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4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE-2015-0011; OMB Control Number 1014-0019; 15XE1700DX

EEEE500000 EX1SF0000.DAQ000]

Information Collection Activities: Oil and Gas Production Requirements; Proposed Collection; Comment Request

ACTION: 60-day Notice.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), BSEE is inviting comments on a collection of information that we will submit to the Office of Management and Budget (OMB) for review and approval. The information collection request (ICR) concerns a renewal to the paperwork requirements in the regulations under Subpart K, *Oil and Gas Production Requirements*.

DATES: You must submit comments by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments by either of the following methods listed below.

- Electronically go to <http://www.regulations.gov>. In the Search box, enter BSEE-2015-0011 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. Mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Cheryl Blundon; 45600 Woodland Road, Sterling, VA 20166. Please reference ICR 1014-0019 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Cheryl Blundon, Regulations and Standards Branch at (703) 787-1607 to request additional information about this ICR.

SUPPLEMENTARY INFORMATION:

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

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

OMB Control Number: 1014-0019.

Abstract: The Outer Continental Shelf (OCS) Lands Act (OCSLA), at 43 U.S.C. 1334 authorizes the Secretary of the Interior to prescribe rules and regulations necessary for the administration of the leasing provisions of that Act related to the 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 rulemaking authority of the OCSLA at 43 U.S.C. 1334, 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 108 of FOGRMA, 30 U.S.C. 1718, grants the Secretary broad authority to inspect lease sites for the purpose of determining whether there is compliance with the mineral leasing laws. 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. Because the Secretary has delegated some of the authority under FOGRMA to BSEE, 30 U.S.C. 1751 is included as additional authority for these requirements.

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.

Regulations implementing these responsibilities are among those delegated to BSEE. The regulations under 30 CFR 250, subpart K, pertain to governing oil and gas production, associated forms, and related Notices to Lessees (NTLs) and Operators. BSEE issued several NTLs to clarify and provide additional guidance on some aspects of the current subpart K regulations.

We use the information in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the 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 use the information in Form BSEE-0126, Well Potential Test Report, for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions. The

information obtained from the well potential test is essential to determine if an MPR is necessary for a well and to establish the appropriate rate. The information in Form BSEE-0128, Semiannual Well Test Report, is used 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. This information is collected to determine the capability of hydrocarbon wells and to evaluate and verify an operator's approved maximum production rate if assigned.

No questions of a sensitive nature are asked. We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2); 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*; and 30 CFR part 252, *OCS Oil and Gas Information Program*. Proprietary information concerning geological and geophysical data will be protected according to 43 U.S.C. 1352. Responses are mandatory or are required to obtain or retain a benefit.

Frequency: On occasion, weekly, monthly, semi-annually, annually, and as a result of situations encountered depending upon the requirements.

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

Estimated Reporting and Recordkeeping Hour Burden: The currently approved annual reporting burden for this collection is 20,312 hours and \$4,593,245 non-hour costs. In this submission, we are requesting a total of 46,136 burden hours and \$1,361,176 non-hour cost burdens. The following chart details the individual components and respective hour burden estimates of this ICR. 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.	3.4	587 forms and information	1,996
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.	3.2	8,605 forms and information	27,536
1151(b)	Request extension of time to submit results of semi-annual well test.	0.6	8 requests	5
1152(b), (c);	Request approval to conduct well testing using alternative procedures.	0.9	7 requests	6
1152(d)	Provide advance notice of time and date of well tests.	0.6	36 notices	22
Subtotal			9,243 responses	29,565 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.	8.75	20 requests	175
		\$3,892 x 20 requests = \$77,840		
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.	1.63	20 letters	33
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. .	16.2	22 requests	356
		\$4,953 x 22 requests = \$108,966		
1158; 1167	Request approval to downhole commingle hydrocarbons; submit supporting information; notify operators and provide proof of notice date.	24	30 applications	720
		\$5,779 x 30 applications = \$173,370		
Subtotal			92 responses	1,284 hours
			\$360,176 non-hour costs	

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		
FLARING, VENTING, and BURNING HYDROCARBONS				
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.	2.55	231 requests/reports	589
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.	1.25	3 requests/reports	4
1163	Initial purchase or replacement of gas meters to measure the amount of gas flared or vented. This is a non-hour cost burden.		13 meters @ \$77,000 each - \$1,001,000	
1163(a)(1)	Notify BSEE when facility begins to process more than an average of 2,000 bopd per month.	1.25	33 notices	41
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.	14.8	914 platforms (gas flare/vent)	13,527
		1	60 liquid hydrocarbon	60
1164(c)	Submit monthly reports of flared or vented gas containing H ₂ S.	3.6	15 operators x 12 mos. = 180	648
Subtotal			1,434 responses	14,869 hours
			\$1,001,000 non-hour costs	
OTHER REQUIREMENTS				
1165	Submit proposed plan and supporting information for enhanced recovery operations.	12	18 plans	216
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, BSEE gets copy)	1

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		
		100	1 new develop- ment not State lands.	100
20	1 revision	20		
1150-1167	General departure or alternative compliance requests not specifically covered elsewhere in Subpart K.	2.8	29 submissions	81
Subtotal		50 responses	418 hours	
TOTAL BURDEN		10,819 Responses	46,136 Hours	
		\$1,361,176 Non-Hour Cost Burdens		

* In the future, BSEE may require electronic filing of some submissions.

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We have identified four non-hour cost burdens for this collection. Section 250.1156 requires a fee (\$3,892) to produce within 500 feet of a lease line request. Section 250.1157 requires a fee (\$4,953) for a gas cap production request. Section 250.1158 requires a fee (\$5,779) for a downhole commingling request. Section 250.1163 requires purchase and installation of gas meters (\$77,000) to measure the amount of gas flared or vented for facilities that produce more than 2,000 bopd. 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: Before submitting an ICR to OMB, PRA section 3506(c)(2)(A) 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.

Agencies must also estimate the non-hour paperwork cost burdens to respondents or recordkeepers resulting from the collection of information. Therefore, if you have other than hour burden costs to generate, maintain, and disclose this information, you should comment and provide your total capital and startup cost components or annual operation, maintenance, and purchase of service components. For further information on this burden, refer to 5 CFR 1320.3(b)(1) and (2), or contact the Bureau representative listed previously in this notice.

We will summarize written responses to this notice and address them in our submission for OMB approval. As a result of your comments, we will make any necessary adjustments to the burden in our submission to OMB.

Public Comment Procedures: 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.

Dated: August 21, 2015.

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

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