approval of the paperwork requirements in the regulations under Subpart K, *Oil and Gas Production Requirements*. This notice also provides the public a second opportunity to comment on the revised paperwork burden of these regulatory requirements.

DATE: You must submit comments by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit comments by either fax (202) 395-5806 or email (OIRA_Submission@omb.eop.gov) directly to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for the Department of the Interior (1014-0019).

Please provide a copy of your comments to BSEE by any of the means below.

- Electronically: go to <http://www.regulations.gov>. In the entry titled, Enter Keyword or ID, enter BSEE-2012-0015 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.

- Email cheryl.blundon@bsee.gov, fax (703) 787-1546, or mail or hand-carry comments to: Department of the Interior; BSEE; Regulations and Standards Branch; Attention: Cheryl Blundon; 381 Elden Street, HE3313; Herndon, Virginia 20170-4817. Please reference 1014-0019 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Cheryl Blundon, Regulations and Standards Branch, (703) 787-1607, to request additional information about this ICR. To see a copy of the entire ICR submitted to OMB, go to <http://www.reginfo.gov> (select Information Collection Review, Currently Under Review).

SUPPLEMENTARY INFORMATION:

Title: 30 CFR 250, Subpart K, Oil and Gas Production Requirements.

Form(s): BSEE-0126 and -0128.

OMB Control Number: 1014-0019.

Abstract: The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior to prescribe rules and regulations to administer leasing of mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-way, or a right-of-use and easement. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

Section 5(a) of the OCS Lands Act requires the Secretary to prescribe rules and regulations “to provide for the prevention of waste, and conservation of the natural resources of the Outer Continental Shelf, and the protection of correlative rights therein” and to include provisions “for the prompt and efficient exploration and development of a lease area.”

Section 1334(g)(2) states “. . . the lessee shall produce such oil or gas, or both, at rates . . . to assure the maximum rate of production which may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, and which is safe for the duration of the activity covered by the approved plan.”

In addition to the general authority of OCSLA, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA’s provisions. While the majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation or submission of false, inaccurate, or misleading reports, records, or other information. The Secretary has delegated some of the authority under FOGRMA to BSEE.

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior’s implementing policy, the Bureau of

Safety and Environmental Enforcement (BSEE) is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large. Several requests for approval required in Subpart K are subject to cost recovery and BSEE regulations specify service fees for these requests.

In addition, BSEE also issues various Notices to Lessees (NTLs) and Operators to clarify and provide additional guidance on some aspects of the regulations, as well as forms to capture the data and information. The current Subpart K regulations specify the use of forms BSEE-0126 (Well Potential Test Report) and BSEE-0128 (Semiannual Well Test Report). We have included a certification statement, on both forms, to state that false submissions are subject to criminal penalties. Also, we clarified some sections of Form BSEE-0126. These clarifications pose minor edits and they are as follows:

In Block No. 88, TYPE OF REQUEST, we added the word 'Reestablish'; in Block No. 108, we revised what read 'API @ 60° F' to now read as 'API @ 14.73 PSI & 60° F'; and in Block No. 109, we revised what read 'SP GR GAS' to now read as 'SP GR GAS @ 14.73 PSI & 60°F'.

Regulations implementing these responsibilities are under 30 CFR Part 250, Subpart K. Responses are mandatory or are required to obtain or retain a benefit. No questions of a sensitive nature are asked. The BSEE protects information considered proprietary under the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), and under regulations at 30 CFR Part 250.197, *Data and information to be made available to the public or for limited inspection*, 30 CFR Part 252, *OCS Oil and Gas Information Program*.

The information collected under Subpart K is used in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the Federal Government's royalty interest. Specifically, BSEE uses the information to:

- evaluate requests to burn liquid hydrocarbons and vent and flare gas to ensure that these requests are appropriate;
- determine if a maximum production or efficient rate is required; and,
- review applications for downhole commingling to ensure that action does not result in harm to ultimate recovery.

We collect the information required under this Subpart for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions and to evaluate the results of well tests to determine if reservoirs are being depleted in a manner that will lead to the greatest ultimate recovery of hydrocarbons.

Frequency: On occasion, daily, monthly, semi-annual, annual, and as required by regulations.

Description of Respondents: Potential respondents comprise OCS Federal oil, gas, or sulphur lessees and/or operators.

Estimated Reporting and Recordkeeping Hour Burden: The estimated annual hour burden for this information collection is a total of 20,312 hours. The following chart details the individual components and estimated hour burdens. In calculating the burdens, we assumed that respondents perform certain requirements in the normal course of their activities. We consider these to be usual and customary and took that into account in estimating the burden.

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
WELL TESTS/SURVEYS and CLASSIFYING RESERVOIRS				
1151(a)(1), (c); 1167	Conduct well production test; submit Form BSEE-0126 (Well Potential Test Report) and supporting information within 15 days after end of test period.	3	1,210 forms	3,630
1151(a)(2), (c); 1167	Conduct well production test; submit Form BSEE-0128 (Semiannual Well Test Report) and supporting information within 45 days after end of calendar half-year.	0.1 to 3*	11,136 GOM forms 60 POCS forms	2,836
1151(b)	Request extension of time to submit results of semi-annual well test.	0.5	13 requests	7
1152(b), (c);	Request approval to conduct well testing using alternative procedures.	0.75	5 requests	4
1152(d)	Provide advance notice of time and date of well tests.	0.5	12 notices	6
Subtotal			12,616 responses	6,483 hours
APPROVALS PRIOR TO PRODUCTION				
1156; 1167	Request approval to produce within 500 feet of a unit or lease line; submit supporting information/ documentation; notify adjacent operators and provide BSEE proof of notice date.	5	15 requests	75
		\$3,608 x 15 requests = \$54,120		
1156(b); 1158(b)	Notify adjacent operators submit letters of acceptance or objection to BSEE within 30 days after notice; include proof of notice date.	.5	15 letters	8
1157; 1167	Request approval to produce gas-cap gas in an oil reservoir with an associated gas cap, or to continue producing an oil well showing characteristics of a gas well with an associated gas cap; submit producing an oil well showing characteristics of a gas well with an associated gas cap; submit supporting information. .	12	48 requests	576
		\$4,592 x 48 requests = \$220,416		
1158; 1167	Request approval to downhole commingle hydrocarbons; submit supporting information; notify operators and provide proof of notice date.	6	30 applications	180
		\$5,357 x 30 applications = \$160,710		
Subtotal			108 responses	839 hours
			\$435,246 non-hour costs	
FLARING, VENTING, and BURNING HYDROCARBONS				

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1160; 1161; 1163(e)	Request approval to flare or vent natural gas or exceed specified time limits/volumes; submit evaluation/documentation; report flare/vent information due to blow down of transportation pipelines within 72 hours after incident.	0.75	1,146 requests/reports	860
1160(b); 1164(b)(1), (2)	H ₂ S Contingency, Exploration, or Development and Production Plans and, Development Operations Coordination Documents—burdens covered under 1014-0018 and BOEM’s 1010-0151. Monitor air quality and report – burdens covered under 1010-0057.			0
1162; 1163(e)	Request approval to burn produced liquid hydrocarbons; demonstrate no risk and/or submit documentation re transport. If approval needed, submit documentation with relevant information re hydrocarbons burned under the approval.	0.5	6 requests/reports	3
1163	Initial purchase or replacement of gas meters to measure the amount of gas flared or vented. This is a non-hour cost burden.			54 meters @ \$77,000 each - \$4,158,000
1163(a)(1)	Notify BSEE when facility begins to process more than an average of 2,000 bopd per month.	1	32 notices	32
1163(b);	Report to ONRR hydrocarbons produced, including measured gas flared/vented and liquid hydrocarbon burned—burden covered under 1012-0004.			0
1163(a), (c), (d)	Maintain records for 6 years detailing on a daily and monthly cumulative basis gas flaring/venting, liquid hydrocarbon burning; and flare/vent meter recordings; make available for inspection or provide copies upon request.	13	892 platforms (gas flare/vent)	11,596
		.5	60 liquid hydrocarbon	30
1164(c)	Submit monthly reports of flared or vented gas containing H ₂ S.	3	3 operators x 12 mos. = 36	108
Subtotal			2,172 responses	12,629 hours
			\$4,158,000 non-hour costs	
OTHER REQUIREMENTS				
1165	Submit proposed plan and supporting information for enhanced recovery operations.	12	16 plans	192
1165(c)	Submit periodic reports of volumes of oil, gas, or other substances injected, produced, or produced for a second time--burden covered under ONRR’s 1012-0004.			0
1166	Alaska Region only: submit annual reservoir management report and supporting information.	1	1 (req’d by State, we get copy)	1
		100	1 new development not State lands.	100

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
		20	3 annual revisions	60
1150-1167	General departure or alternative compliance requests not specifically covered elsewhere in Subpart K.	1.5	5 submissions	8
Subtotal			26 responses	361 hours
TOTAL BURDEN			14,922 responses	20,312 hours
			\$4,593,246 non-hour cost burdens	

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We have identified four non-hour cost burdens associated with the collection of information for a total of \$4,593,246. Three are service fees required to recover the Federal Government’s processing costs of certain submissions. The fourth cost is an IC equipment expenditure. They are as follows:

§ 250.1156 requires a service fee when submitting a request for approval to produce within 500 feet of a unit or lease line.	\$3,608
§ 250.1157 requires a service fee when submitting a request for approval before producing gas-cap gas from each completion in an oil reservoir known to have an associated gas cap, or to continue producing if an oil reservoir is not initially known to have an associated gas cap, but begins to show characteristics of a gas well.	\$4,592
§ 250.1158 requires a service fee for submitting a request for approval to downhole commingle hydrocarbons.	\$5,357
§ 250.1163 requires respondents to purchase and install gas meters to measure the amount of gas flared or vented gas for those that produce more than 2,000 bopd and do not already have a meter or need to replace a meter.	\$77,000

We have not identified any other non-hour cost burdens associated with this collection of information.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information, you are not obligated to respond.

Comments: Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3501, *et seq.*) requires each agency “. . . to provide notice . . . and otherwise consult with members of the public and affected agencies concerning each proposed collection of information . . .” Agencies must specifically solicit comments to: (a) evaluate whether the collection is necessary or useful; (b) evaluate the accuracy of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of technology.

To comply with the public consultation process, on September 26, 2012, we published a *Federal Register* notice (77 FR 59209) announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. In addition, § 250.199 provides the OMB Control Number for the information collection requirements imposed by the 30 CFR 250, Subpart K regulations and forms. The regulation also informs the public that they may comment at any time on the collections of information and provides the address to which they should send comments. We received one comment in response to the *Federal Register*. We offer the following in response: the commenter states that we are not following the OMB guidance for reducing reporting and paperwork burdens. In our opinion, we believe that the commenter’s proposal would not be “reducing reporting and paperwork burden”. That is, it appears the commenter is suggesting that operators submit flare/vent records to BSEE via “webpage, tablet device, or smartphone”. If that is the case, we would be increasing the reporting burden as industry is NOT now required to submit such information to BSEE, *i.e.*, operators only have to maintain the records on the facility and make them available during offshore inspections. Of course, new regulations would be needed to

require such submittals to BSEE and we would not pursue such a requirement as operators report this information monthly to ONRR on the OGOR reports (which are submitted electronically). As far as reducing “paperwork burdens”, we don’t believe that is applicable under the commenter’s proposal either as industry can store their records offshore in an electronic system as long as they are available for offshore inspection.

Relating to the Items on BSEE-0126, the commenter is correct. The items containing the "0", are simply a “check box” on the physical form.

Public Availability of Comments: Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

January 29, 2013
Dated.

Robert W. Middleton, Deputy Chief
Office of Offshore Regulatory Programs.

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