

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR Part 206, Subpart E—Indian Gas
§§ 206.172, 206.173, and 206.176
(Form MMS-4410, Accounting for Comparison [Dual Accounting])
OMB Control Number 1010-0104
Expiration Date: January 31, 2005

General Instructions

The Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the *Federal Register*, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked “Yes,” Section B of the Supporting Statement must be completed. The OMB reserves the right to require the submission of additional information with respect to any request for approval.

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

General Background

The previous title of this information collection request (ICR) was “Accounting for Comparison (Dual Accounting) (Form MMS-4410).” The new title of this ICR is “30 CFR Part 206, Subpart E—Indian Gas, §§ 206.172, 206.173, and 206.176 (Form MMS-4410, Accounting for Comparison [Dual Accounting]).” We changed the title of this ICR to clarify the regulatory language we are covering under 30 CFR Part 206, Subpart E (Attachment 1).

The Secretary of the U.S. Department of the Interior 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. 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 (FOGRMA)] (Attachment 2).

The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The Minerals Management Service (MMS) performs the royalty management functions and assists the Secretary in carrying out the Department’s Indian trust responsibility. The information collected is essential for the product valuation determination process.

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 royalties are paid appropriately.

The product valuation determination process is essential to ensuring that Indians receive payment on the proper value of the minerals being removed. Indian tribes and individual Indian mineral owners receive all royalties generated from their lands. The Indian tribal representatives have expressed concern that the Secretary properly ensures the correct royalty is received. Failure to collect the data described in this information collection could result in the undervaluation of leased minerals.

Most Indian leases contain the requirement to perform accounting for comparison (dual accounting) for gas produced from the lease. According to 30 CFR 206.176, dual accounting is the greater of the following two values:

- (1) The value of gas prior to processing, less any applicable allowances, or
- (2) The combined value of residue gas and gas plant products resulting from processing the gas, less any applicable allowances, plus any drip condensate associated with the processed gas recovered downstream of the point of royalty settlement without resorting to processing, less applicable allowances.

On August 10, 1999, MMS published a final rule titled "Amendments to Gas Valuation Regulations for Indian Leases" (64 FR 43506) with an effective date of January 1, 2000. This regulation applies to all gas produced from Indian oil and gas leases, except leases on the Osage Indian Reservation. The intent of the rule is to ensure that Indian mineral lessors receive the maximum revenues from mineral resources on their land, consistent with the Secretary's trust responsibility and with lease terms. The rule requires lessees to elect to perform either actual dual accounting under 30 CFR 206.176, or the alternative methodology for dual accounting under 30 CFR 206.173.

By "Dear Payor" letter dated December 1, 1999, MMS notified lessees to report the dual accounting election on a monthly basis using new calculation method code 04 for Dual Accounting (actual dual accounting) or code 05 for Percent of Increase (alternative dual accounting). These new codes were reported on the Form MMS-2014, Report of Sales and Royalty Remittance (expired OMB Control Number 1010-0022). However, in a reengineering initiative, we redesigned and streamlined Form MMS-2014 effective October 1, 2001 (OMB Control Number 1010-0140, expires October 30, 2006). The revised Form MMS-2014 does not contain the dual accounting election information.

Therefore, we must collect the dual accounting election information on Form MMS-4410, Accounting for Comparison [Dual Accounting] (Attachment 3), to enforce dual accounting requirements in Indian lease terms and in our Indian gas valuation regulations.

Form MMS-4410

Lessees use Form MMS-4410 to certify that dual accounting is not required on an Indian lease and to make an election for actual or alternative dual accounting.

In this ICR, we are asking approval to continue using the Form MMS-4410 to clarify the lessee's justification for not performing dual accounting and for the lessee's separate election to use the actual or alternative dual accounting methodology.

Form MMS-4410, Part A, Certification for Not Performing Dual Accounting

Form MMS-4410, Part A, requires lessees to identify the MMS-designated areas where the leases are located and provide specific justification for not performing dual accounting. Part A is a one-time notification, until any changes occur in gas disposition. To assist the lessees in identifying the reason(s) for not performing dual accounting, Part A lists acceptable reasons including: (1) the lease terms do not require dual accounting; (2) none of the gas from the lease is ever processed; (3) gas has a Btu content of 1000 Btu's per cubic foot or less at lease's facility measurement point(s); (4) none of the gas from the lease is processed until after gas flows into a pipeline with an index located in an index zone; and (5) none of the gas from the lease is processed until after gas flows into a mainline pipeline not located in an index zone.

Form MMS-4410, Part B, Election to Perform Actual Dual Accounting or Alternative Dual Accounting

Effective January 2002, we collected elections to perform actual dual accounting or alternative dual accounting from lessees on Part B of Form MMS-4410. A lessee makes an election by checking either the actual or alternative dual accounting box for each MMS-designated area where its leases are located. Part B also includes the lessee's lease prefixes within each MMS-designated area to assist lessees in making the appropriate election. The election to perform actual or alternative dual accounting applies to all of a lessee's Indian leases in each MMS-designated area. The first election on Part B to use the alternative dual accounting is effective from the time of election through the end of the following calendar year. Thereafter, each election to use the alternative dual accounting methodology must remain in effect for 2 calendar years. However, lessees may return to the actual dual accounting method only at the beginning of the next election period or with written approval from MMS and the tribal lessors for tribal leases, and from MMS for Indian allotted leases in the MMS-designated area (30 CFR 206.173(a)).

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

Form MMS-4410

The information collected on Form MMS-4410 is used by MMS and tribal personnel to enforce dual accounting requirements in Indian lease terms and in our Indian gas valuation regulations.

Under Section 202 of FOGRMA, certain tribes were given audit authority by the Secretary (30 U.S.C. 1732). The election for dual accounting affects the amount of royalties due. The MMS and the tribes with audit authority use the data contained on Form MMS-4410 for verification purposes. With the information collected on the form, the MMS and the tribes monitor compliance with the dual accounting requirements under Indian lease terms and Indian gas valuation regulations. If the lessee certifies that dual accounting is not required on a lease, the MMS and tribal auditors perform a compliance review. The MMS and tribal auditors may perform audits on leases when a lessee elects actual dual accounting on Form MMS-4410. In addition, MMS performs compliance reviews to verify if a lessee properly reported and paid royalties when he/she elected actual or alternative dual accounting on Form MMS-4410. Due to previous processing of lessees' initial dual accounting elections, the burden hours decreased by 830 hours (from 1,000 to 170 hours).

Form MMS-4410, Part A, Certification for Not Performing Dual Accounting

Information required on Form MMS-4410, Part A, includes the lessee's (payor's) name and address, the payor code, contact person, telephone number, MMS lease number, MMS-designated area, a check in one of five boxes identifying the reason why they are not performing dual accounting, signature, and date. The MMS requires submission of Form MMS-4410, Part A, when a lessee certifies that no dual accounting is required for an Indian lease.

Regulations at 30 CFR 206.172 require lessees to certify on Form MMS-4410 that dual accounting is not required for specific leases. On Part A of Form MMS-4410, the lessee checks the box that identifies the reason(s) why dual accounting is not performed. This is a one-time notification, until any changes occur in gas disposition.

Form MMS-4410, Part B, Election to Perform Actual Dual Accounting or Alternative Dual Accounting

Information required on Form MMS-4410, Part B, includes the lessee's (payor's) name and address, the payor code, contact person, telephone number, MMS lease number, MMS-designated area, a check in the box identifying either actual or alternative dual accounting for each MMS-designated area, the effective date (month/year), signature, and date.

Regulations at 30 CFR 206.173(a) require that lessees elect to perform either actual or alternative dual accounting and that they make a separate election for dual accounting for each MMS-designated area. On Part B of Form MMS-4410, lessees elect to perform actual or alternative dual accounting for each MMS-designated area where they have gas production from Indian leases.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].

To fulfill specific requirements of the Indian gas valuation regulations, the lessee certifies on Form MMS-4410 that dual accounting is not required for specific leases and makes an election by MMS-designated area to perform actual or alternative dual accounting. Each individual submission of Form MMS-4410 differs from any other form submission depending on the MMS-designated areas where the lessee has Indian gas production and whether dual accounting is performed for specific leases. However, we offer an electronic copy of this form on our website at http://www.mrm.mms.gov/Laws_R_D/InfoColl/InfoColCom.htm that lessees may print and complete. We accept a computer-generated form if it contains the same data required on Form MMS-4410. To date, companies submit approximately 5% of responses via e-mail. Our Government Paperwork Elimination Act Implementation Plan indicates that we are evaluating the risks and costs of converting this form to electronic submission.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information that MMS collects on Form MMS-4410 is unique and known only by the lessee for each Indian lease. No other Federal or State agency collects the same or similar information. The primary information necessary for the evaluation of dual accounting is available only from the lessee because they alone must determine if the conditions are met in order to justify not performing dual accounting for a specific lease. In addition, only the lessee can make an election for actual or alternative dual accounting for its leases located in MMS-designated areas. The use of this information is unique to our mission, and no other adequate information is available to determine royalties under the dual accounting requirements.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Small organizations are among the potential respondents. The MMS has carefully analyzed its requirements to ensure that the information requested is the minimum necessary and places the least possible burden on industry. There are no special reporting provisions or significant economic impacts on small businesses or other small entities. The Form MMS-4410 requires the minimal amount of time to make dual accounting elections as well as to justify why dual accounting is not performed for certain leases, as required by the Indian gas valuation regulations.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

By delegation of the Secretary's trust responsibilities under Indian lease terms, MMS is responsible for assuring the proper valuation of production from Indian leases. Not collecting the information would limit the Secretary's ability to discharge his/her duties.

The regulations at 30 CFR 206.172(b)(1)(ii) require lessees to certify on Form MMS-4410 that they do not perform dual accounting for specific leases. In addition, the Indian gas valuation regulations at 30 CFR 206.173(a)(1) require lessees to make a dual accounting election. Effective October 1, 2001, MMS eliminated the data element for collecting dual accounting information on Form MMS-2014. Therefore, if MMS did not collect this information on the Form MMS-4410, we would not have a means of collecting dual accounting election information. If this information was not collected, we would not have the necessary dual accounting information to ensure that royalties are properly calculated and collected.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

Not applicable in this collection.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.

Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

In accordance with 30 U.S.C. 1713(b), Indian oil and gas records must be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that such records must be maintained for a longer period due to an ongoing audit or investigation. When an audit or investigation is underway, records must be maintained until released by written notice.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii) as the collection is not a statistical survey and does not use statistical data classification.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), MMS published a 60-day review and comment notice in the *Federal Register* on June 10, 2004 (69 FR 32606) (Attachment 4). We received no comments in response to this notice. However, we consulted with the following contacts and used their input to update the burden hours in the Burden Breakdown chart.

IBM Business Consulting Services [Steve Bailey (918) 925-7041]
P.O. Box 22048, Tulsa, OK 74121-2048

ChevronTexaco [Ellen LaBauve (713) 752-7170]
1111 Bagby, Houston, TX 77002

Apache Corp. [Vicky Neill (713) 296-6754]
2000 Post Oak Blvd, Houston, TX 77056-4400

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

We will not provide payment or gift to respondents in this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Commercial or financial information provided to MMS relative to minerals removed from Federal and Indian lands may be proprietary. Trade secrets and proprietary and other information are protected in accordance with standards established by FOGRMA as amended (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and Department regulations (43 CFR 2). The Indian Mineral Development Act of 1982 (25 U.S.C. 2103) provides that all information related to any Indian minerals agreement covered by the Act in the possession of the Department shall be held as privileged proprietary information. Storage of proprietary information and access to it are controlled by strict security measures.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

Since the previous renewal of this ICR, we have obtained more accurate estimates of the number of respondents and the time required to provide the information requested. We reviewed actual

data from past years to project burden hours for future years. We require Form MMS-4410 when a lessee certifies that no dual accounting is required for an Indian lease and when a lessee wants to make an initial dual accounting election or change their election. There are approximately 370 lessees of Indian gas royalties; however, we expect responses from only 50 lessees because most lessees have previously submitted a certification that no dual accounting is required or lessees have previously made their initial election and only need to submit Form MMS-4410 when making changes. Lessees may change their alternative dual accounting election only after 2 calendar years by submitting a new Form MMS-4410. Therefore, we expect approximately 60 responses from 50 lessees of Indian gas royalties and estimate the total annual burden is 170 reporting hours, based on MMS's historical data and actual customer feedback. Refer to the chart below for the estimated burden hours.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

Form MMS-4410 is the only form for this information collection. The hour burden for Form MMS-4410 is provided in the burden chart below.

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

We estimate the total annual cost to respondents is \$8,500 ($\$50 \times 170 \text{ hours} = \$8,500$) based on a cost factor of \$50 per hour. The MMS does not require any additional recordkeeping of the respondents related to this ICR; therefore, there are no additional recordkeeping costs.

We estimate the annual reporting burden to respondents for this information collection on Part A of Form MMS-4410 is 100 hours (25 responses \times 4 hours). Based on a cost factor of \$50 per hour, we estimate the annual cost to respondents for Part A is approximately \$5,000 ($\$50 \times 100 \text{ hours} = \$5,000$). In the future, lessees will submit Part A for new leases that meet the conditions for not performing dual accounting. In addition, MMS has received hundreds of certifications on Part A of Form MMS-4410 where the lessee believes it is not required to perform dual accounting. Because this certification is a one-time notification for each Indian lease, until any changes occur in gas disposition, MMS does not anticipate that in the future we will receive a significant number of additional certifications.

We estimate the annual reporting burden to respondents for Part B of Form MMS-4410 is 70 hours (35 responses \times 2 hours). Based on a cost factor of \$50 per hour, we estimate the annual cost to respondents for Part B is approximately \$3,500 ($\$50 \times 70 \text{ hours} = \$3,500$). Responses are generally on occasion. The lessee may elect to begin using alternative methodology for dual accounting at the beginning of any month. The initial election allowing the lessee to begin using alternative dual accounting is effective from the time of the election through the end of the following calendar year. Thereafter, each election to use the alternative dual accounting must remain in effect for 2 calendar years. The MMS does not require lessees to resubmit a new

Form MMS-4410 unless they make a change to their initial dual accounting election. The lessee may return to actual dual accounting only at the beginning of the election period or with the written approval from MMS and the tribal lessor for tribal leases, and from MMS for Indian allotted leases in the designated area. The MMS has received the initial dual accounting elections (actual and alternative dual accounting) on Part B of Form MMS-4410 from the lessees currently reporting royalties on Indian gas leases. The MMS does not anticipate that in the future we will receive a significant number of additional initial dual accounting elections or changes to current elections.

The following chart shows the estimated burden hours by CFR section and paragraph.

SECTION A.12 BURDEN BREAKDOWN

30 CFR Section	Reporting or Recordkeeping Requirement	Burden Hours Per Response	Annual Number of Responses	Annual Burden Hours
206.172(b)(1)(ii)	<p>How do I value gas produced from leases in an index zone? *** (b) <i>Valuing residue gas and gas before processing.</i> (1) *** (ii) Gas production that you certify on Form MMS-4410, *** is not processed before it flows into a pipeline with an index but which may be processed later ***. (Part A of Form MMS-4410)</p>	4	25	100
206.173(a)(1)	<p>How do I calculate the alternative methodology for dual accounting? (a) <i>Electing a dual accounting method.</i> (1) *** You may elect to perform the dual accounting calculation according to either § 206.176(a) (called actual dual accounting), or paragraph (b) of this section (called the alternative methodology for dual accounting). (Part B of Form MMS-4410)</p>	2	35	70
206.173(a)(2)	<p>How do I calculate the alternative methodology for dual accounting? (a) <i>Electing a dual accounting method</i> ***. (2) You must make a separate election to use the alternative methodology for dual accounting for your Indian leases in each MMS-designated area. *** (Part B of Form MMS-4410)</p>	Burden hours covered under § 206.173(a)(1).		0
206.176(b)	<p>How do I perform accounting for comparison? *** (b) If you are required to account for comparison, you may elect to use the alternative dual accounting methodology provided for in § 206.173 instead of the provisions in paragraph (a) of this section. (Part B of Form MMS-4410)</p>	Burden hours covered under § 206.173(a)(1).		0
206.176(c)	<p>How do I perform accounting for comparison? *** (c) *** If you do not perform dual accounting, you must certify to MMS that gas flows into such a pipeline before it is processed. (Part A of Form MMS-4410)</p>	Burden hours covered under § 206.172(b)(1)(ii).		0
TOTAL			60	170

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have identified no paperwork cost burdens for this collection of information.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

We estimate the Federal Government will spend 120 hours annually (10 hours per month x 12 months) on this ICR for dual accounting. Based on \$50 per hour, the total annualized cost to the Federal Government is \$6,000. This estimate includes maintaining a log of the forms filed by lessees and filing the forms for possible future compliance and audit use. In addition, MMS and tribal auditors will use the information reported on Form MMS-4410 to ensure compliance with the Indian lease terms and the Indian gas valuation regulations.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Item 13 of OMB Form 83-I

The current OMB inventory is 1,000 hours. The new total burden hours are 170. The total burden hours adjustment decrease of 830 hours [related to 30 CFR 206.173(a)(1)] reflects a re-estimate in the number of average annual responses.

We require Part A of Form MMS-4410 when lessees certify that no dual accounting is required. Since the effective date of the Indian gas rule (January 2000), MMS has received hundreds of certifications (Part A of Form MMS-4410). Because this certification is a one-time notification for each Indian lease, until any changes occur in gas disposition, MMS does not anticipate that in the future we will receive a significant number of additional certifications.

The MMS also requires lessees to submit Part B of Form MMS-4410 when lessees make an initial election for dual accounting or when lessees want to change their election for dual accounting. The MMS has received the initial dual accounting elections (actual and alternative dual accounting) on Part B of Form MMS-4410 from the lessees currently reporting royalties on Indian gas leases. The MMS does not anticipate that in the future we will receive a significant number of additional initial dual accounting elections or changes to current elections.

We have adjusted the burden hours accordingly. There are approximately 370 lessees of Indian gas royalties; however, we expect responses from only 50 lessees because most lessees have either previously submitted a certification that no dual accounting is required or previously made their initial dual accounting election. Lessees may change their alternative dual accounting election only after 2 calendar years by submitting a new Form MMS-4410. Therefore, we expect approximately 60 responses from 50 lessees of Indian gas royalties and estimate that the total annual burden is 170 reporting hours, based on MMS's historical data, and taking into consideration customer feedback.

Item 14 of OMB Form 83-I

There is no cost burden reported in Item 14 of OMB Form 83-I.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The MMS will not publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The MMS will display the OMB approval expiration date on Form MMS-4410. The remainder of this collection concerns regulatory requirements.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the OMB Form 83-I is checked “Yes,” the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed.

This section is not applicable for this collection. We will not employ statistical methods in this information collection.