

[4310-MR-W]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for Office of Management and Budget (OMB) Review; Comment Request

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of an extension of a currently approved information collection (OMB Control Number 1010-0088).

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), we are 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 30 CFR Part 227— Delegation to States. This notice also provides the public a second opportunity to comment on the paperwork burden of these regulatory requirements. The ICR is titled “30 CFR Part 227—Delegation to States.”

DATES: Submit written comments on or before (INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER).

ADDRESSES: You may submit comments either by fax (202) 395-5806 or email (Ruth_Solomon@omb.eop.gov) directly to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for the Department of the Interior (OMB Control Number 1010-0088). You may also mail or hand-carry your comments to Sharron L. Gebhardt, Regulatory Specialist, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 320B2, Denver, Colorado 80225. If you use an

overnight courier service, our courier address is Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225. You may also email your comments to us at mrm.comments@mms.gov. Include the title of the information collection and the OMB Control Number in the "Attention" line of your comment. Also include your name and return address. Submit electronic comments as an ASCII file avoiding the use of special characters and any form of encryption. If you do not receive a confirmation that we have received your email, contact Ms. Gebhardt at (303) 231-3211.

FOR FURTHER INFORMATION CONTACT: Sharron L. Gebhardt, telephone (303) 231-3211, fax (303) 231-3781, email Sharron.Gebhardt@mms.gov. You may also contact Sharron Gebhardt to obtain a copy at no cost of the regulations that require the subject collection of information.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Part 227, Delegation to States.

OMB Control Number: 1010-0088.

Bureau Form Number: None.

Abstract: The Secretary of the U.S. Department of the Interior (DOI) is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands. The Secretary is required by various laws to manage mineral resources production on Federal and Indian lands, collect the royalties due, and distribute the funds in accordance with those laws. The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. MMS performs the royalty management functions and assists the Secretary in carrying out DOI's Indian trust responsibility.

The Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA), Public Law 104-185, as corrected by Public Law 104-200, amends the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), 30 U.S.C. 1701 et seq. Prior to enactment of RSFA, section 205 of FOGRMA, 30 U.S.C. 1735, provided for the delegation of audits, inspections, and investigations to the States. RSFA amendments to section 205 of FOGRMA provided that other Federal royalty management functions also may be delegated to requesting States. RSFA authorized the following Federal royalty management functions to States:

- a. Conducting audits and investigations;
- b. Receiving and processing production and royalty reports;
- c. Correcting erroneous report data;
- d. Performing automated verification; and
- e. Issuing demands, subpoenas (except for solid mineral and geothermal leases), orders to perform restructured accounting, and related tolling agreements and notices to lessees or their designees.

Currently, 10 States have delegation agreements to perform audits and investigations, which is the same function previously authorized under FOGRMA in 1982. Since the passage of RSFA and publication of the final rule on August 12, 1997, no States have proposed a delegation agreement to assume the four additional functions authorized by RSFA. When a State performs any of the delegated functions under the 30 CFR 227 regulations, the State also assumes the burden of providing various types of information to MMS. This information, provided to MMS in the course of performing the work of the delegated functions, is the focus of this information collection.

The requirement to respond is voluntary. If a State were to perform the function of processing royalty and production reports, that State would submit proprietary data to MMS, and both the State and MMS are required to safeguard and protect proprietary data. No items of a sensitive nature are collected.

Frequency of Response: Depending on the function being performed, information can be daily, monthly, quarterly, or annually.

Estimated Number and Description of Respondents: 10 States currently have delegation agreements to do audits and investigations. We estimate that one State per year may request to perform the four additional functions authorized by RSFA.

Estimated Annual Reporting and Recordkeeping “Hour” Burden: 4,179 hours.

The following chart shows the breakdown of the estimated burden hours by CFR section and paragraph:

State Respondent Annual Burden Hour Chart

30 CFR Section	Reporting Requirement	Burden Hours per Response	Annual Number of Responses	Annual Burden Hours
-----------------------	------------------------------	----------------------------------	-----------------------------------	----------------------------

30 CFR Section	Reporting Requirement	Burden Hours per Response	Annual Number of Responses	Annual Burden Hours
227.103; 227.107; 227.109; 227.110(a), (b)(1) and (2), (c), (d), and (e); 227.111(a) and (b); 227.805	If you want MMS to delegate royalty management functions to you, then you must submit a delegation proposal to the MMS Associate Director for Minerals Revenue Management. MMS may extend the 90-day period with your written consent. You may submit a new delegation proposal at any time following a denial . . . and upon request, [MMS] will send a copy of the delegation proposals to trade associations to distribute to their members. . . You may ask MMS to renew the delegation for an additional 3 years no less than 6 months before your 3-year delegation agreement expires. You must submit your renewal request to the MMS Associate Director for Minerals Revenue Management . . . You may submit a new renewal request any time after denial. After the 3-year renewal period for your delegation agreement ends, if you wish to continue performing one or more delegated functions, you must request a new delegation agreement from MMS . . . If you do not request a hearing . . . any other affected person may submit a written request for a hearing to the MMS Associate Director for Minerals Revenue Management. Before the agreement expires, if you wish to continue to perform one or more of the delegated functions you performed under the expired agreement, you must request a new delegation agreement meeting the requirements of this part and the applicable standards. If you want to perform royalty management functions in addition to those authorized under your existing agreement you must request a new delegation . . . After your delegation agreement is terminated, you may apply again for delegation by beginning with the proposal process . . .	200	3	600
227.112(d) and (e)	At a minimum, you must provide vouchers detailing your expenditures quarterly during the fiscal year; You must maintain adequate books and records to support your vouchers.	4	80	320
227.200(a), (b)(1), (2), (3), (4), and (5); (c), and (d)	. . . You must seek information or guidance from MMS regarding new, complex, or unique issues. Provide complete disclosure of financial results of activities; Maintain correct and accurate records of all mineral-related transactions and accounts; Maintain effective controls and accountability; Maintain effective system of accounts . . . ; Maintain adequate royalty and production information . . . Assist MMS in meeting the requirements of . . . GPRA; Maintain all records you obtain or create. . .	200	10	2,000

30 CFR Section	Reporting Requirement	Burden Hours per Response	Annual Number of Responses	Annual Burden Hours
227.200(e) and (h); 227.801(a); 227.804	Provide reports to MMS about your activities under your delegated functions (progress reports) . . . you must provide periodic statistical reports to MMS summarizing the activities you carried out . . . ; Help MMS respond to requests for information from other Federal agencies, Congress, and the public . . . You may ask MMS for an extension of time to comply with the notice. In your extension request you must explain why you need more time . . . You may request MMS to terminate your delegation at any time by submitting your written notice of intent 6 months prior to the date on which you want to terminate . . .	3	80	240
227.200(f); 227.401(e) 227.601(d)	Assist MMS in maintaining adequate reference, royalty, and production databases; access well, lease, agreement, and reporter reference data from MMS, and provide updated information to MMS. . . Access well, lease, agreement, and production reporter or royalty reporter reference data from MMS and provide updated information to MMS5	250	125
227.200(g)	Develop annual work plans . . .	60	10	600
227.400(a) (4), (6) 227.401(d)	If you request delegation of either production report or royalty report processing functions, you must perform . . . timely transmitting production report or royalty report data to MMS and other affected Federal agencies; . . . Providing production data or royalty data to MMS and other affected Federal agencies . . . Timely transmit required production or royalty data to MMS and other affected Federal agencies5	250	125
227.400(c)	You must provide MMS with a copy of any exceptions from reporting and payment requirements for marginal properties and any alternative royalty and payment requirements for unit agreements and communitization agreements you approve.	20	1	20
227.501(c)	Submit accepted and corrected lines to MMS to allow processing in a timely manner5	250	125
227.601(c)	To perform automated verification or production reports or royalty reports, you must: Maintain all documentation and logging procedures . . .	2	12	24
Total			946	4,179

Estimated Annual Reporting and Recordkeeping “Non-hour Cost” Burden: The non-hour cost burden for one State to assume the four additional functions authorized by

RSFA is estimated at \$60,000 for electronic processing and imaging capability.
Annualized over 3 years, the cost is \$20,000.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, et seq.) 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.

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.

To comply with the public consultation process, we published a notice in the *Federal Register* on April 8, 2003, (68 FR 17073) announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received no comments in response to this notice.

If you wish to comment in response to this notice, you may send your comments 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 [INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE

FEDERAL REGISTER].

Public Comment Policy: We will post all comments in response to this notice on our web site at http://www.mrm.mms.gov/Laws_R_D/InfoColl/InfoColCom.htm. We will also make copies of the comments available for public review, including names and addresses of respondents, during regular business hours at our offices in Lakewood, Colorado. Individual respondents may request that we withhold their home address from the public record, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by law. If you request that we withhold your name and/or address, 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.

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

Date

Lucy Querques Denett
*Associate Director for
Minerals Revenue Management*