§ 250.1203  Gas measurement.

(a) To which meters do MMS requirements for gas measurement apply? MMS requirements for gas measurements apply to all OCS gas royalty and allocation meters.

(b) What are the requirements for measuring gas? You must:

(1) Submit a written application to, and obtain approval from, the Regional
Supervisor before commencing gas production, or making any changes to the previously-approved measurement and/ or allocation procedures. Your application (which may also include any relevant liquid hydrocarbon measurement and surface commingling requests) must be accompanied by payment of the service fee listed in §250.125. The service fees are divided into two levels based on complexity, see table in §250.1202(a)(1).

(2) Design, install, use, maintain, and test measurement equipment to ensure accurate and verifiable measurement. You must follow the recommendations in API MPMS as incorporated by reference in 30 CFR 250.196.

(3) Ensure that the measurement components demonstrate consistent levels of accuracy throughout the system.

(4) Equip the meter with a chart or electronic data recorder. If an electronic data recorder is used, you must follow the recommendations in API MPMS as referenced in 30 CFR 250.196.

(5) Take proportional-to-flow or spot samples upstream or downstream of the meter at least once every 6 months.

(6) When requested by the Regional Supervisor, provide available information on the gas quality.

(7) Ensure that standard conditions for reporting gross heating value (Btu) are at a base temperature of 60 °F and at a base pressure of 14.73 psia and reflect the same degree of water saturation as in the gas volume.

(8) When requested by the Regional Supervisor, submit copies of gas volume statements for each requested gas meter. Show whether gas volumes and gross Btu heating values are reported at saturated or unsaturated conditions; and

(9) When requested by the Regional Supervisor, provide volume and quality statements on dispositions other than those on the gas volume statement.

What are the requirements for gas meter calibrations? You must:

(1) Verify/calibrate operating meters monthly, but do not exceed 42 days between verifications/calibrations. When a force majeure event precludes the required monthly meter verification/calibration, meters must be verified/calibrated within 15 days after being returned to service. The meters must be verified/calibrated monthly thereafter, but do not exceed 42 days between meter verifications/calibrations;

(2) Calibrate each meter by using the manufacturer’s specifications;

(3) Conduct calibrations as close as possible to the average hourly rate of flow since the last calibration;

(4) Retain calibration reports at the field location for 2 years, and send the reports to the Regional Supervisor upon request; and

(5) Permit MMS representatives to witness calibrations.

What must I do if a gas meter is out of calibration or malfunctioning? If a gas meter is out of calibration or malfunctioning, you must:

(1) If the readings are greater than the contractual tolerances, adjust the meter to function properly or remove it from service and replace it.

(2) Correct the volumes to the last acceptable calibration as follows:

(i) If the duration of the error can be determined, calculate the volume adjustment for that period.

(ii) If the duration of the error cannot be determined, apply the volume adjustment to one-half of the time elapsed since the last calibration or 21 days, whichever is less.

What are the requirements when natural gas from a Federal lease on the OCS is transferred to a gas plant before royalty determination? If natural gas from a Federal lease on the OCS is transferred to a gas plant before royalty determination:

(1) You must provide the following to the Regional Supervisor upon request:

(i) A copy of the monthly gas processing plant allocation statement; and

(ii) Gross heating values of the inlet and residue streams when not reported on the gas plant statement.

(2) You must permit MMS to inspect the measurement and sampling equipment of natural gas processing plants that process Federal production.

What are the requirements for measuring gas lost or used on a lease? You must:

(1) You must either measure or estimate the volume of gas lost or used on a lease.

(2) If you measure the volume, document the measurement equipment used and include the volume measured.
§ 250.1204 Surface commingling.

(a) What are the requirements for the surface commingling of production? You must:

(1) Submit a written application to, and obtain approval from, the Regional Supervisor before commencing the commingling of production or making any changes to the previously approved commingling procedures. Your application (which may also include any relevant liquid hydrocarbon and gas measurement requests) must be accompanied by payment of the service fee listed in §250.125. The service fees are divided into two levels based on complexity, see table in §250.1202(a)(1).

(2) Upon the request of the Regional Supervisor, lessees who deliver State lease production into a Federal commingling system must provide volumetric or fractional analysis data on the State lease production through the designated system operator.

(b) What are the requirements for a periodic well test used for allocation? You must:

(1) Conduct a well test at least once every 60 days unless the Regional Supervisor approves a different frequency. When a force majeure event precludes the required well test within the prescribed 60 day period (or other frequency approved by the Regional Supervisor), wells must be tested within 15 days after being returned to production. Thereafter, well tests must be conducted at least once every 60 days (or other frequency approved by the Regional Supervisor):

(2) Follow the well test procedures in 30 CFR part 250, Subpart K; and

(3) Retain the well test data at the field location for 2 years.


§ 250.1205 Site security.

(a) What are the requirements for site security? You must:

(1) Protect Federal production against production loss or theft;

(2) Post a sign at each royalty or inventory tank which is used in the royalty determination process. The sign must contain the name of the facility operator, the size of the tank, and the tank number;

(3) Not bypass MMS-approved liquid hydrocarbon royalty meters and tanks; and

(4) Report the following to the Regional Supervisor as soon as possible, but no later than the next business day after discovery:

(i) Theft or mishandling of production;

(ii) Tampering or bypassing any component of the royalty measurement facility; and

(iii) Falsifying production measurements.

(b) What are the requirements for using seals? You must:

(1) Seal the following components of liquid hydrocarbon royalty meter installations to ensure that tampering cannot occur without destroying the seal:

(i) Meter component connections from the base of the meter up to and including the register;

(ii) Sampling systems including packing device, fittings, sight glass, and container lid;

(iii) Temperature and gravity compensation device components;

(iv) All valves on lines leaving a royalty or inventory storage tank, including load-out line valves, drain-line valves, and connection-line valves between royalty and non-royalty tanks; and