

COMMENTS RECEIVED from the NOVEMBER 17, 2021 FEDERAL REGISTER NOTICE
TO EXTEND DATA COLLECTION of the EIA OIL and GAS RESERVES SYSTEM

(1) OMB No. 1905-0057;

(2) Information Collection Request Title: Oil and Gas Reserves System

(3) Type of Request: Three-year extension [With changes]; Revision of the currently approved Form EIA-23L; extension without changes of Form EIA-64A; and continued suspension of collection of the currently approved Form EIA-23S.

Comments were received via email from three (3) persons:

11/17/21:

Professor Andrew Reamer, George Washington University Institute for Public Policy

12/10/21:

Mr. Mark Finley, Fellow, Rice University's Baker Institute for Public Policy

1/13/22:

Dr. Dale M. Nesbitt, President, ArrowHead Economics

PURPOSE—WRITTEN PUBLIC COMMENT

By

Dr. Dale M. Nesbitt
President



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January 13, 2022

The comments herewith beginning on Page 2 are submitted in response to the request for public comments in the Federal Register / Vol. 86, No. 219 / Wednesday, November 17, 2021 / Notices on page 64192 under the heading **DEPARTMENT OF ENERGY, U.S. Energy Information Administration, Agency Information Collection, Proposed Extension**

AGENCY: U.S. Energy Information Administration (EIA), Department of Energy (DOE).

ACTION: Notice and request for comments.

SUMMARY: EIA invites public comment on the proposed three-year extension of the following Oil and Gas Reserves System Survey Forms, as required under the Paperwork Reduction Act of 1995;

extension without changes of Form EIA–64A, *Annual Report of the Origin of Natural Gas Liquids Production*;

extension without changes of Form EIA–23L, *Annual Report of Domestic Oil and Gas Reserves, County Level Report*;

and continued suspension of Form EIA–23S, *Annual Survey of Domestic Oil and Gas Reserves, Summary Level Report*.

EIA's Products Are Important to Hydrocarbon Reserve Questions and Answers—Please Continue and Expand 23L and 64A

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As we enter what has been called an “energy transition” era, which to most means a transition away from thermal based fuels (fossil fuels, biomass, nuclear fuels) toward renewable, electrically based energy forms, we need to observe, gather, and understand data related to

- the fuels that may leave the mix (oil, gas, NGLs, condensate, coal), as well as
- the fuels that may enter the mix (hydrogen, biomass, renewables).

Central to that is data related to hydrocarbon reserves—oil, condensate, NGL, gas (methane)—in conventional, unconventional, and shale settings. Some of this is the focus of the EIA product “*EIA U.S. Crude Oil and Natural Gas Proved Reserves*” and the product “*EIA Form 23L*,” both of which we rely on for inputs to our models and analyses. Policy makers and decision makers do not want to be caught unaware when it comes to the hydrocarbon reserves needed to support the transition—oil, gas, NGL, condensate. They don’t want to be caught short on fuels such as plastics that will persist through the transition. They don’t want to see gas getting vented or flared as NGLs are produced for plastics. They want to make sensible and prudent decisions during the transition and not despoil the environment (e.g., venting, flaring) or harm the economy. Short term gas, power, and oil models are very dependent on deliverability and therefore reserves estimates. Reserves are important initial points for long term models.

We need the data EIA gathers for its 23L and 64A form, and we would like to see them reported at the disaggregated level at which it is gathered (by county in the former case) in addition to regionally aggregated such as by state. The ERCOT difficulties last year might have been foreshadowed by county reserves (and deliverability) data that could tell us what might happen with well freeze-ups in certain counties in West Texas. Aggregate State data wouldn’t have helped. There is no other place we know of to obtain objective data of that type, and the mission of EIA continues to merit assembling such data. As I understand it, EIA is charged by charter with

getting and delivering this type of data to the public, independently of specific policy considerations. (As I recall, EIA's charter is not to perform policy analysis or to pronounce "the end of hydrocarbons.") Without EIA, this data is unlikely to be available. In our experience, companies (NOCs and IOCs alike) are likely to be loath to make such data public if they gather it at all, and they are likely to be loath to sell it. There is a need for scientific, objective data in the upstream. Other parties who might gather such data may have "dogs in the hunt;" the data therefore might be affected as a result.

I don't think EIA would "politic" or "question" whether to solicit and obtain such data or quit gathering it altogether in anticipation that doing so might support some policy position. Reserve (and resource) data were literally at the heart of EIA at the time of founding by Congress, a hydrocarbon role continuing until such time as we might transition out of hydrocarbon fuels. (That transition has not arrived yet.) The first EIA Administrator, our beloved Dr. Lincoln Moses, knew that well. EIA's role is to serve Congress, other government constituencies, and public constituencies ensconced in the hydrocarbon sector (which has been there since the start of EIA under Dr. Moses at the founding) and to give people objective and comprehensive resource, reserve, production rate, pipeline rate, and other data continuously forward in time. The modeling, investing, policy making, trading, and investment communities benefit from EIA doing so.

Why do we want such data? We build energy models and recommend upstream, midstream, and downstream decisions. To do that correctly and reliably and to simulate the impact of investment or policy decisions, we prefer to rely on 23L and other hydrocarbon reserve data gathered by EIA. (We want estimates of production, reserves, marginal costs, capacity additions, capacity retirements) for every formation in North America and the rest of the world. I would like to see EIA expand its hydrocarbon data gathering to estimating and reporting upstream regional supply curves around the world for gas, NGL, condensate, and crude to support decision making and policy considerations, to go along with its continuing 23L reporting. Will EIA be doing that?

I understand from the Federal Register notification that 23L data are collected at the county level. Will EIA please in the future publish all these collected data at the county level, rather than continue to publish them only at the aggregate state level? May I request herewith that EIA do so? The ERCOT example I alluded to above was very region- and county-dependent. I ask herewith if EIA will please publish the 23L data at the most disaggregated level at which it is collected? And please continue and expand the data gathering and publication in this arena.

From: [Grape, Steven](#)
To: dale.nesbitt@arrowheadeconomics.com
Cc: [Aloulou, Faouzi](#)
Subject: RE: [EXTERNAL] Public Comments 23L, 64A, et. al.
Date: Friday, January 21, 2022 3:21:00 PM
Attachments: [image001.png](#)

To: Dr. Dale M. Nesbitt, ArrowHead Economics
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Dear Dr. Nesbitt,

Thank you for your review and filed comments on our November 17, 2021 Federal Register Notice to renew, without changes, Forms EIA-23L, EIA-23S, and EIA-64A. These forms are associated with the collection and publication of annual domestic proved reserves information by the U.S. Energy Information Administration. Within your comments, which noted the importance of reserves and resources information being integral to the formation of our agency at its inception, you enclosed several questions. This reply is my response to each question you have raised, in order.

Question 1) "I would like to see EIA expand its hydrocarbon data gathering to estimating and reporting upstream regional supply curves around the world for gas, NGL, condensate, and crude to support decision making and policy considerations, to go along with its continuing 23L reporting. Will EIA be doing that?"

Response 1) This is unlikely. The type of reporting you ask for could only be done with extensive data-sharing agreements with international parties. The U.S. Energy Information Administration can require mandatory responses from domestic operators of oil and natural gas wells under Title 15 U.S.C. §772(b), as amended. It has no authority to require data submissions from international operators for wells outside the boundaries of the United States. What International data we have in a publishable format is available from the International section of the EIA website.

Question 2) "I understand from the Federal Register notification that 23L data are collected at the county level. Will EIA please in the future publish all these collected data at the county level, rather than continue to publish them only at the aggregate state level? May I request herewith that EIA do so?"

Response 2) EIA does not plan to release proved reserves data at a level of granularity finer than state and state subdivision level. Proved reserves information contained in the responses to Form EIA-23L are treated as trade secrets for each operator and are exempt from disclosure under the terms of the Freedom of Information Act. Our report is not based on a census of all operators in all counties, it is generated from a representative sample of all domestic oil and natural gas operators. Selected operators are then required to submit data on a county-level basis. Our state and state subdivision total volumes are calculated from these responses. Release of company-level proved reserves data on a county level would unfairly expose those companies selected in our sample, while exempting others. Also, in order for EIA to verify and ensure completeness of county-level estimates to a quality standard we would be comfortable publishing would require more staffing and resources

than are currently available.

Thank you again Dr. Nesbitt for your comments regarding the renewal of our data collection forms.

Sincerely,
Steven Grape, Domestic Reserves Project Manager
Office of Energy Statistics
U.S. Energy Information Administration