UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGMENT, REGULATION AND ENFORCEMENT

NTL No. 2011-N04

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NATIONAL NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS LEASES OUTER CONTINENTAL SHELF

Guidance on Flare/Vent Meter Installations

This Notice to Lessees and Operators (NTL) offers guidance on the procedures to follow if flare/vent meters are required at your facility under 30 CFR 250, Subpart K, Oil and Gas Production Requirements. This NTL replaces and supersedes NTL No. 2010-N09.

Under 30 CFR 250.1163(a), "If your facility processes more than an average of 2,000 bopd during May 2010, you must install flare/vent meters within 180 days after May 2010." Therefore, if your facility processed more than 2,000 bopd in May 2010, you were required to install these meters before November 28, 2010, unless you received a departure to this requirement allowing you additional time. If your facility processed less than an average of 2,000 bopd in May 2010, but exceeds that threshold during a later month, "...you must install flare/vent meters within 120 days after the end of the month in which the average amount of oil processed exceeds 2,000 bopd." In addition, as required in 30 CFR 250.1163(a)(1), "You must notify the Regional Supervisor when your facility begins to process more than an average of 2,000 bopd in a calendar month." You should make that notification within 2 weeks of the end of the calendar month in which your facility begins to process more than 2,000 bopd.

For the purposes of this NTL, oil refers to all liquid hydrocarbons including condensate. Processing oil at your facility means that the oil goes through one or more pieces of processing equipment (e.g., separators, treaters, tanks, etc.) on your facility. Oil that moves across your facility without being processed (e.g., oil that crosses your facility without going through any equipment, oil that only goes through a LACT unit for measurement, etc.) should not be included when determining whether or not your facility "processes" more than 2,000 bopd under 30 CFR 250.1163(a).

Pursuant to 30 CFR 250.1163(a)(1), you must submit your notification to the appropriate Regional Office which includes:

1. Operator name (including contact name, phone number, and email address)
2. Facility name, along with lease number and area/block
3. Average rate of oil and gas processed at the facility

Facility Measurement Point (FMP) Numbers will be assigned for all required flare/vent meter installations. You must use the assigned FMP number for your meter location when reporting flared and/or vented gas on Office of Natural Resources Revenue (ONRR) Form MMS-4054 (Oil and Gas Operations Report, Part B). On May 7, 2010, Minerals Revenue Management (now ONRR) sent a "Dear Reporter letter" to reporters with guidance on reporting flared and vented gas http://www.onrr.gov/DearRep.htm.

Under 30 CFR 250.1163(a)(2), "The flare/vent meters must measure all flared and vented gas within 5 percent accuracy," an accuracy standard which must also be met by flare/vent meters installed before May 2010. However, we recognize that currently available technologies may not achieve this high accuracy standard over the full range of possible flow rates. Therefore, meters installed on flare/vent systems should be capable of measurement within 5 percent accuracy over the range from a minimum flow rate necessary to demonstrate compliance with 30 CFR 250.1160(a)(5), to a maximum flow rate expected in the most probable high rate relief scenarios, if achievable using standard applications of currently available metering technologies. If commercially available metering applications cannot meet these accuracy requirements under the particular flow conditions at your facility, you should install the best meter technology available, and may satisfy the accuracy requirement by meeting the uncertainty standard given in API MPMS 14.10.5.1. This standard states that the flow meter shall have a demonstrated uncertainty within ± 5 percent at 30, 60, and 90 percent of the application full scale with performance testing being conducted at the manufacturer's facility or a recognized flow test facility.

While BOEMRE promulgated this rule to ensure conservation of resources by maximizing the amount of oil and natural gas that is produced and marketed, we recognize that it may not be possible to safely meter vented gas from some equipment on your facility. Accordingly, the following exceptions apply:

- Venting systems associated with vessels that operate in atmospheric service (1/2 ounce vacuum and 5 psi gauge pressure) in which the addition of measurement devices would cause the undesirable event(s) of overpressure and/or under pressure.

- Relief systems utilizing Pressure Safety Valves (PSVs) and Pressure Vacuum Safety Valves (PVSVs) associated with pressure vessels and atmospheric vessels.

- Venting systems associated with water treating vessels operating at atmospheric service.

- Venting systems associated with instrumentation systems (control systems, safety systems).

- Sump systems not used as processing devices to treat or skim liquids, but used only to collect treated-produced water, treated-produced sand, or liquids from drip pans and deck drains as a final trap for hydrocarbon liquids in the event of equipment upsets.

You should estimate the vented volumes in the venting and relieving systems outlined in the exceptions described above and include those volumes in your facility records and on Form MMS-4054 pursuant to 30 CFR 250.1163(b).

You will need to review your current venting requirements (inbreathing and out-breathing due to liquid transfers and thermal effects) including emergency venting resulting from fire exposure. You will also need to review the last relief study conducted on the facility and determine the effects of the addition of meters required under this regulation on the relief/vent systems and whether any of the aforementioned exceptions apply. You should submit any proposed changes of the current relief/vent system to the appropriate district office for approval along with justification for any exception pursuant to 30 CFR 250.142. These changes will require certification that the design was approved by a registered professional engineer pursuant to 30 CFR 250.802(e)(5).

As required under 30 CFR 250.1163(a)(2), facilities with fuel-gas headers or fuel scrubbers that distribute fuel to systems such as blanket gas, purging gas, pneumatic pumps, instrumentation bleeds, sparging gas, etc., will require measurement devices installed in order to measure the vented gas from these systems if not currently metered by some other means. If the fuel-gas system feeds combustion engines, the vented gas from the systems mentioned above can be determined by subtracting the calculated fuel consumption volumes from the total fuel-gas system metered volume. Where the fuel gas system feeds components that return gas to a vent header for subsequent measurement, the potential for redundant reporting exists since a portion of the metered vent gas could also be inadvertently reported as fuel gas. To prevent redundant reporting in such cases, you must develop and utilize an allocation procedure which provides for the quantification of that portion of the metered vent volume that originates from the fuel gas system and thus facilitates the exclusion of this volume from the reported fuel gas quantities.

Guidance Document Statement

BOEMRE issues NTLs as guidance documents in accordance with 30 CFR 250.103 to clarify and provide more detail about certain BOEMRE regulatory requirements and outline the information you must provide in your various submittals. Under that authority, this NTL sets forth an interpretation of a regulatory requirement that provides a clear and consistent approach to complying with that requirement.

Paperwork Reduction Act of 1995 Statement

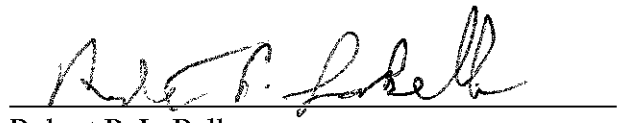
This NTL and its guidelines provide clarification, description, or interpretation of requirements contained in 30 CFR 250, subparts, A, H, K, and ONRR Form MMS-4054. The Office of Management and Budget (OMB) has approved these collections of information required by these regulations and assigned OMB Control Numbers 1010-0114, 1010-0059, 1010-0041 for the 30 CFR 250 subparts, and 1012-0004 for ONRR Form MMS-4054. This NTL and its guidelines do not impose any new information collection subject to the Paperwork Reduction Act of 1995.

Contacts

If you have any questions about reporting facilities that process more than 2,000 bopd or type of meter used, please contact Mr. Kelly Johnson at (504) 736-2682 (Gulf of Mexico Region), Mr. Obe Racicot at (805) 389-7797 (Pacific Region), or Mr. Jeff Walker at (907) 334-5300 (Alaska Region).

If you have questions regarding when you must install the required flare/vent meters, please contact Mr. Stephen Walsh at (504) 736-2914 (Gulf of Mexico Region), Mr. Obe Racicot at (805) 389-7797 (Pacific Region), or Mr. Jeff Walker at (907) 334-5300 (Alaska Region).

If you have questions about the safe installation of flare meters, exceptions, or piping issues, please contact Mr. Tom Machado at (504) 736-2833 (Gulf of Mexico Region), Mr. Michael Mitchell at (805) 389-7703 (Pacific Region), or Mr. Jeff Walker at (907) 334-5300 (Alaska Region).



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