

**APPENDIX B**

**TEXTS ON GAS FLARING REGULATIONS**

§ 250.175

Supervisor within 60 days after the date of the survey.

§ 250.175 Flaring and venting of gas..

(a) Oil-well and gas-well gas shall not be flared or vented without the approval of the Regional Supervisor except in the following situations:

(1) When gas vapors are flared or vented in small volumes from storage or other low pressure production vessels and cannot be economically recovered,

(2) During temporary situations such as compressor or other equipment failure or the relief of system pressures except the following:

(i) Oil-well gas shall not be flared or vented for more than 48 continuous hours without the approval of the Regional Supervisor. The Regional Supervisor may specify a limit of less than 48 hours when necessary to prevent degradation of the air quality. Flaring or venting gas from a facility shall not continue beyond a cumulative time of 144 hours during any calendar month without the approval of the Regional Supervisor.

(ii) Gas-well gas shall not be flared or vented beyond the time required to eliminate a temporary emergency without the approval of the Regional Supervisor.

(3) During the unloading or cleaning of a well, drill-stem testing, production-testing, or other well-evaluation testing for period not to exceed 48 continuous hours unless a lesser period is specified by the Regional Supervisor to prevent degradation of the air quality.

(b) Except as provided in paragraph (a) of this section, oil-well gas shall not be flared or

vented unless the flaring or venting will be for a period not exceeding 1 year and is approved by the Regional Supervisor in the following situations:

(1) The lessee has initiated an action which, when completed, will eliminate flaring and venting; or

(2) The lessee has submitted an evaluation supported by engineering, geologic, and economic data indicating that the oil and gas produced from the well(s) will not economically support the facilities necessary to save and/or sell the gas, or that sufficient quantities of gas are not available for marketing.

(c) Records detailing flaring or venting occurrences shall be maintained for each facility and shall be available for inspection by MMS representatives. These records shall include daily volumes of gas flared or vented, number of hours of flaring or venting on a daily basis, reasons for flaring or venting, and a list of producing wells contributing to the flaring and venting along with respective gas-oil ratio data. These records shall be maintained by the lessee for a minimum of 2 years at the lessee's field office nearest the Outer Continental Shelf facility or other locations conveniently available to the Regional Supervisor.

§ 250.176 Downhole commingling.

(a) An application to commingle hydrocarbons produced from multiple reservoirs within a common wellbore shall be submitted to the Regional Supervisor for approval and shall include all pertinent well information, geologic and reservoir engineering data, and a schematic diagram of well equipment. 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.

§ 250.177 Enhanced oil and gas recovery operations.

(a) The lessee shall timely initiate enhanced oil and gas recovery operations for all competitive and noncompetitive 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**

§ 250.180 Measurement of liquid hydrocarbons.

(a) *General.* Measurement equipment shall be designed, installed, used, maintained, and tested so as to accurately and completely measure the liquid hydrocarbons produced on a lease for purposes of royalty

determination. For purposes of this subpart, a liquid hydrocarbon is a mixture of hydrocarbons produced in liquid form after passing through surface separating facilities which is marketed or used as such.

(b) *Application and approval.* The lessee shall not commence production of liquid hydrocarbons unless the Regional Supervisor has approved an application for the measurement of liquid hydrocarbons and for commingling, if applicable. The application shall contain information sufficient to demonstrate that the requirements of this section will be met. Sales meter facilities shall be appropriately located with respect to the lease(s) and transportation system(s) involved.

(c) *Sales meter facility requirements.*

(1) A meter upon which royalty is based shall be considered a sales meter.

(2) Sales meter facilities shall include the following components which shall be compatible with the systems to which they are connected:

(i) A positive-displacement or other meter approved by the Regional Supervisor. The meter shall be equipped with a nonrest totalizer.

(ii) A calibrated prover tank, a master meter, a mechanical displacement prover, or other device permanent or portable capable of proving

#### **DEPARTMENT OF THE INTERIOR**

Minerals Management Service  
30 CFR Part 250

Notice of Interpretation  
Concerning the Burning of Liquid Hydrocarbons

**Agency:** Minerals Management Service, Interior

**Action:** Notice of Interpretation

**Summary:** This notice presents the intention of the Minerals Management Service (MMS) to restrict the burning of liquid hydrocarbons. Guidance on burning liquid hydrocarbons is necessary because applicable regulations do not provide specific direction on burning liquid hydrocarbons.

**Effective Date:** February 17, 1995.

**For Further Information Contact:** Sharon Buffington, Engineering and Standards Branch, telephone (703) 787-1600.

**Supplementary Information:** Requests to burn liquid hydrocarbons (crude oil and condensate) have recently become more prevalent in the Outer Continental Shelf (OCS). The OCS Lands Act requires the Secretary of the Interior to provide for the prevention of waste and conservation of the natural resources of the OCS. Section 250.20(a) provides that lessees perform all operations in a safe and workmanlike manner and maintain all equipment in a safe condition for the protection of the lease and associated facilities, the health and safety of all persons, and the preservation and conservation of property and the environment. Conservation of property and the environment requires that lessees not burn liquid hydrocarbons.

Therefore, it is the intention of MMS to prohibit the burning of liquid hydrocarbons unless the lessee demonstrates to the Regional Supervisor that the amount of liquid hydrocarbons to be burned is minimal or the alternatives are infeasible or pose a significant risk to offshore personnel or the environment. Therefore, lessees must contact the appropriate MMS Regional Supervisor prior to burning liquid hydrocarbons.

The MMS recognizes that the best way to provide restrictions on burning liquid hydrocarbons is by rulemaking. Therefore, MMS is issuing a proposed rule under a separate **Federal Register**. Notice that will cover the restrictions on burning liquid hydrocarbons.

The proposed rule will also give the public the opportunity to comment on the restrictions on burning liquid hydrocarbons.

Dated: December 23, 1994.

Bob Armstrong

Assistant Secretary, Land and Minerals Management

[FR Doc.95-3985 Filed 2-16-95; 8:45 am]

#### **DEPARTMENT OF THE INTERIOR**

Minerals Management Service  
30 CFR Part 250

RIN 1010-AB96

**Flaring or Venting Gas and Burning Liquid Hydrocarbons**

**AGENCY:** Minerals Management Service (MMS), Interior

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would amend regulations governing the restrictions on flaring or venting gas to include restrictions on burning liquid hydrocarbons. The MMS is proposing to amend these regulations because of the increased interest in burning liquid hydrocarbons and to clarify the restrictions on burning this natural resource. The amendment would conserve liquid hydrocarbons and protect the environment from the possible effects of burning liquid hydrocarbons.

**DATES:** Comments on this proposed rule must be postmarked or received on or before April 18, 1995 to be considered for this rulemaking.

**ADDRESSES:** Mail or hand-

carry comments to the Department of the Interior; Minerals Management Service; Herndon, Virginia 22070-4817; Attention: Chief, Engineering and Standards Branch.

**FOR FURTHER INFORMATION CONTACT:**

Sharon Buffington, Engineering and Standards Branch, telephone (703) 787-1600.

**SUPPLEMENTARY INFORMATION:** Requests for burning liquid hydrocarbons (crude oil and condensate) have become more frequent in the Outer Continental Shelf. In the interest of conserving natural resources, and because of the environmental concerns associated with this burning, MMS proposes to amend the regulations at 30 CFR 250.175, which currently include restrictions on flaring and venting of gas, to include restrictions on burning liquid hydrocarbons.

Under proposed new paragraph (c) of 30 CFR 250.175, lessees will not be permitted to burn liquid hydrocarbons without the prior approval of the Regional Supervisor. To obtain approval, the lessee must demonstrate that the amounts to be burned would be minimal or that the alternatives, such as transporting the liquids or storing and re-injecting the liquids, are infeasible or pose a significant risk to offshore personnel or the environment. The term "lessee" also includes their agents and designees.

**Authors**

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**Executive Order (E.O.) 12866**

The Department of the Interior (DOI) reviewed this proposed rule under E.O. 12866 and determined that it is not a significant rule.

**Regulatory Flexibility Act**

The DOI determined that this proposed rule will not have a significant effect on a substantial number of small entities. In general, the entities that engage in offshore activities are not considered small due to the technical and financial resources and experience necessary to safely conduct such activities.

**Paperwork Reduction Act**

The proposed information collection requirements contained in § 250.175 were submitted to the Office of Management and Budget (OMB) for approval as required by the Paperwork Reduction Act (44 U.S.C. 3501 et seq.).

The DOI will not require the collection on this information until OMB has approved its collection.

The MMS estimates that public reporting burden for this information to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information collection. Send comments regarding this burden estimate or any other aspects of this collection of information, including suggestions for reducing the burden, to the Information Collection Clearance Officer; Minerals Management Service; Mail Stop 2053, 381 Elden Street; Herndon, Virginia 22070-4817, and the Office of Management and Budget, Paperwork Reduction Project (1010-0041), Washington, DC 20503.

**Takings Implication Assessment**

The DOI determined that this proposed rule does not represent a governmental action capable of interference with constitutionally protected property rights. Thus, a Takings Implication Assessment

does not need to be prepared pursuant to E.O. 12630, Government Action and Interference with Constitutionally Protected Property Rights.

**E.O. 12778**

The DOI certified to OMB that this proposed rule meets the applicable civil justice reform standards provided in Sections 2(a) and 2(b)(2) of E.O. 12778.

**National Environmental Policy Act**

The DOI determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment; therefore, an Environmental Impact Statement is not required.

**List of Subjects in 30 CFR Part 250**

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands - mineral resources, Public lands - rights-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

Dated: December 23 1994.

Bob Armstrong

Assistant Secretary, Land and Minerals Management

For the reasons set forth above, MMS proposes to amend 30 CFR part 250 to read as follows:

**PART 250 - OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF**

1. The authority citation for part 250 continues to read as follows:

**Authority:** 43 U.S.C. 1334

2. Section 250.175 is revised to read as follows:

**§ 250.175 Flaring or venting gas**

**and burning liquid hydrocarbons.**

(a) Lessees must not flare or vent oil-well gas or gas-well gas without the prior approval of the Regional Supervisor except in the following situations:

(1) When gas vapors are flared or vented in small volumes from storage vessels or other low-pressure production vessels and cannot be economically recovered.

(2) During temporary situations such as a compressor or other equipment failure or the relief of system pressures. The following conditions apply:

(i) Lessees must not flare or vent oil-well gas for more than 48 continuous hours without the approval of the Regional Supervisor. The Regional Supervisor may specify a limit of less than 48 hours when necessary to prevent air quality degradation. Flaring or venting gas from a facility must not continue for more than 144 cumulative hours during any calendar month without the approval of the Regional Supervisor.

(ii) Lessees must not flare or vent gas-well gas beyond the time required to eliminate a temporary emergency without the approval of the Regional Supervisor.

(3) During the unloading or cleaning of a well, drill-stem testing, production-testing, or other well-evaluation testing for periods not to exceed 48 cumulative hours per testing operation on a single completion. The Regional Supervisor may specify a shorter period of time, under prior notice, to prevent air quality degradation.

(b) Lessees may flare or vent oil-well gas for a period not to exceed 1 year when the Regional Supervisor approves the request for one of the following reasons:

(1) The lessee initiated an action which, when completed, will

eliminate flaring and venting; or  
(2) The lessee submitted an evaluation supported by engineering, geologic, and economic data indicating that the oil and gas produced from the well(s) will not economically support the facilities necessary to save and/or sell the gas, or that sufficient quantities of gas are not available for marketing.

(c) Lessees must not burn produced liquid hydrocarbons without the prior approval of the Regional Supervisor. To burn produced liquid hydrocarbons, the lessee must demonstrate that the amounts to be burned would be minimal, or that the alternatives are infeasible or pose a significant risk to offshore personnel or the environment. Alternatives to burning liquid hydrocarbons include transporting the liquids or storing and re-injecting them into a producible zone.

(d) Lessee must prepare records detailing gas flaring or venting, and liquid hydrocarbon burning, for each facility. The records must include, at a minimum:

(1) Daily volumes of gas flared or vented, and liquid hydrocarbons burned.

(2) Number of hours of flaring, venting, or burning on a daily basis.

(3) Reasons for flaring, venting, or burning.

(4) A list of the wells contributing to flaring, venting, or burning, along with the gas-oil ratio data.

(e) Lessees must keep these records for at least two (2) years. Lessees must make the records available for inspection by Minerals Management Service (MMS) representatives at the lessees' field office that is nearest the Outer Continental Shelf facility, or at other locations conveniently available to the Regional Supervisor. Upon request by the Regional

Supervisor, lessees must provide a copy of the records to MMS.

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