

Minerals Management Service, Interior

§ 250.1201

The application shall provide the estimated recoverable reserves as well as any available alternate drainage points which might be used to produce the reservoirs separately.

(b) For a competitive reservoir, notice of intent to submit the application shall be sent by the applicant to all other lessees having an interest in the reservoir prior to submitting the application to the Regional Supervisor.

(c) The application shall specify the well-completion number to be used for subsequent reporting purposes.

§ 250.1107 Enhanced oil and gas recovery operations.

(a) The lessee shall timely initiate enhanced oil and gas recovery operations for all competitive and non-competitive reservoirs where such operations would result in an increased ultimate recovery of oil or gas under sound engineering and economic principles.

(b) A proposed plan for pressure maintenance, secondary and tertiary

recovery, cycling, and similar recovery operations to increase the ultimate recovery of oil and/or gas from a reservoir shall be submitted to the Regional Supervisor for approval before such operations are initiated.

(c) Periodic reports of the volumes of oil, gas, or other substances injected, produced, or reproduced shall be submitted as required by the Regional Supervisor.

Subpart L—Oil and Gas Production Measurement, Surface Commingling, and Security

SOURCE: 63 FR 26370, May 12, 1998, unless otherwise noted. Redesignated at 63 FR 29479, May 29, 1998.

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[63 FR 26370, May 12, 1998. Redesignated and amended at 63 FR 29479, 29487, May 29, 1998]

§ 250.1201 Definitions.

Terms not defined in this section have the meanings given in the applicable chapter of the API MPMS, which

is incorporated by reference in 30 CFR 250.198. Terms used in Subpart L have the following meaning:

Allocation meter—a meter used to determine the portion of hydrocarbons attributable to one or more platforms, leases, units, or wells, in relation to

the total production from a royalty or allocation measurement point.

API MPMS—the American Petroleum Institute's Manual of Petroleum Measurement Standards, chapters 1, 20, and 21.

British Thermal Unit (Btu)—the amount of heat needed to raise the temperature of one pound of water from 59.5 degrees Fahrenheit (59.5 °F) to 60.5 degrees Fahrenheit (60.5 °F) at standard pressure base (14.73 pounds per square inch absolute (psia)).

Calibration—testing (verifying) and correcting, if necessary, a measuring device to industry accepted, manufacturer's recommended, or regulatory required standard of accuracy.

Compositional Analysis—separating mixtures into identifiable components expressed in mole percent.

Gas lost—gas that is neither sold nor used on the lease or unit nor used internally by the producer.

Gas processing plant—an installation that uses any process designed to remove elements or compounds (hydrocarbon and non-hydrocarbon) from gas, including absorption, adsorption, or refrigeration. Processing does not include treatment operations, including those necessary to put gas into marketable conditions such as natural pressure reduction, mechanical separation, heating, cooling, dehydration, desulphurization, and compression. The changing of pressures or temperatures in a reservoir is not processing.

Gas processing plant statement—a monthly statement showing the volume and quality of the inlet or field gas stream and the plant products recovered during the period, volume of plant fuel, flare and shrinkage, and the allocation of these volumes to the sources of the inlet stream.

Gas royalty meter malfunction—an error in any component of the gas measurement system which exceeds contractual tolerances.

Gas volume statement—a monthly statement showing gas measurement data, including the volume (Mcf) and quality (Btu) of natural gas which flowed through a meter.

Inventory tank—a tank in which liquid hydrocarbons are stored prior to royalty measurement. The measured

volumes are used in the allocation process.

Liquid hydrocarbons (free liquids)—hydrocarbons which exist in liquid form at standard conditions after passing through separating facilities.

Malfunction factor—a liquid hydrocarbon royalty meter factor that differs from the previous meter factor by an amount greater than 0.0025.

Natural gas—a highly compressible, highly expandable mixture of hydrocarbons which occurs naturally in a gaseous form and passes a meter in vapor phase.

Operating meter—a royalty or allocation meter that is used for gas or liquid hydrocarbon measurement for any period during a calibration cycle.

Pressure base—the pressure at which gas volumes and quality are reported. The standard pressure base is 14.73 psia.

Prove—to determine (as in meter proving) the relationship between the volume passing through a meter at one set of conditions and the indicated volume at those same conditions.

Pipeline (retrograde) condensate—liquid hydrocarbons which drop out of the separated gas stream at any point in a pipeline during transmission to shore.

Royalty meter—a meter approved for the purpose of determining the volume of gas, oil, or other components removed, saved, or sold from a Federal lease.

Royalty tank—an approved tank in which liquid hydrocarbons are measured and upon which royalty volumes are based.

Run ticket—the invoice for liquid hydrocarbons measured at a royalty point.

Sales meter—a meter at which custody transfer takes place (not necessarily a royalty meter).

Seal—a device or approved method used to prevent tampering with royalty measurement components.

Standard conditions—atmospheric pressure of 14.73 pounds per square inch absolute (psia) and 60 °F.

Surface commingling—the surface mixing of production from two or more leases or units prior to measurement for royalty purposes.

Temperature base—the temperature at which gas and liquid hydrocarbon volumes and quality are reported. The standard temperature base is 60 °F.

You or your—the lessee or the operator or other lessees' representative engaged in operations in the Outer Continental Shelf (OCS).

[63 FR 26370, May 12, 1998. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 64 FR 72794, Dec. 28, 1999]

§ 250.1202 Liquid hydrocarbon measurement.

(a) *What are the requirements for measuring liquid hydrocarbons?* You must:

(1) Submit a written application to, and obtain approval from, the Regional Supervisor before commencing liquid hydrocarbon production or making changes to previously approved measurement procedures;

(2) Use measurement equipment that will accurately measure the liquid hydrocarbons produced from a lease or unit;

(3) Use procedures and correction factors according to the applicable chapters of the API MPMS as incorporated by reference in 30 CFR 250.198, when obtaining net standard volume and associated measurement parameters; and

(4) When requested by the Regional Supervisor, provide the pipeline (retrograde) condensate volumes as allocated to the individual leases or units.

(b) *What are the requirements for liquid hydrocarbon royalty meters?* You must:

(1) Ensure that the royalty meter facilities include the following approved components (or other MMS-approved components) which must be compatible with their connected systems:

(i) A meter equipped with a nonreset totalizer;

(ii) A calibrated mechanical displacement (pipe) prover, master meter, or tank prover;

(iii) A proportional-to-flow sampling device pulsed by the meter output;

(iv) A temperature measurement or temperature compensation device; and

(v) A sediment and water monitor with a probe located upstream of the divert valve.

(2) Ensure that the royalty meter facilities accomplish the following:

(i) Prevent flow reversal through the meter;

(ii) Protect meters subjected to pressure pulsations or surges;

(iii) Prevent the meter from being subjected to shock pressures greater than the maximum working pressure; and

(iv) Prevent meter bypassing.

(3) Maintain royalty meter facilities to ensure the following:

(i) Meters operate within the gravity range specified by the manufacturer;

(ii) Meters operate within the manufacturer's specifications for maximum and minimum flow rate for linear accuracy; and

(iii) Meters are reproven when changes in metering conditions affect the meters' performance such as changes in pressure, temperature, density (water content), viscosity, pressure, and flow rate.

(4) Ensure that sampling devices conform to the following:

(i) The sampling point is in the flowstream immediately upstream or downstream of the meter or divert valve (in accordance with the API MPMS as incorporated by reference in 30 CFR 250.198);

(ii) The sample container is vapor-tight and includes a power mixing device to allow complete mixing of the sample before removal from the container; and

(iii) The sample probe is in the center half of the pipe diameter in a vertical run and is located at least three pipe diameters downstream of any pipe fitting within a region of turbulent flow. The sample probe can be located in a horizontal pipe if adequate stream conditioning such as power mixers or static mixers are installed upstream of the probe according to the manufacturer's instructions.

(c) *What are the requirements for run tickets?* You must:

(1) For royalty meters, ensure that the run tickets clearly identify all observed data, all correction factors not included in the meter factor, and the net standard volume.

(2) For royalty tanks, ensure that the run tickets clearly identify all observed data, all applicable correction factors, on/off seal numbers, and the net standard volume.