

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT**

BSEE NTL No. 2012 N-03

Effective Date: July 15, 2012

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

Flare/Vent Meter Installations

Purpose

This Notice to Lessees and Operators (NTL) offers guidance on the procedures to follow if you are required to install flare/vent meters at your facility under 30 CFR part 250 subpart K, Oil and Gas Production Requirements. This NTL supersedes NTL No. 2011-N04. In addition to that guidance, this update clarifies that current Bureau of Safety and Environmental Enforcement (BSEE) regulations do not mandate metering of lease use gas and that an estimate of lease use gas volume should be reported as such.

Authority

As required by 30 CFR 250.1163(a), you must meter flared and vented gas at your facility if it processes more than an average of 2,000 barrels of oil per day (bopd) during a calendar month. If your facility is new or previously processed a lower volume, then under 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 two weeks after the end of the calendar month in which your facility begins to process more than 2,000 bopd.

Policy

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

Include the following information in the notification required by 30 CFR 250.1163(a)(1) when you submit it to the appropriate BSEE Regional Office:

1. Lessee/operator name (including contact name, phone number, and email address);

2. Facility name, along with lease number and area/block designation; and
3. Average rate of oil and gas processed at the facility.

The BSEE will assign Facility Measurement Point (FMP) numbers for all required flare/vent meter installations. 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, the Minerals Revenue Management of the former Minerals Management Service (now ONRR) sent out a “Dear Reporter letter” 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 that must also be met by flare/vent meters installed during and before May 2010. However, BSEE recognizes 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 50 MCF per day to a maximum flow rate expected in the most probable high rate emergency flaring 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 American Petroleum Institute (API) Manual of Petroleum Measurement Standards (MPMS) Chapter 14 Section 10.5.1, where it states “[t]he overall uncertainty of the flow meter shall be demonstrated to be within ± 5 percent at 30, 60, and 90 percent of the application full scale...”

While 30 CFR part 250 subpart K was promulgated to ensure conservation of resources by maximizing the amount of oil and natural gas that is produced and marketed, BSEE recognizes that it may not be possible to safely meter vented gas from some equipment on your facility. Accordingly, the following exceptions to the requirement to meter vented gas apply:

- Venting systems associated with vessels that operate in atmospheric service (operation at gauge pressures between 1/2 ounce per square inch (0.2 kPa) vacuum and 5 pounds per square inch (35 kPa) pressure, as defined in API Recommended Practice (RP) 14C) 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 (PSV’s) and pressure vacuum safety valves (PVSV’s) 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 used only to collect water, sand, or liquids from drip pans and deck drains that function as a final trap for hydrocarbon liquids in the event of equipment upsets or platform spills, but that are not used as processing devices to treat or skim liquid hydrocarbons as part of a production operation.

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 PSV and pressure/vacuum relief valve settings to ensure that they are correct and cover the full range of potential venting or relief situations (including in-breathing and out-breathing due to liquid transfers and thermal effects and 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 BSEE 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).

Most offshore facilities utilize fuel gas meters, and metering of lease use gas is strongly encouraged. However, metering of burned and unburned lease use gas is not specifically mandated. Under 30 CFR 250.1203(f)(1), “You must either measure or estimate the volume of gas lost or used on a lease.” Natural gas that is used as lease use gas and emitted to the atmosphere unburned (e.g., instrument gas) may be considered lease use gas, rather than vented gas, for purposes of 30 CFR 250.1163. However, you may not waste gas and classify it as lease use gas – you must use no more than the amount of gas necessary for the operation (30 CFR 250.1160(a)(1)). Also, any gas that goes through the fuel gas system but is never utilized as lease use gas cannot be considered lease use gas and is therefore subject to the metering requirements if emitted (flared or vented). You should develop and utilize an allocation procedure that provides for the quantification and separation of flared/vented gas from any burned/unburned lease use gas.

Guidance Document Statement

The BSEE issues NTLs as guidance documents in accordance with 30 CFR 250.103 to clarify, supplement, and provide more detail about certain BSEE regulatory requirements and outline what you must provide as required information 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, 1014-0003, 1014-0019 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 OCS Region),
- Mr. Bobby Kurtz at (805) 389-7713 (Pacific OCS Region), or
- Mr. Jeff Walker at (907) 334-5300 (Alaska OCS 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 OCS Region),
- Mr. Bobby Kurtz at (805) 389-7713 (Pacific OCS Region), or
- Mr. Jeff Walker at (907) 334-5300 (Alaska OCS 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 OCS Mexico Region),
- Mr. Michael Mitchell at (805) 389-7703 (Pacific OCS Region), or
- Mr. Jeff Walker at (907) 334-5300 (Alaska OCS Region).



James A. Watson
Director
Bureau of Safety and Environmental Enforcement