

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR 250, Subpart F, Oil and Gas Well-Workover Operations
OMB Control Number 1010-0043
Expiration Date: December 31, 2010

Terms of Clearance: None

General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question, "Does this information collection request (ICR) contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

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

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 manage the mineral resources of the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-use and easement, or pipeline right-of-way. 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." These authorities and responsibilities are among those delegated to the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) to ensure that operations on the OCS will meet statutory requirements; provide for safety and protection of the environment; and result in diligent exploration, development, and production of OCS leases.

This ICR addresses the regulations at 30 CFR 250, Subpart F, Oil and Gas Well-Workover Operations and the associated supplementary Notices to Lessees and Operators (NLTs) that BOEMRE issues to clarify, supplement, or provide additional guidance on some aspects of our regulations.

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. If this collection is a form or a questionnaire, every question needs to be justified.

BOEMRE uses the information collected to analyze and evaluate planned well-workover operations to ensure that these operations result in personnel safety and protection of the environment. They use this evaluation in making decisions to approve, disapprove, or to require modification to the proposed well-workover operations. Specifically, BOEMRE uses the information collected to:

- Review log entries of crew meetings to verify that safety procedures have been properly reviewed.
- Review well-workover procedures relating to hydrogen sulfide (H₂S) to ensure the safety of the crew in the event of encountering H₂S.
- Review well-workover diagrams and procedures to ensure the safety of well-workover operations.
- Verify that the crown block safety device is operating and can be expected to function and avoid accidents.
- Verify that the proposed operation of the annular preventer is technically correct and will provide adequate protection for personnel, property, and natural resources.
- Verify the reasons for postponing blowout preventer (BOP) tests, verify the state of readiness of the equipment and ascertain that the equipment meets safety standards and requirements, ensure that BOP tests have been conducted in the manner and frequency to promote personnel safety and protect natural resources. Specific testing information must be recorded to verify that the proper test procedures were followed.
- Assure that the well-workover operations are conducted on well casing that is structurally competent.

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.

Currently, about 90 percent of information is submitted electronically.

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.

The information collected is unique to a specific well-workover operation and does not duplicate any other available information. The information is site specific, and similar information is not available from other sources.

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

This ICR may have a significant economic effect on a substantial number of small entities. In general, companies need large technical and financial resources and experience to conduct offshore activities safely. However, 70 percent of the lessees and operators have less than 500 employees and are considered small businesses. The burden on any small entity subject to these regulations cannot be reduced to accommodate them without sacrificing safe operations and environmental protection.

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.

If BOEMRE did not collect the information, we could not carry out the mandate of the OCS Lands Act, as amended, that specifies, “operations in the outer Continental Shelf should be conducted in a safe manner

by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control . . . or other occurrences which may cause damage to the environment or to property, or endanger life or health.” The information is collected only once for each particular well-workover operation, and, therefore, the frequency of collection cannot be reduced.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

Under § 250.617(b), during prolonged well-workover operations, the results of casing pressure tests, caliper tests, and other evaluations are submitted to BOEMRE every 30 days. This requirement ensures BOEMRE that during prolonged well workover operations with the tree removed, the well is not being subjected to any conditions that are potentially unsafe.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.

Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

Not applicable in this collection.

(e) 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.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

Not applicable in this collection.

(g) 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

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) 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.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

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 3 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 3 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.

As required in 5 CFR 1320.8(d), BOEMRE published a 60-day review and comment notice in the Federal Register on March 22, 2010 (75 FR 13570). Also, 30 CFR 250.199 explains that BOEMRE will accept comments at any time on the information collection requirements and burdens of our 30 CFR 250 regulations and associated forms. We display the OMB control numbers and provide the address for sending comments to BOEMRE. We received no comments in response to the Federal Register notice or unsolicited comments from respondents covered under these regulations.

During the comment period, BOEMRE consulted with several respondents. These respondents did not have any input regarding the availability of data, frequency of collection, clarity of instructions, and elements being collected. However, the burden estimates in section A.12 reflect adjustments based on information received from the following:

El Paso E & P, Beth Atwood, Regulatory Manager–Domestic Operations,
(713) 420-6288, 1001 Louisiana St., Houston TX 77002

Shell Exploration & Production Company, Jane Chady, Regulatory Specialist,
(504) 728-6161, Post Office Box 61933, New Orleans, LA 70161-1933

Anadarko Petroleum Corporation, Gaylene Reier, Regulatory Analyst,
(832) 636-1000, 1201 Lake Robbins Drive, The Woodlands, TX 77380

Apache Corporation, Cheryl Powell, Regulatory Supervisor,
(713) 296-6811, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056

Plains Exploration and Production Co, Gary Hertfelder, Drilling/Workover Engineer
(805) 934-8227, 210 S. Broadway, Orcutt, CA 93455

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

BOEMRE will not provide payment or gifts to respondents in this collection.

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

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), and 30 CFR 250.197, “Data and information to be made available to the public or for limited inspection.”

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 collection does not include sensitive or private questions.

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

(a) 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.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

Respondents are Federal OCS oil, gas, or sulphur lessees and/or operators. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The frequency of response is on occasion. We estimate the annual hour burden is 24,719 hours. Refer to the burden chart for the breakdown.

BURDEN TABLE

Citation 30 CFR 250	Reporting Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours (rounded)
Requests				
602	Request exceptions prior to moving well-workover equipment.	1	766 requests	766
605; 613; 615(a), (e) (4); 616(d)	Request approval to begin subsea well-workover operations; submit Forms MMS-124 (include, if required, alternate procedures and equipment; stump test procedures plan) and MMS-125.	Burden covered under 1010-0141.		0
612	Request establishment/amendment/cancellation of field well-workover rules.	5	2 requests	10
616(a)	Request exception to rated working pressure of the BOP equipment; request exception to annular-type BOP testing.	1.5	187 requests	281
600-618	General departure and alternative compliance requests not specifically covered elsewhere in Subpart F regulations.	2	200 requests	400
Subtotal			1,155	1,457
Posting				
614	Post number of stands of drill pipe or workover string and drill collars that may be pulled prior to filling the hole and equivalent well-control fluid volume.	0.25	844 postings	211
Subtotal			844	211
Submittals/Notifications				

Citation 30 CFR 250	Reporting Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours (rounded)
602	Notify BOEMRE of any rig movement within Gulf of Mexico (Form MMS-144).	Burden covered under 1010-0150.		0
617(b)	Submit results of pressure test, caliper, or otherwise evaluate tubing & wellhead equipment casing (every 30 days during prolonged operations).	4	88 reports	352
617(c)	Notify BOEMRE if sustained casing pressure is observed on a well.	1	57 notifications	57
Subtotal			145	409
Record/Document				
606	Instruct crew members in safety requirements of operations to be performed; document meetings.	1	868 workovers X 5 meetings = 4,340	4,340
611	Document results of traveling-block safety device.	1	868 workovers x 3 results = 2,604	2,604
616(a), (f)	Record test pressures during BOP and coiled tubing tests for well-workovers on a pressure chart or with a digital recorder; certify the information is correct.	2	868 workovers x 3 recordings = 2,604	5,208
616(a), (g)	Record time, date, and results of all pressure tests, actuations, inspections, and crew drills of the BOP system components and risers in the operations log during well-workovers; retain records for 2 years.	4	868 workovers x 3 recordings = 2,604	10,416
616(b)(2)	Record reason for postponing BOP system tests.	0.5	148 postponed tests	74
Subtotal			12,300	22,642
Total Burden			14,444 Responses	24,719 Hours

(c) 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. Instead, this cost should be included under “Annual Cost to Federal Government.”

The average respondent cost is \$85*/hour (rounded). This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area. See BLS website:

<http://www.bls.gov/bls/wages.htm>.

Position	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4** x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Secretaries and Administrative assistants	6	\$21	29	5%	\$1
Regulatory***	13	\$56	78	45%	\$35
Petroleum Engineers, Geologists	All Workers	\$69	97	40%	\$39
Supv. Engineer	All Workers	\$69	97	10%	\$10
Weighted Average (\$/hour)					\$85

* Note that this BLS source reflects their last update from December 2008.

** A multiplier of 1.4 (as implied by BLS news release USDL 10-1241, September 8, 2010 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

*** Management, professional and related occupations

Based on a cost factor of \$85 per hour, we estimate the total annual cost to industry is \$2,101,115 (\$85 x 24,719 hours = \$2,101,115).

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).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) 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. 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.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden 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.

(c) 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.

We have identified no reporting and recordkeeping non-hour cost burdens for this collection of information.

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.

To analyze and review the information, the Government spends an average of 1/2 hour for each hour spent by respondents for a total of 12,360 hours (rounded) (24,719 x 1/2 = 12,359.5).

The average government cost is \$61/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the REST OF THE UNITED STATES (<http://www.opm.gov/oca/10tables/>).

Position	Grade	Hourly Pay rate (\$/hour)	Hourly rate including benefits	Percent of time spent on	Weighted Average
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		estimate)	(1.5* x \$/hour)	collection	(\$/hour)
Clerical	GS-5/5	\$17	\$26	4%	\$1
Technician(s)	GS-11/5	\$31	\$47	25%	\$12
Engineer(s)	GS-13/5	\$44	\$66	65%	\$43
Supervisory	GS-14/5	\$53	\$80	6%	\$5
Weighted Average (\$/hour)					\$61

* A multiplier of 1.5 (as implied by BLS news release USDL 10-1241, September 8, 2010 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$61 per hour, the total annual estimated burden on the Government is \$753,960 (24,719 hours x 1/2 hour = 12,360 hours (rounded) x \$61 = \$753,960).

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

The current OMB inventory includes 40,899 burden hours for this collection of information. This submission requests 24,719 burden hours. The adjustment decrease of 16,180 hours is due to re-estimating the average annual responses and the amount of time required to respond based on consultations. There is no cost burden associated with this collection.

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.

BOEMRE will not tabulate or publish the data.

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.

Not applicable, as this collection of information concerns requirements in regulations.

18. Explain each exception to the topics of the certification statement identified in, "Certification for Paperwork Reduction Act Submissions."

To the extent that the topics apply to the topics of the certification statement, "Certification for Paperwork Reduction Act Submissions."