

Federal OCS oil, gas, and sulphur lessees.

*Estimated Annual Reporting and Recordkeeping "Hour" Burden:* 90,000 reporting hours for approximately 40,000 wells, based on:

(1) ¼ hour to locate and copy a summary of drilling operations (e.g. scout tickets) for each well.

(2) 2 hours to retrieve and analyze each well file and retrieve other missing data. There are no recordkeeping requirements.

*Estimated Annual Reporting and Recordkeeping "Non-Hour Cost" Burden:* We have identified no cost burdens for this collection.

*Comments:* We will summarize written responses to this notice and address them in our submission for OMB approval. As a result of your comments and consultations with a sample of respondents, we will make any necessary adjustments to the burden in our submission to OMB. In calculating the burden, we assumed that respondents perform many of the 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.

(1) We specifically solicit your comments on the following questions:

(a) Is the proposed collection of information necessary for us to properly perform our functions, and will it be useful?

(b) Are the estimates of the burden hours of the proposed collection reasonable?

(c) Do you have any suggestions that would enhance the quality, clarity, or usefulness of the information to be collected?

(d) Is there a way to minimize the information collection burden on respondents, including through the use of appropriate automated electronic, mechanical, or other forms of information technology?

(2) In addition, the PRA requires agencies to estimate the total annual reporting "non-hour cost" burden to respondents or recordkeepers resulting from the collection of information. We need to know if you have costs associated with the collection of this information for either total capital and startup cost components or annual operation, maintenance, and purchase of service components. Your estimates should consider the costs to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you

incur costs. Capital and startup costs include, among other items, computers and software you purchase to prepare for collecting information; monitoring, sampling, drilling, and testing equipment; and record storage facilities. Generally, your estimates should not include equipment or services purchased: (i) Before October 1, 1995; (ii) to comply with requirements not associated with the information collection; (iii) for reasons other than to provide information or keep records for the Government; or (iv) as part of customary and usual business or private practices.

*MMS Information Collection Clearance Officer:* Jo Ann Lauterbach, (202) 208-7744.

Dated: February 23, 2000.

**E. P. Danenberger,**

*Chief, Engineering and Operations Division.*

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## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### Agency Information Collection Activities: Proposed Collection; Comment Request

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Notice.

**SUMMARY:** To comply with the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*), we are notifying you that we have submitted an information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval. We are also soliciting your comments on this ICR which describes the information collection, its expected costs and burden, and how the data will be collected.

**DATES:** Written comments should be received on or before April 3, 2000.

**ADDRESSES:** You may submit comments directly to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for the Department of the Interior (OMB Control Number 1010-0130), 725 17th Street, NW, Washington, DC 20503. Copies of these comments should also be sent to us. The U.S. Postal Service address is Minerals Management Service, Royalty Management Program, Rules and Publications Staff, P.O. Box 25165, MS 3021, Denver, CO 80225-0165; the courier address is Building 85, Room A-613, Denver Federal Center, Denver, CO 80225; and the email address is

*RMP.comments@mms.gov.* Our practice is to make comments, including names and home addresses of respondents, available for public review during regular business hours. Individual respondents may request that we withhold their home address from the record, which we will honor to the extent allowable by law. There may be circumstances in which we would withhold from the record a respondent's identity, as allowable by the law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses and from individuals identifying themselves as representatives or officials of organizations or businesses available for public inspection in their entirety.

**FOR FURTHER INFORMATION CONTACT:** For questions concerning this collection of information, please contact Anne Ewell, RIK Study Team, telephone (703) 787-1584, FAX (703) 787-1093, email Anne.Ewell@MMS.gov. You may also obtain copies of this collection of information at no cost by contacting Jo Ann Lauterbach, MMS's Information Collection Clearance Officer, at (202) 208-7744.

#### SUPPLEMENTARY INFORMATION:

*Title:* Directed Communications Between Operators of Federal Royalty in Kind (RIK) Leases and Deliverers of Equivalent Crude Oil Production to the Strategic Petroleum Reserve (SPR).

*OMB Control Number:* 1010-0130.

*Abstract:* The Secretary of the Interior, under the Outer Continental Shelf Lands Act (43 U.S.C. 1353), is responsible for the management of royalty revenues on minerals produced from leased Federal offshore lands. MMS carries out these responsibilities for the Secretary. Most royalties are now paid in value—when a company or individual enters into a contract to develop, produce, and dispose of minerals from Federal lands, that company or individual agrees to pay the United States a share (royalty) of the value received for the minerals taken from leased lands.

On February 11, 1999, the Department of the Interior announced that it would assist in an Administration initiative to collect royalty in the form of crude oil production (RIK) from Federal lessees in the Gulf of Mexico and transfer the royalty oil (or equivalent oil) to the Department of Energy (DOE). DOE will use 28 million barrels of RIK oil to refill the Strategic Petroleum Reserve (SPR). DOE published a Request for Offers

(RFO) in April 1999 for the exchange of Federal RIK crude oil for crude oil to be delivered to the SPR. This initiative is separate from MMS's RIK program for eligible refiners of crude oil. It is also separate from MMS's RIK pilot projects and investigation of direct Federal consumption which are being conducted to examine the feasibility and efficacy of RIK for the Federal Government.

Communication between the operators of an MMS lease and DOE's contractor is necessary to assure that both have information necessary to arrange to timely pick up the correct volumes and qualities of MMS's share of royalty oil from that lease and make any needed adjustments. On June 25, 1999, OMB granted emergency approval for MMS to instruct lessees (or their operators), through a "Dear Operator" letter which contains reporting and recordkeeping requirements, to conduct those communications with DOE's contractors.

The three kinds of directed communication between operators and exchange contractors of RIK are: (1) 8 to 10 days before the beginning of a month, report any changes in the delivery schedule, volumes, and qualities of the RIK crude oil to be made available for that month; (2) information on changes during the month, at the end of a month, and the end of the contract term to correct (balance) any errors discovered in prior months' deliveries; and (3) occasionally, information about transportation of the RIK. Experience with the SPR initiative and MMS's RIK Pilots demonstrates that the directed communication requirements differ according to the needs of each situation. For example, when RIK is delivered to MMS or its designee (e.g., DOE's contractor) at the lease, the direction to make arrangements to transport production away from the lease is not necessary in letters issued to those lease operators. Therefore, we are not requesting approval of a specific "Dear Operator" letter to operators delivering to SPR, but, instead, approval for the three kinds of reporting requirements concerning communications between operators and MMS's designated taker of its RIK—DOE's exchange contractor. By obtaining approval for these three kinds of reporting requirements, MMS will be able to select only the types of directed communications and other unique matters needed for each situation and include only those in a letter appropriate to the operation of that lease or property.

The types of communication and supporting data MMS will require operators to use in setting up the

monthly delivery of RIK to the exchange contractor are standard business practices in the oil and gas industry. The information in the directed communication is essential to the delivery and acceptance of verifiable quantities and qualities of oil and is exchanged as a normal part of the conduct of those business activities, even when operators are not directed to do so. Failure of lessees/operators to timely communicate with DOE's contractor designated by MMS concerning the volumetric, delivery, and transportation information concerning MMS's RIK volumes will result in storage costs being incurred due to DOE's contractor not knowing the production is available for pick up. Monetary penalties could also accrue to MMS's designee (the DOE contractor) if the contractor cannot meet delivery due dates when exchanging MMS's oil for oil closer to the SPR delivery point. Additionally, failure to communicate data from balancing accounts would severely impair MMS's ability to verify that its designee is receiving the full and accurate volume of MMS's royalty share of production. Operators will not be required to communicate with more than one exchange contractor per property.

No proprietary information will be submitted to MMS under this collection. No items of a sensitive nature are collected. The requirement to respond is mandatory.

The PRA provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. A 60-day **Federal Register** Notice soliciting comments on this collection of information was published on August 13, 1999 (64 FR 44236). No comments were received. However, MMS increased the estimated hour burden based on comments received on a related collection, OMB Control No. 1010-0126, and feedback from MMS operators of leases delivering RIK to exchange contractors under the SPR initiative.

*Estimated Number and Type of Respondents/Affected Entities:* Approximately 30 lessees or operators of Federal leases participating in delivery of Federal RIK oil production to DOE's contractor for refilling of the SPR.

*Frequency of Response:* Monthly cycle, with intra-month communications, on monthly nominations, scheduling, transportation and balancing; on occasion, (about once-yearly) communications on end-of-contract balancing.

*Burden Statement and Estimated Annual Reporting and Recordkeeping "Hour" Burden:* We estimate the respondent burden for intra-month communications during FY 2000 to average 10 minutes per property per month and the burden for communications on end-of-contract balancing for short-term contracts terminating during FY 2000 to be 15 minutes per property. The total annual burden hour estimate for this collection is about 201 hours annually, including recordkeeping.

*Estimated Annual Reporting and Recordkeeping "Non-Hour Cost" Burden:* We have identified no paperwork cost burdens for this collection over those included in hour burden.

*Comments:* Section 3506(c)(2)(A) of the PRA 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 proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency's estimate 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 automated collection techniques or other forms of information technology.

Send your comments directly to the offices listed under the addresses section of this notice. OMB has up to 60 days to approve or disapprove the information collection but may respond after 30 days. Therefore, to ensure maximum consideration, OMB should receive public comments by April 3, 2000.

*MMS Information Collection Clearance Officer:* Jo Ann Lauterbach (202) 208-7744.

Dated: February 28, 2000.

**Lucy Querques Denett,**  
Associate Director for Royalty Management.  
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