



## Shell Exploration & Production

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Via email to [OIRA\\_Submission@omb.eop.gov](mailto:OIRA_Submission@omb.eop.gov)

March 26, 2015

**Re: Information Collection Burden: Oil and Gas and Sulphur Operations on the Outer Continental Shelf—Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf, 1082-AA00**

The Department of the Interior (DOI), acting through the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE), published its Proposed Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf (OCS) (Proposed Arctic Regulations) in the Federal Register on February 24, 2015. Shell Exploration and Production Company (Shell), for purposes of these comments representing Shell Offshore Inc. and Shell Gulf of Mexico Inc., appreciates the opportunity to comment on the information collection aspects of the Proposed Arctic Regulations.

As a preliminary matter, on February 27, 2015, Shell submitted a request for a 60-day extension of the public comment period on the Proposed Arctic Regulations, as well as a 90-day extension to the information collection comment deadline so that both comment periods would run concurrently. Shell has not been notified of any extension to the comment periods, and as such submits these comments regarding information collection burdens on the existing deadline of March 26<sup>th</sup>. Given the comprehensive nature of the rule package proposed by the DOI, and the correlating increases to existing information collection burdens on Alaska OCS lessees, Shell would like to emphasize that the time provided for these comments was insufficient.

Shell urges the Office of Management and Budget's Office of Information and Regulatory Affairs (OMB and OIRA, respectively) to disapprove the DOI's information collection requests (ICR) related to the Proposed Arctic Regulations, or at a minimum, to file comment requiring that DOI more accurately assess the information burden associated with the Proposed Arctic Regulations before resubmitting the ICRs with the final rule. Despite OIRA's past efforts to rationalize the implementation of the Paperwork Reduction Act (PRA), DOI has turned a blind eye to this mandate and OIRA's guidance.<sup>1</sup> As described below, DOI's proposed ICR is inconsistent with the PRA because it

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<sup>1</sup> See, e.g., Memorandum from Cass Sunstein to the Heads of Executive Departments and Agencies, "Reducing Reporting and Paperwork Burdens" (June 12, 2012) and Memorandum from Cass Sunstein to Heads of Executive Departments and Agencies and Independent Regulatory Agencies, "Information Collection Under the Paperwork Reduction Act" (April 7, 2010).

maximizes, not minimizes, the Federal information collection burden on those entities most adversely affected, namely Arctic OCS lessees and operators. Moreover, Shell does not believe that DOI can certify the ICR pursuant to the criteria in 44 U.S.C. § 3506(c)(3). DOI's justification for the ICR is not well-founded and its estimates for the time burdens imposed on lessees by the rule are inaccurate; in some instances by an order of magnitude. Shell is not aware of any attempt by BOEM or BSEE to contact Shell for supporting data regarding the requirements discussed below, despite Shell's experience crafting an Integrated Operations Plan (IOP) in 2013.

The following are examples of where DOI's ICRs depart significantly from the reality of the regulatory burden being proposed in the Proposed Arctic Regulations. As noted above, 30 days is insufficient to fully analyze and address the full scope of both ICRs.

#### **I. BOEM's ICR Grossly Underestimates the Hours Burden Associated with the Proposed Integrated Operations Plan Requirement**

BOEM has estimated that the submission of an IOP, including all required information will impose a time burden of only 90 hours per plan.<sup>2</sup> BOEM notes that "[i]ndustry already compiles this information internally for planning and contract oversight; therefore, the burden expected is minimal, just to prepare and submit to BOEM." This statement is unsupported and inaccurate. The requirements set forth in proposed § 550.204 mirror the existing regulatory requirements governing the submission of an EP, but require that operators compile and craft an IOP 90 days before an EP would be submitted. The timing of the requirement alone poses challenges to compiling this information that would drastically increase the time burden estimated by BOEM.

Moreover, the IOP necessarily and by design requires the same level of integrative planning already inherent in the EP process, but again, on a timeline that makes little sense from a business or operational point of view. The EP process easily exceeds 90 hours of work, between compiling and drafting the plan and then responding to a large volume of requests for additional information from the agency. The IOP represents a new and substantial regulatory requirement equal to, if not greater than, the existing EP requirements, and must be submitted during a time period in which Arctic lessees will presumably be conducting operations. BOEM's estimate of 90 hours to complete this work is egregiously low and misrepresents the significance of the IOP requirement.

In addition, DOI's proposed IOP process would, notwithstanding the agency's arguments to the contrary, require industry operators to provide nearly identical information as part of future Exploration Plan and Application for Permit to Drill (APD) processes.<sup>3</sup> DOI cannot overcome the PRA's clear mandate to minimize the Federal information collection burden by arguing that information at the IOP stage is at a "conceptual or strategic level", but then expect operators to later submit information of a similar type or nature. Finally, instead of requiring the submission of duplicative information at the EP and APD stages, BOEM and BSEE should engage in a more collaborative effort to ensure that information is shared between the agencies, thereby minimizing the burden on industry operators.

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<sup>2</sup> BOEM also indicates in its ICR that two plans will be submitted each year. The Proposed Arctic Regulations indicate that only one IOP would be submitted per Exploration Plan (EP). It is unclear under what circumstances two IOPs would be necessary in one year.

<sup>3</sup> Compare 30 C.F.R. § 250.470 (a)(2) and 30 C.F.R. § 550.204(a) (seeking information about whether and how equipment, materials, and drilling units will be capable of operating in the conditions at the proposed drilling site).

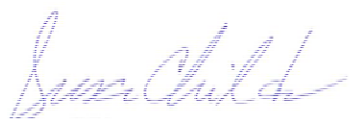
## **II. BSEE's ICR is Unrealistic in its Estimate of Hour Burdens for New Reporting Requirements Contained in the Proposed Arctic Regulations**

The Proposed Arctic Regulations contain a host of new reporting requirements that require detailed descriptions of a variety of operations ranging from the transitioning of rigs from being underway to drilling (and vice versa), to extensive timelines specifying drilling objectives, contingency plans and abandonment, and so forth. BSEE has approached these requirements in its ICR as being a series of small tasks, in many cases requiring between 1 and 6 hours each. Extensive new information collection requirements under the Proposed Arctic Regulations, for example the submittal of extensive documentation surrounding source containment and control equipment, is estimated as requiring only 60 hours of time. These estimates are considerably low and are seemingly unsupported.

For example, BSEE has estimated that 30 CFR § 250.470(e), which adds to the existing APD process, the submission of "detailed descriptions of environmental, meteorologic, and oceanic conditions expected at well site(s); how drilling unit, equipment, and materials will be prepared for service; how the drilling unit will be in compliance with § 250.417" will take only 10 hours to compile and prepare. The information required under this provision ranges across environmental, technical and operational disciplines and is by definition detailed in nature. BSEE's estimate of 10 hours to complete this work is a severe underestimate. Nearly all of BSEE's estimates for these new APD requirements are similarly low and unsupported. Moreover, much of the information requested, although framed differently, is already collected as part of the EP process and as such represents a duplication of information collections required under the existing regulations.

Shell appreciates the opportunity to comment on the information collection aspect of the Proposed Arctic Regulations. Shell requests that the OMB either disapprove DOI's ICRs or file comment to require that BSEE and BOEM conduct a full information collection analysis to more realistically describe the nature of the regulatory burden associated with the Proposed Arctic Regulations. If you have any questions please contact Greg Horner at (907) 646-7131.

Sincerely,



Susan Childs

Alaska Venture Support Integrator, Manager

cc: Mark Fesmire, BSEE Alaska Region Director  
David Johnston, Regional Supervisor, Office of Leasing and Plans, BOEM  
John Caplis, BSEE Oil Spill Response Division