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4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement (BSEE)

**[Docket ID BSEE-2014-0005; OMB Control Number 1014-0015; 14XE1700DX
EEEE500000 EX1SF0000.DAQ000]**

**Information Collection Activities: Unitization; 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), BSEE is notifying the public that we have submitted to OMB an information collection request (ICR) for review approval of the paperwork requirements in the regulations under Subpart M, *Unitization*. 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 (1014-0015). Please provide a copy of your comments to BSEE by any of the means below.

- Electronically go to <http://www.regulations.gov>. In the Search box, enter BSEE-2014-0005 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.

- Email nicole.mason@bsee.gov, fax (703) 787-1546, or mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Nicole Mason; 381 Elden Street, HE3313; Herndon, Virginia 20170-4817. Please reference ICR 1014-0015 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Nicole Mason, Regulations and Standards Branch, (703) 787-1605, 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 M, *Unitization*.

OMB Control Number: 1014-0015.

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 (Secretary) to prescribe rules and regulations to administer leasing of the OCS. Section 1334(a) specifies that the Secretary “provide for the prevention of waste and conservation of the natural resources of the [O]uter Continental Shelf, and the protection of correlative rights therein” and include provisions for “unitization, pooling, and drilling agreements.”

In addition to the general rulemaking authority of the OCS Lands Act 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 the Office of Management and Budget (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 (DOI's) implementing policy, BSEE is required to charge fees for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Voluntary or revised unitization requests are required in Subpart M and are subject to cost recovery; BSEE regulations specify service fees for these requests.

These authorities and responsibilities are among those delegated to BSEE. The regulations at 30 CFR 250, Subpart M, concern the regulatory requirements relating to unitization on the OCS and are the subject of this collection.

Responses are voluntary, mandatory, and are required to obtain or retain benefits. 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 DOI's 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 BSEE must approve any lessee’s proposal to enter an agreement to unitize operations under two or more leases and for modifications when warranted. We use the information to ensure that operations under the proposed unit agreement will result in preventing waste, conserving natural resources, and protecting correlative rights including the government’s interests.

Frequency: Generally on occasion.

Description of Respondents: Potential respondents comprise Federal OCS oil, gas, and sulphur lessees and/or operators, and holders of pipeline rights-of-way.

Estimated Reporting and Recordkeeping Hour Burden: The estimated annual hour burden for this information collection is a total of 5,772 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.

BURDEN BREAKDOWN

Citation 30 CFR 250 Subpart M	Recordkeeping and Reporting Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens*		
Requests				
1301	Description of requirements.	Burden included in the following sections.		0
1301(d), (f)(3), (g)(1),	Request suspension of production or operations.	Burden covered under Subpart A [1014-0022].		0

Citation 30 CFR 250 Subpart M	Recordkeeping and Reporting Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens*		
(g)(2) (ii)				
1302(b)	Request preliminary determination on competitive reservoir.	116	1 request	116
1304(b)	Request compulsory unitization, including submitting unit agreement, unit operating agreement, initial plan of operation, obtain approval of Regional Supervisor if required, and supporting data; serving non-consenting lessees with documents.	234	1 request	234
1304(d)	Request hearing on required unitization.	1	1 request	1
Subtotal			3 responses	351 hours
Submittals				
1302(b)	Submit concurrence or objection on competitiveness with supporting evidence.	47	1 request	47
1302(c), (d)	Submit joint plan of operations, supplemental plans, or a separate plan if agreement cannot be reached.	68	1 plan	68
1303; 1304	*Submit revisions or modifications to unit agreement, unit operating agreement, plan of operation, change of unit operator, etc.	15	41 revs/mods	615
		\$896 fees x 41 revisions/modifications = \$36,736		
1303; 1304	*Submit initial, and revisions to, participating area.	76	9 submissions	684
1304(d)	Submit statement at hearing on compulsory unitization.	5	1 statement	5
1304(e)	Pay for and submit three copies of verbatim transcript of hearing.	1	1 submission	1
		Court reporter and 3 transcript copies for 1 hearing = \$500		
Subtotal			54 responses	1,420 hours
			\$37,236 non-hour cost burdens	
General				
1303	Apply for voluntary unitization, including submitting unit agreement, unit operating agreement, initial plan of operation, obtain approval of Regional Supervisor if required, and supporting data; request for variance from model agreement and other	500	8 apps / plans	4,000
		\$12,619 fee x 8 applications/plans = \$100,952		

Citation 30 CFR 250 Subpart M	Recordkeeping and Reporting Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens*		
	related requirements.			
1304(f)	Appeal final order of compulsory unitization.	Exempt as defined in 5 CFR 1320.4(a)(2), (c).		0
1300-1304	General departure and alternative compliance requests not specifically covered elsewhere in subpart M regulations.	1	1 requests	1
Subtotal			9 responses	4,001 hours
			\$100,952 non-hour cost burdens	
Total Burden			66 Responses	5,772 Hours
			\$138,188 Non-Hour Cost Burdens	

* These requirements are specified in each Unit Agreement.

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We have identified three non-hour cost burdens associated with this information collection. Section 250.1303 requires respondents to pay filing fees when (1) applying for a voluntary unitization proposal or unit expansion (\$12,619), as well as a (2) unitization revision (\$896). The filing fees are required to recover the Federal Government's processing costs. Section 250.1304(d) provides an opportunity for parties notified of compulsory unitization to request a hearing; therefore § 250.1304(e) requires the party seeking the compulsory unitization to (3) pay for the court reporter and three copies of the verbatim transcript of the hearing (approximately \$500).

It should be noted there have been no such hearings in the recent past, and none are expected in the near future. We have not identified any other non-hour cost burdens associated with this collection of information. We estimate a total reporting non-hour

cost burden of \$138,188. Refer to the chart in Section A.12 of this supporting statement for the specific breakdown.

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 May 19, 2014, we published a **Federal Register** notice (79 FR 28758) 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 M regulations. 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 no comments in response to the **Federal Register** notice.

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.

Information Collection Clearance Officer: Cheryl Blundon, 703-787-1607.

Dated: September 4, 2014.

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

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