

[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 1010-0061).

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 206, Subpart B—Indian Oil. This notice also provides the public a second opportunity to comment on the paperwork burden of these regulatory requirements. We changed the title of this ICR to clarify the regulatory language we are covering under 30 CFR Part 206. The previous title was “Oil Transportation Allowances.” The new title is “30 CFR Part 206, Subpart B—Indian Oil, § 206.55—Determination of Transportation Allowances (Form MMS-4110, Oil Transportation Allowance Report).”

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

ADDRESSES: Submit written comments by either FAX (202) 395-6566 or e-mail (*OIRA_Docket@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 1010-0061). Mail or hand-carry a copy of your comments to Sharron L. Gebhardt, Lead Regulatory Specialist, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 302B2, 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 e-mail 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 e-mail, contact Ms. Gebhardt at (303) 231-3211.

FOR FURTHER INFORMATION CONTACT: Sharron L. Gebhardt, telephone (303) 231-3211, FAX (303) 231-3781, e-mail Sharron.Gebhardt@mms.gov. You may also contact Sharron Gebhardt to obtain copies of the form and the regulations requiring the subject collection of information. There is no charge for these copies.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Part 206, Subpart B—Indian Oil, § 206.55—Determination of Transportation Allowances (Form MMS-4110, Oil Transportation Allowance Report).

OMB Control Number: 1010-0061.

Bureau Form Number: Form MMS-4110.

Abstract: The Secretary of the U.S. Department of the Interior is responsible for matters relevant to mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary, under the Mineral Leasing Act

(30 U.S.C. 1923) and the Outer Continental Shelf Lands Act (43 U.S.C. 1353), is responsible for managing the production of minerals from Federal and Indian lands and the OCS, collecting royalties from lessees who produce minerals, and distributing the funds collected in accordance with applicable laws.

The Secretary has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The MMS performs the royalty management functions and assists the Secretary in carrying out the Department's Indian trust responsibility. Applicable citations of the laws pertaining to mineral leases on Indian lands include 25 U.S.C. 396d (Chapter 12—Lease, Sale, or Surrender of Allotted or Unallotted Lands); 25 U.S.C. 2103 (Indian Mineral Development Act of 1982); and Public Law 97-451—Jan. 12, 1983 (Federal Oil and Gas Royalty Management Act of 1982).

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share (royalty) of the value received from production from the leased lands. The lease creates a business relationship between the lessor and the lessee. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to ensure that the royalties are paid appropriately.

Proprietary information submitted to MMS under this collection is protected, and no items of a sensitive nature are collected. The MMS requires a response from the lessee in order to obtain the benefit of a transportation allowance on an Indian lease.

Transportation Allowances—Under certain circumstances, the regulations authorize lessees to deduct from royalty payments the reasonable actual costs of transporting the royalty portion of produced minerals from the lease to a sales point not in the immediate lease area. The MMS verifies transportation allowances during the product valuation verification to determine if the lessee reported and paid the proper royalty amount.

The MMS collects transportation allowance data on Form MMS-4110, Oil Transportation Allowance Report. The MMS and tribal personnel use the information collected on Form MMS-4110 to evaluate the reasonableness of allowances reported and claimed by lessees. To take a transportation deduction, lessees must submit Form MMS-4110 before or in the same month that they report the transportation allowance on Form MMS-2014, Report of Sales and Royalty Remittance (OMB Control Number 1010-0140, expiration date October 31, 2006).

The MMS is requesting OMB's approval to continue to collect this information. Not collecting this information may impact our ability to ascertain the reasonableness of the costs claimed for transportation allowances.

Frequency: Annually and on occasion.

Estimated Number and Description of Respondents: 6 Indian lessees.

Estimated Annual Reporting and Recordkeeping "Hour" Burden: 60 hours.

We base our calculations of the estimated burden hours on the reasonable expectation of 12 responses from 6 Indian lessees. We include reporting requirements

(§ 206.55(c)(1)(iv) and § 206.55(c)(2)(vi)) that were overlooked in the previous renewal; however these reporting requirements are audit related and impose no additional burden hours. Through customer contact, we obtained more accurate estimates of the time required to provide the information requested. We do not include in our estimates certain requirements performed in the normal course of business and considered usual and customary. The following chart shows the estimated burden hours by CFR section and paragraph:

Respondents' Estimated Annual Burden Hours

Citation 30 CFR 206 Subpart B	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
<i>Indian Oil Transportation Allowances</i>				
206.55 (a)(1)(i)	<i>Arm's-length transportation contracts.</i> * * * Before any deduction may be taken, the lessee must submit a completed page one of Form MMS-4110 (and Schedule 1), Oil Transportation Allowance Report * * *.	See § 206.55(c)(1)(i) and (iii).		0
206.55 (b)(1)	<i>Non-arm's-length or no contract.</i> * * * Before any estimated or actual deduction may be taken, the lessee must submit a completed Form MMS-4110 in its entirety * * *.	See § 206.55(c)(2)(i), and (ii).		0
206.55 (c)(1)(i)	<i>Reporting requirements. Arm's-length contracts.</i> With the exception of those transportation allowances specified in paragraphs (c)(1)(v) and (c)(1)(vi) of this section, the lessee shall submit page one of the initial Form MMS-4110 (and Schedule 1), Oil Transportation Allowance Report, prior to, or at the same time as, the transportation allowance determined under an arm's-length contract, is reported on Form MMS-2014, Report of Sales and Royalty Remittance. * * *	4	3	12

Citation 30 CFR 206 Subpart B	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.55 (c)(1)(iii)	<i>Arm's-length contracts.</i> After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4110 (and Schedule 1) within 3 months after the end of the calendar year, or after the applicable contract or rate terminates or is modified or amended, whichever is earlier, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	4	3	12
206.55 (c)(1)(iv)	<i>Arm's-length contracts.</i> MMS may require that a lessee submit arm's-length transportation contracts, production agreements, operating agreements, and related documents. Documents shall be submitted within a reasonable time, as determined by MMS.	PRODUCE RECORDS The Office of Regulatory Affairs (ORA) determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.55 (c)(2)(i)	<i>Non-arm's-length or no contract.</i> With the exception of those transportation allowances specified in paragraphs (c)(2)(v), (c)(2)(vii) and (c)(2)(viii) of this section, the lessee shall submit an initial Form MMS-4110 prior to, or at the same time as, the transportation allowance determined under a non-arm's-length contract or no-contract situation is reported on Form MMS-2014. * * * The initial report may be based upon estimated costs.	6	3	18
206.55 (c)(2)(iii)	<i>Non-arm's-length or no contract.</i> For calendar-year reporting periods succeeding the initial reporting period, the lessee shall submit a completed Form MMS-4110 containing the actual costs for the previous reporting period. If oil transportation is continuing, the lessee shall include on Form MMS-4110 its estimated costs for the next calendar year. * * * MMS must receive the Form MMS-4110 within 3 months after the end of the previous reporting period, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	6	3	18

Citation 30 CFR 206 Subpart B	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.55 (c)(2)(iv)	<i>Non-arm's-length or no contract.</i> For new transportation facilities or arrangements, the lessee's initial Form MMS-4110 shall include estimates of the allowable oil transportation costs for the applicable period. * * *	See § 206.55(c)(2)(i).		0
206.55 (c)(2)(vi)	<i>Non-arm's-length or no contract.</i> Upon request by MMS, the lessee shall submit all data used to prepare its Form MMS-4110. The data shall be provided within a reasonable period of time, as determined by MMS.	PRODUCE RECORDS	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.	0
TOTAL BURDEN			12	60

Estimated Annual Reporting and Recordkeeping “Non-hour” Cost Burden: We have identified no “non-hour” cost burdens.

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 26, 2004 (69 FR 22550), announcing we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received no written comments in response to the 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. Upon request, we will withhold an individual respondent's home address from the public record, as 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 your request 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: Arlene Bajusz (202) 208-7744.

Date

Lucy Querques Denett
Associate Director for
Minerals Revenue Management