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4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE-2016-0002; OMB Control Number 1014-0002;

16XE1700DX EEEE500000 EX1SF0000.DAQ000]

Information Collection Activities: Oil and Gas Production Measurement, Surface

Commingling, and Security; 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), the Bureau of Safety and Environmental Enforcement (BSEE) is 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 L, *Oil and Gas Production Measurement, Surface Commingling, and Security*. 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 (1014-0002). 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-2016-0002 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- Email kye.mason@bsee.gov, fax (703) 787-1093, 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; 45600 Woodland Road, Sterling, VA 20166. Please reference ICR 1014-0002 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Nicole Mason, 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 L, *Oil and Gas Production Measurement, Surface Commingling, and Security*.

Form(s): There are no forms associated with this information collection.

OMB Control Number: 1014-0002.

Abstract: The Outer Continental Shelf (OCS) Lands Act 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 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.

In addition to the general authority of 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 (DOI) 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. Applications for surface commingling and measurement are subject to cost recovery and 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 L, Oil and Gas Production Measurement, Surface Commingling, and Security, are the subject of this collection. This request also covers the related Notices to Lessees and Operators (NTLs) that BSEE issues to clarify, supplement, or provide additional guidance on some aspects of our regulations.

Some responses are mandatory and some are required to obtain or retain a benefit. No questions of a sensitive nature are asked. BSEE will 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*.

BSEE uses the information collected under subpart L to ensure that the volumes of hydrocarbons produced are measured accurately, and royalties are paid on the proper volumes. Specifically, BSEE needs the information to:

- Determine if measurement equipment is properly installed, provides accurate measurement of production on which royalty is due, and is operating properly;
- Obtain rates of production measured at royalty meters, which can be examined during field inspections;
- Ascertain if all removals of oil and condensate from the lease are reported;
- Ensure that the sales location is secure and production cannot be removed without the volumes being recorded;

- Review proving reports to verify that data on run tickets are calculated and reported accurately;

- Review gas volume statements and compare them with the Oil and Gas Operations Reports to verify accuracy.

Frequency: On occasion and monthly.

Description of Respondents: Potential respondents comprise OCS Federal oil, gas, or 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 39,905 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 L	Reporting or Recordkeeping Requirement+	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
Liquid Hydrocarbon Measurement				
202(a)(1), (b)(1); 1203(b)(1); 1204(a)(1)	Submit application for liquid hydrocarbon or gas measurement procedures or changes; or for commingling of production or changes.	Simple: 9	37 Simple Applications	333
		\$1,371 simple fee x 37 applications = \$50,727		
		Complex: 35	67 Complex Applications	2,345
		\$4,056 complex fee x 67 applications = \$271,752		
No fee	Submit meter status and other notifications.	2	295 notifications	590
1202(a)(4)	Copy & send pipeline (retrograde) condensate volumes upon request.	2	2 volumes	4

Citation 30 CFR 250 Subpart L	Reporting or Recordkeeping Requirement+	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1202(c)(1), (2); 1202(e)(4); 1202(h)(1), (2), (3), (4); 1202(i)(1)(i v), (2)(iii); 1202(j)	Record observed data, correction factors & net standard volume on royalty meter and tank run tickets. Record master meter calibration runs. Record mechanical-displacement prover, master meter, or tank prover proof runs. Record liquid hydrocarbon royalty meter malfunction and repair or adjustment on proving report; record unregistered production on run ticket. List Cpl and Ctl factors on run tickets.	Respondents record these items as part of normal business records & practices to verify accuracy of production measured for sale purposes.		0
1202(c)(4)*	Copy & send each liquid hydrocarbon run ticket monthly.	31 minutes	17,978 tickets	9,289
1202(d)(1); (d)(4); (k)(9); 1204(b)(1)	Permit BSEE to witness testing; request approval for proving on a schedule other than monthly; request approval for well testing on a schedule other than every 60 days.	2.5	744 proving requests	1,860
		2.5	21 well test requests	53
1202(d)(5)*	Copy & submit each liquid hydrocarbon royalty meter proving report monthly & request waiver as needed.	27 minutes	6,822 reports	3,070
1202(f)(2)*	Copy & submit each mechanical- displacement prover & tank prover calibration report.	27 minutes	67 reports	30
1202(i)(2)*	Copy & submit each royalty tank calibration chart before using for royalty measurement.	70 minutes	4 charts	5
1202(i)(3)*	Copy & submit each inventory tank calibration chart upon request; retain charts for as long as tanks are in use.	82 minutes	2 charts	3
		35 minutes	13 charts	8
Gas Measurement				
1203(b)(6), (8), (9)*	Copy & submit each gas quality and volume statement monthly or as requested.	40 minutes	6,275 Statements	4,183
1203(c)(1)	Request approval for gas calibration on a schedule other than monthly.	1	520 requests	520
1203(c)(4)*; (c)(5)	Copy & submit gas meter calibration reports upon request; retain for 2 years; permit BSEE to witness calibrations.	20 minutes	10 reports	3
		10 minutes	17,448 reports	2,908
1203(e)(1)*	Copy & submit gas processing plant records upon request.	45 minutes	1 record.	1
1203(f)(5)	Copy & submit measuring records of gas lost or used on lease upon request.	1	3 records	3
Surface Commingling				

Citation 30 CFR 250 Subpart L	Reporting or Recordkeeping Requirement+	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1204(a)(2)	Provide state production volumetric and/or fractional analysis data upon request.	10	1 report	10
1205(a)(2)	Post signs at royalty or inventory tank used in royalty determination process.	2	30 signs	60
1205(a)(4)	Report security problems (telephone).	20 minutes	2 calls	1
Miscellaneous and Recordkeeping				
1202(e)(6)	Retain master meter calibration reports for 2 years.	20 minutes	168 reports	56
1202(k)(5)	Retain liquid hydrocarbon allocation meter proving reports for 2 years.	17 minutes	9,864 reports	2,795
1203(f)(4)	Document & retain measurement records on gas lost or used on lease for 2 years at field location and minimum 7 years at location of respondent's choice.	18 minutes	9,829	2,949
1204(b)(3)	Retain well test data for 2 years.	17 minutes	23,868	6,763
1205(b)(3), (4)	Retain seal records for 2 years; make records available for BSEE inspection.	15 minutes	8,250	2,063
Total Burden			102,361 responses	39,905 hours
			\$322,479 Non-Hour Cost Burdens	

+ In the future, BSEE will be allowing the option of electronic reporting for certain requirements.

*Respondents gather this information as part of their normal business practices. BSEE only requires copies of readily available documents. There is no burden for testing, meter reading, etc.

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We estimate that the non-hour cost burden for this information collection is \$322,479. These cost burdens are for filing fees associated with submitting requests for approval of:

- simple applications (applications to temporarily reroute production for a duration not to exceed 6 months; production tests prior to pipeline construction; departures related to meter proving, well testing, or sampling frequency (\$1,371 per application)).
- complex applications (creation of new facility measurement points (FMPs); association of leases or units with existing FMPs; inclusion of production from additional

structures; meter updates which add buyback gas meters or pigging meters; other applications which request deviations from the approved allocation procedures (\$4,056 per application)).

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 March 7, 2016, we published a **Federal Register** notice (81 FR 11834) 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 L 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: Nicole Mason, 703-787-1607.

August 4, 2016
Dated.

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

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