

## Supporting Statement A

### Oil, Gas, and Geothermal Resources: Transfers and Assignments (43 CFR Subparts 3106, 3135, and 3216)

OMB Control Number 1004-0034

**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 ICR contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

#### Specific Instructions

#### Justification

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

The Mineral Leasing Act (30 U.S.C. 181 *et seq.*), Mineral Leasing Act for Acquired Lands (30 U.S.C. 341-359), National Petroleum Reserve in Alaska Act (42 U.S.C. 6501-6507), and Federal Property and Administrative Services Act of 1949 (40 U.S.C. 101 *et seq.*) authorize the Bureau of Land Management (BLM) to grant oil and gas leases. The Geothermal Steam Act (30 U.S.C. 1001-1028) authorizes the BLM to grant leases for geothermal resources. On occasion, after acquiring one of these leases, a lessee will assign the lease or transfer operating rights (that is, sublease) to another party. BLM regulations at 43 CFR 3106, 3135, and 3216 outline procedures for these transactions.

The BLM must collect information about these types of transactions in order to manage these Federal leases. When a lease is assigned, the assignee assumes the obligation to pay rent, and the rights to assign and relinquish the lease. When operating rights are transferred, the transferee obtains the right to enter the leased lands to conduct drilling and related operations, including production.

**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.**

The information enables the BLM to process assignments of record title interest or transfers of operating rights (sublease) in a lease for oil and gas or geothermal resources. Each assignment or transfer is a contract between private parties but, by law, must be approved by the Secretary. The BLM uses Forms 3000-3 and 3000-3a to establish a uniform method to comply with the law by which case files and lease activities are maintained.

BLM uses the requested information (name, address, lease serial number, percent of interest, and land description) to communicate with the assignee/transferee; to determine whether the assignee/transferee is qualified to hold a lease in accordance with pertinent legal and regulatory authorities; to record ownership of interests in Federal leases; to enable accurate rental billing of leaseholders; and to verify location of the lands. The assignor/transferor is not required to complete the boxes for "lease effective date" or "new serial number." The BLM supplies this information so that the assignee/transferee is aware of a new lease serial number when the lease is segregated as a result of a partial assignment and the anniversary date of the lease for rental payment purposes. Boxes are checked to determine whether the interest conveyed is for an oil and gas or geothermal assignment of record title, operating rights, or overriding royalty transfers. Under the regulations at 43 CFR 3106.4-2, we do not require use of these forms for transfers of royalty interests or payments out of production if such transfers are created or reserved independently of a transfer of record title or of operating rights. However, space is provided for that purpose as a convenience to the transferor.

When a lessee submits an assignment or transfer, the BLM records this information because it is material to the Federal mineral leasing program to prevent unlawful extraction of mineral resources, it ensures prompt payment of rentals and royalties for the rights obtained under a Federal lease, and it ensures that leases are not encumbered with agreements that cause the minerals to be uneconomical to produce, resulting in lost revenues to the Federal Government. It also allows the BLM to ensure the assignee or transferee is in compliance with the bonding requirements, when necessary, before approval of the transfer or assignment.

We require the applicant to submit the following information on Forms 3000-3 and 3000-3a:

Lease Serial Number: We use this information to determine the lease upon which an assignment/transfer for all or part of a record title interest, operating rights, or overriding royalty, or similar interest in a lease to another party will be made.

Lease Effective Date: We need this information to determine if the lease is still in effect.

New Serial Number: We will provide a new serial number and segregate into two separate leases if the assignee conveys 100 percent record title interest of a portion of the lease to another party.

Assignee/Transferee Name and Address: We need this information to identify ownership of the interest assigned/transferred and the qualifications of the transferee/assignee to take interest. The information is necessary to ensure that the assignee/transferee is qualified to obtain interest in an oil and gas or geothermal lease and that the transfer will not result in holdings in violation of statutory acreage limits.

This assignment/transfer conveys the following interest: We need the legal land description and the percent of interest owned, conveyed, and retained to determine the record title interest, operating rights, or overriding royalty, or similar interest in a lease transferred or assigned to another party.

**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.**

Forms 3000-3 and 3000-3a are electronically available to the public in fillable and printable format at: <http://www.blm.gov/noc/st/en/business/eForms.html>.

**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.**

No duplication of information occurs on the information we collect. The requested information is nonrecurring, occasional, and unique to each applicant/operator and to each specific assignment or transfer and is not available from any other data source. No similar information is available or able to be modified. Respondents are individuals who lease Federal lands for purposes of producing or exploring for oil and gas or geothermal resources. Information is kept chronologically in case files and reviewed carefully. The information is required to obtain or retain a benefit. Each BLM State Office has jurisdiction over specific lands so that no duplication occurs with respect to issuing leases, assignments, and transfers.

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

There is not a significant impact on small businesses or other small entities from the information we request on these forms. The required information is the minimum necessary to allow BLM to approve for administrative purposes assignment and transfer applications. We request only essential information to identify the assignor and assignee or the transferor and transferee, the lands affected, and the interests being assigned or transferred. For example, the legal land description is not necessary if 100 percent interest of the entire lease is conveyed.

**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.**

Failure to collect the information would cause the BLM and the public to be in violation of the law because filing and processing assignments and transfers is required by pertinent statutes and regulations. In addition, the documents are necessary to preserve the assignee/transferee's rights to an interest in a lease. Respondents decide the frequency of assignments and transfers, so the BLM has no control over that aspect of the burden.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**
- \* requiring respondents to report information to the agency more often than quarterly;**
  - \* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
  - \* requiring respondents to submit more than an original and two copies of any document;**
  - \* requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
  - \* 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;**
  - \* requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
  - \* 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**
  - \* 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.**

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

- 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 three 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 three 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.**

On January 8, 2015, the BLM published the required 60-day notice in the Federal Register (80 FR 1047), and the comment period ended March 9, 2015. The BLM received no comments.

During the approval period, the BLM consulted via email with the three respondents listed below, to obtain their views on the availability of data; frequency of collection; the clarity of instructions; the recordkeeping, disclosure, and reporting formats; and on the data elements to be recorded, disclosed, or reported.

Jason Warran, Attorney at Large  
P.O. Box 2065  
Kensington, MD 20891  
[jrwarran@verizon.net](mailto:jrwarran@verizon.net)

The respondent stated the current forms are working well and no changes are needed. He emphasized that nothing should be changed with regard to disclosure, since assignments or transfers of leases are inherently public records, and need to appear in the case files with all of the information that's included currently.

Hanna Oil and Gas  
P.O. Box 1356  
Fort Smith, AR 72902  
Alicia Arnold  
[aarnold@hannaoilandgas.com](mailto:aarnold@hannaoilandgas.com)

The respondent stated that the availability of these forms is good if you know what you are looking for. If you are not sure what to look for then they are hard to locate. It would also be nice to have the address, to where the documents need to be sent, on the forms somewhere. Clarification of the difference between the two forms would be helpful. Otherwise, the instructions are pretty straightforward. The time it takes to get these documents recorded and returned can be a very lengthy process which can make it difficult to process transfers of the same lease.

The Barth Hinkle Trust  
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The respondent stated the forms were easy to find on the internet. However, the recovery fee was something she would not have known about if the BLM staff had not told her about it. On the

3000-3 form, she was not sure if the standard language replaced the need for individual statements. Also, the assignment had one assignee but the Limited Liability Company (LLC) has multiple members. She wished the instructions stated who needs to sign for the LLC.

The collection of information was not modified in response to these comments. However, in response to the comments received, the BLM's webpage (at [www.blm.gov](http://www.blm.gov)) provides contact information with a link to local BLM Offices for questions regarding how to complete a form or which form to use. In addition, the BLM's eForms Library webpage (at <http://www.blm.gov/noc/st/en/business/eForms.html>) has been modified to include the fixed cost recovery fees associated with these forms. It is not BLM's position to give advice on who has the authority within corporate structures or partnerships to sign legal documents or applications.

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

We do not provide payments or gifts to the respondents.

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

We protect the respondent's confidentiality to the extent consistent with the Freedom of Information Act (5 U.S.C. 552).

**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.**

We do not ask respondents questions of a sensitive nature.

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

- \* 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.**
- \* If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
- \* 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.”**

Table 12-1, below, shows the BLM’s estimate of the hourly cost burdens for respondents. The mean hourly wages for Table 12-1 were determined using national Bureau of Labor Statistics data at: [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm). The benefits multiplier of 1.4 is supported by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 12-1  
Hourly Cost Calculation**

<b>A. Occupational Category</b>	<b>B. Mean Hourly Wage</b>	<b>C. Total Mean Hourly Wage (Column B x 1.4)</b>
11-3011 Administrative Service Managers	\$43.36	\$60.70

The estimated annual reporting burdens for this collection are shown below in Table 12-2. The estimated annual responses are based on data for Fiscal Year 2014 in the BLM’s Legacy Rehost System, also known as LR2000. That system includes reports on, among other things, BLM land and mineral use authorizations for oil, gas, and geothermal leasing on federal lands and on the federal mineral estate.

**Table 12-2  
Estimates of Hour and Cost Burdens**

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time Per Response</b>	<b>D. Total Time (Column B x Column C)</b>	<b>E. Annual Cost (Column D x \$60.70)</b>
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	6,316	30 minutes	3,158 hours	\$191,691
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	28	30 minutes	14 hours	\$850
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	7,696	30 minutes	3,848 hours	\$233,574
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	30 minutes	30 minutes	\$30
Totals	14,041		7020.5 hours	\$426,144

**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.)**

- \* **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) 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 for form processing). 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.**
- \* **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens 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.

- \* 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.

There are no capital or start-up costs involved with this information collection; respondents are not required to purchase additional computer hardware or software to comply with these information collection requirements. Cost-recovery fees are required for each assignment or transfer. The regulations addressing those requirements (43 CFR 3106.3 for oil and gas, and 43 CFR 3216.14 for geothermal resources) incorporate by reference another regulation (43 CFR 3000.12), in which the BLM established or revised certain fees and service charges, and established a method by which those fees and charges are adjusted annually, 70 FR 58853 (October 7, 2005). In the most recent update, the BLM set the processing fee at \$90. See 79 FR 57476, at 57477 (September 25, 2014).

The itemized estimated fees and totals are as follows:

**Table 13**  
**Estimated Non-Hour Cost Burdens**

A. Type of Response	B. Number of Responses	C. Fixed Processing Fee	D. Annual Cost Burden of Fixed Processing Fees (Column B x Column C)
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	6,316	\$90	\$568,440
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	28	\$90	\$2,520
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	7,696	\$90	\$692,640
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	\$90	\$90
Totals	14,041		\$1,263,690

**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.**

The hourly cost to the Federal Government shown at Table 14-1, below, is based on the following U.S. Office of Personnel Management Salary Table: [http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/14Tables/html/GS\\_h.aspx](http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/14Tables/html/GS_h.aspx). The benefits multiplier of 1.5 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>. The hourly cost calculations are shown below:

**Table 14-1  
Hourly Cost Calculations**

<b>A. Position</b>	<b>B. Grade</b>	<b>C. Hourly Pay Rate</b>	<b>D. Hourly Rate Including Benefits (1.5 x Column C)</b>	<b>E. Percent of the Information Collection Completed by Each Occupation</b>	<b>F. Weighted Average Cost Per Hour (Column D x Column E)</b>
Supervisor	GS-13, Step 1	\$34.69	\$52.04	10%	\$5.20
Geologist	GS-11, Step 1	\$24.34	\$36.51	30%	\$10.95
Land Law Examiner	GS-9, Step 1	\$20.11	\$30.17	60%	\$18.10
Total					\$34.25

Table 14-2, below, shows the estimated Federal hours and costs for each component of this information collection.

**Table 14-2  
Estimated Annual Cost to the Government**

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time Per Response</b>	<b>D. Total Time (Column B x Column C)</b>	<b>E. Total Wage Cost (Column D x \$34.25)</b>
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	6,316	30 minutes	3,158 hours	\$108,162

<b>A. Type of Response</b>	<b>B. Number of Responses</b>	<b>C. Time Per Response</b>	<b>D. Total Time (Column B x Column C)</b>	<b>E. Total Wage Cost (Column D x \$34.25)</b>
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	28	30 minutes	14 hours	\$480
Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	7,696	30 minutes	3,848 hours	\$131,794
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	30 minutes	30 minutes	\$17
Totals	14,041		7020.5 hours	\$240,453

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

There are no program changes.

All of the annual responses have been adjusted. These adjustments are itemized in the following table:

<b>A. Type of Response</b>	<b>B. Number of Requested Responses</b>	<b>C. Number of Approved Responses</b>	<b>D. Difference Between Requested and Approved Responses</b>
Assignment of Record Title Interest / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3	6,316	6,428	-112
Assignment of Record Title Interest / Geothermal Resources 43 CFR 3216.14 Form 3000-3	28	70	-42

Transfer of Operating Rights / Oil and Gas Leases 43 CFR 3106.4-1 Form 3000-3a	7,696	4,426	+3,270
Transfer of Operating Rights / Geothermal Resources 43 CFR 3216.14 Form 3000-3a	1	9	-8
Totals	14,041	10,933	+3,108

In addition, the fixed cost-recovery fee has been increased from \$85 to \$90 per response for all four collection activities. Cumulatively, this adjustment increases the estimated non-hour cost burden by \$334,385 (from \$929,305 to \$1,263,690).

**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.**

The data we collect as a result of this information collection will not be published for statistical use.

**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.**

The BLM will display the expiration date of the OMB approval.

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

There are no exceptions to the certification statement.