UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION & ENFORCEMENT

NTL No. 2010 N-08

Effective Date: September 20, 2010
Expiration Date: September 20, 2015

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

Meter/Tank Status Definitions

Purpose

The purpose of this Notice to Lessees and Operators (NTL) is to inform you of the current policy of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) Alaska OCS Region, Gulf of Mexico Region (GOMR), and Pacific OCS Region regarding meter/tank status classifications and your obligations with respect to proving/calibration and site security for each of these classifications.

Authority

Regulations for the proving/calibration of meters and the operation of tanks at Federal measurement facilities and for site security at these facilities can be found in Subpart L of 30 CFR 250. These regulations require monthly proving/calibration of liquid hydrocarbon and natural gas royalty meters and prohibit the existence of bypasses around any royalty meter or tank to protect Federal production against loss or theft.

Background

During a recent inspection, personnel discovered a bypass around a gas royalty meter at a measurement skid with multiple runs. In this particular instance, natural gas was being routed to a second meter run which had been disconnected from the flow computer, while the orifice plate on the first run was being inspected. Since the second meter was classified as inactive in our records and had no transducers connected to the flow computer, the configuration was deemed to be a bypass and an Incident of Noncompliance notification was issued. The ensuing discussions of this and other similar noncompliance incidents with BOEMRE inspectors and industry personnel made it clear that the meaning of commonly used meter/tank status terms such as active, inactive, terminated, operating, non-operating, and out of service varied considerably from organization to organization and even from group to group within a single organization. We consequently recognized the need to make lessees aware of the meter/tank status classifications that we use, for regulatory purposes, and of our policies regarding the proving/calibration and site security requirements for each of these classifications. To this end, we have provided below, definitions for the three regulatory meter/tank status classifications and their respective requirements. Please note that beginning with the effective date of this NTL, these requirements will be rigorously enforced.

Meter/Tank Status Definitions

Active: The status of a meter or royalty/inventory tank on a facility that is being utilized for royalty or allocation measurement. A meter/tank with an Active status must be approved by the appropriate Regional office, must have an assigned Facility Measurement Point (FMP) number, and must meet the regulatory requirements outlined in 30 CFR 250.1202 (liquid hydrocarbons), 250.1203 (gas), and 250.1205 (site security). An Active meter can be classified as "operating" or "non-operating". An Active "operating" meter is a meter that is used for royalty or allocation measurement during a proving/calibration cycle and is required to be proved/calibrated as per the regulations. An Active "non-operating" meter is an idle meter that is not used for royalty or allocation measurement during a proving/calibration cycle and does not need to be proved/calibrated for that cycle, but must be proved/calibrated prior to being returned to service. The valves located upstream and downstream of an Active "non-operating" meter must be closed but do not need to be sealed. (Copies of run tickets and gas volume statements indicating zero volume must be submitted to the appropriate Regional office on a monthly basis for all Active "non-operating" royalty meters.) Notification must be made to and confirmation received from the appropriate BOEMRE Regional office in order to effect a change in meter/tank status from Active to Inactive.

Inactive: The status of a meter or royalty/inventory tank on a facility that is no longer being utilized for royalty or allocation measurement. A meter/tank with an Inactive status must have all applicable measurement equipment installed and must be isolated by closing and subsequently sealing an individual valve located both upstream and downstream of the meter/tank. The seals must be numbered and recorded. Approval must be obtained from the appropriate Regional office prior to changing a meter/tank from an Inactive to an Active status, and meters must be proved/calibrated prior to being returned to service.

Terminated: The status of a previously-approved royalty or allocation meter or royalty/inventory tank that has been either physically removed from a facility with the meter/tank connections blinded or permanently removed from service and isolated with a skillet or spectacle blind. Notification must be made to and confirmation received from the appropriate BOEMRE office in order to effect a change in meter/tank status from Active/Inactive to Terminated.

Meter/Tank Status Information –GOMR Only

Operators may access their current GOMR meter/tank status (Active "A" or Inactive "I") information recorded in the BOEMRE database as follows:

- Enter the BOEMRE GOMR web site address:
  http://www.gomr.boemre.gov

- Select <Fast Facts>, then select <FMP/Meters/Tanks Listing> to navigate to the query screen.

- Submit query by inserting the Operator Number, FMP Number, Operator Name, or FMP Location.

Paperwork Reduction Act of 1995 Statement

This NTL does not impose any additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contact

Please direct meter/tank status change requests to the appropriate BOEMRE office listed below:

- Alaska OCS Region, Regional Supervisor for Field Operations, contact Mr. Jeff Walker by telephone at (907) 334-5300 or by email at Jeffrey.Walker@boemre.gov

- GOMR, Office of Production and Development, Surface Commingling and Production Measurement Section, contact Mr. Kelly Johnson by telephone at (504) 736-2682 or by email at Kelly.Johnson@boemre.gov

- Pacific OCS Region, Office of Production, Development and Reservoir Evaluation, contact Mr. Drew Mayerson by telephone at (805) 389-7700 or by email at Drew.Mayerson@boemre.gov

If you have any questions regarding this NTL, please contact Mr. Kelly Johnson by telephone at (504) 736-2682 or by email at Kelly.Johnson@boemre.gov.

Date: 9/3/10

for Robert P. LaBelle
Acting Associate Director for
Offshore Energy and Minerals Management