

INFORMATION TRANSFER PROCEDURE

Communication between Field Offices (FO) and the Production Accountability Technicians (PAT) at the National Operations Center (NOC) is essential to success. Coordination with the FOs may become necessary at any point during this process.

1. For the first year estimate of capability, the NOC will use national average times to do an entire production records review from AFMSS. In subsequent years, the NOC will use average times to complete a records review at the NOC to estimate capability.
2. The NOC provides their capabilities based on average time to complete a production records review and their current onboard capabilities to the state Inspection and Enforcement (I&E) coordinators in October of the first year. In subsequent years, the NOC will supply their capabilities by the end of June.
3. The state I&E coordinators will supply a list of potential cases to be reviewed by the NOC. Initially, simpler cases should be provided (avoid large cases with complex measurement issues). As the team gains in experience, more complex cases may be provided. Following the first year's selection, subsequent selections would be provided in July.
4. Once the NOC has received the list of all potential cases to be reviewed, they will determine if they can complete reviews of all cases submitted. If not, the NOC will determine what percentage can be completed and determine how many and which cases from each office will be reviewed. An equal percentage will be taken from each FO unless priority reviews are identified. Priority reviews will be identified by Washington WO-310 in consultation with the state I&E coordinators, and will include but is not limited to operators identified as having problems reporting production and newly identified production accountability problems in one or several FOs. The NOC will submit the number of and assigned cases to be reviewed in each state by FO to the state I&E coordinators by the end of August.
5. The I&E coordinators will submit their allocated number of cases along with initial points of contact. The identified point of contact will be responsible for communication and coordination between the FO and the NOC for the assigned cases.
6. The FOs are to reflect the number and estimated workmonths of these cases in their I&E matrix with a note in "Remarks." The added capability will be reflected in Box 5 under "I&E Inspection Workmonths" (final placement of where the workmonths will be shown will be given the Strategy IM) and the additional reviews in Box 6 for each FO matrix.
7. The NOC queries the Oil and Gas Operations Report (OGOR), located in the Automated Fluid Minerals Support System (AFMSS) or MMS BRIO portal to perform initial Oil and Gas Operations Report (OGOR) review (PIRR).
8. The NOC queries AFMSS (or MMS BRIO portal for cases when the OGOR is not loaded in AFMSS) for the approved operator address and contact. **Note:** The FO should verify

operator address and contact information in AFMSS when the list is submitted.

9. The NOC contacts the operator (phone or email) to verify name, address, and phone number of the primary contact person as well as any special routing for written correspondence. The scope of the investigation and FO/NOC roles may be explained at this time as well as the importance of responding within the given time frames. The NOC will document all communications. (Illustration 1 shows a suggested conversation record form.)
10. The NOC sends an order letter requesting records (Illustration 2) from the operator with a copy to the FO.

If the operator does not respond, partially responds within the time required, or if it is determined that the operator has not kept records, the NOC initially follows-up with a telephone call/email and note to the file. If compliance still cannot be obtained, the NOC continues with appropriate enforcement action as outlined in the Inspection and Enforcement Documentation and Strategy Development Handbook and follows-up until the information is received with a copy to the FO. All enforcement correspondence (e.g., order letter, letter, INC) will reference the FO's corresponding State Director for potential State Director Reviews. All emails pertaining to the requested data are copied and placed in the file with copy to FO, and all telephone calls pertaining to the requested data are documented and placed in the file with a copy to the FO. A suggested format for telephone documentation is located in Illustration 1.

All requests by the operator for an extension of time to submit the required information with a written detailed justification must be made in writing to the NOC prior to any deadlines. Extensions of time to submit required information must be returned to the operator in writing by certified mail. A suggested format for this letter can be found in Illustration 3.

After all requested information is received, proceed to next step.

11. The NOC makes courtesy call/email acknowledging receipt of the requested records to the operator's contact.
12. The NOC compares records with data on OGOR (accepted records only – See WO IM 2009-174). Coordination with the FO may become necessary at any point during this process.
13. The NOC determinations:
 - a. If issues and anomalies are found, they are resolved by the NOC as per WO IM 2009-174.
 - b. If at any time during the review process the NOC has a meeting with the operator, a letter is to be sent to the operator documenting what was discussed. A suggested

format for this letter can be found in Illustration 4.

- c. If no discrepancies are found, the NOC sends a thank-you letter to the operator with a copy to the FO. A suggested format for this letter can be found in Illustration 5.

14. Records Disposition:

- a. Upon completion of a review, the NOC will send all original records to the appropriate FO for filing with the official case records.
- b. The NOC may retain copies of all records.

Note: At any time in the process, the NOC may need to request files or inspections from the FO that clarify the measurement (e.g., meter locations, off-lease measurement and commingling measurement details, measurement variances). This information may need to be transferred to the NOC and could be done electronically (e.g., scanned and transferred), possibly more easily than copy and mail. The data could be transferred to an ftp site that the NOC designates.

Illustrations:

1. Phone Documentation note (1 p)
2. Initial Information Request letter (2 pp)
3. Time Extension letter (1 p)
4. Operator Meeting Minutes letter (1 p)
5. Thank-you letter (1 p)

Initial Information Request Letter

lease#, CA#, Unit # and list of wells

CERTIFIED MAIL--Return Receipt Requested

Re: Lease. CA. Unit: legal description

Dear Mr. or Ms.:

The Bureau of Land Management (BLM) is responsible for ensuring the correct reporting of production from oil and gas leases operated on Federal and Indian lands. In order to meet this objective, your operations on the referenced case (lease, unit/unitization agreement) has been selected for a production review by the National Operations Center. Production reviews on selected Federal and Indian oil and gas properties are performed to determine how accurately your production records match the volumes you reported on the Oil and Gas Operations Report (OGOR).

Your cooperation and assistance will be appreciated. In accordance with the requirements of 43 CFR 3162.7-5(b)(6), you are ordered to submit the following source documents, procedures, and formulas used to calculate the volumes of gas / oil / water reported on the 3160(s) for the # month period of _____.

[list items needed, delete all others]

1.*Gas Purchaser.

- * Gas Meter chart (originals or photocopies) or Electronic Flow Meter (EFM) statements.
- *Chart Integration Volume Statements (Daily Chart Integration Audit Reports) for each well.
- *Meter Calibration Reports.
- *Gas Meter Configuration Reports (for EFMs).
- *Gas Meter Event Logs (for EFMs).
- *Gas Chromatograph Analysis showing wet BTU Content and Specific Gravity.
- *Methods used to estimate volumes of gas Flared, Vented, or otherwise Lost.
- *Methods used to estimate volumes of gas Used on Lease.
- *List equipment on the lease that uses gas, by well location.
- *Manufacturer's MCF use rating of production equipment.

2.*Oil Purchaser.

- *Run tickets for oil sold.
- *Run tickets for oil sales for each oil sales facility.
- *Tank number(s) and size(s).
- *Strapping tables for the tanks.
- *Daily Pumpers reports for period.

Illustration 2

Initial Information Request Letter

*Seal records for all appropriate valves/Lease Automatic Custody Transfer (LACT) meter components required to be sealed during a given operation for the months for all oil storage facilities.

* Documentation of oil recovered from emergency/water disposal pits for the period.

*Allocation methods and factors for the oil produced and sold at all facilities for the period.

*Pipeline run statements for the period.

*Site Security Plan.

All documents must be properly identified by Federal or Indian lease number and include the information requested above. All documents are to be submitted to this office within xx business days of receipt of this order. To facilitate any communication or requests for additional data, please provide the name, address, and phone number of the person who should be our primary contact in regard to this letter. Failure to comply as noted above will result in a notice of violation, and may result in an assessment or civil penalty under 43 CFR 3163.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order described above, before the xxxxxx State Director. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, xxxxxxx, xxxxxx, xx xxxxx. Such request will not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions, please contact Production reviewer's name with this office at xxx-xxx-xxxx.

Sincerely,

NOC Chief

cc: [if Indian, wherever applicable]
Indian Minerals Services Office
Nation Minerals Dept
BIA Area Office
BLMFO

bcc: Lease, CA CRS #, Unit file
AFMSS
Suspense (Production Reviewer name)
:(PAT name): :(date) / / :x(phone):(doc. name)

Illustration 3

Extension of Time Letter

lease#, CA#, Unit # and list of wells
3162.7

CERTIFIED MAIL—Return Receipt Requested

Dear Mr. or Ms.:

On _____ date _____ the Bureau of Land Management (BLM), National Operations Center (NOC) issued an order for Company to submit production records to allow the NOC to perform a Production Accountability Review (PAR) on the referenced _____ Lease/CA/Unit. The BLM received a Letter/telephone call on date from Person of Company requesting an extension of time to submit the data required. You are hereby granted a # business-day extension of time or an extension to date to submit required records.

Failure to comply as noted above will result in a Notice of Violation, and may result in an assessment of civil penalties under 43 CFR 3163.2 (a), (b), (e), or (f).

If you have any questions, please contact NOC Production Reviewer with this office at xxx-xxx-xxxx.

Sincerely,

NOC Chief

cc: BLMFO inspection office

bcc: Lease, CA CRS #, Unit file
AFMSS
Suspense (PAS. name)
:(PAT. name): :(date) I / :x(phone):(doc. name)

Illustration 4

Minutes of Meeting with Operator

lease#, CA#, Unit # and list of wells

CERTIFIED MAIL--Return Receipt Requested

Dear _____:

We are in receipt of the production information you submitted as a result of our request letter dated _____ for the referenced lease or agreement. This letter is to acknowledge the Production Accountability issues discussed at the meeting on _____ at _____ and attended by _____. In (conducting a field inspection and) reviewing the records forwarded to this office, the following discrepancies were found and it was agreed that company name would:

- 1.
- 2.
- 3.

Any documentation is to be submitted to this office within 20 business days of receipt of this letter.

Sincerely,

NOC Chief

cc: [if Indian, wherever applicable]
Indian Minerals Services Office
Nation Minerals Dept
BIA Area Office
BLMFO

bcc: Lease, CA CRS #, Unit file
AFMSS
Suspense (PAT name)
:(Production Reviewer. name): :(date) I / :x(phone):(doc. name)

Thank-you Letter

lease#, CA #, Unit# and list of wells

Re: Lease. CA. Unit: legal description

Dear Mr. or Ms.:

On behalf of the Bureau of Land Management, we have concluded the Production Accountability Review (PAR) of the referenced lease, Communitization Agreement, or Unit, and have determined that your reporting procedures and practices conform to existing regulations.

There were no irregularities or discrepancies found during the PAR period.

Your cooperation was greatly appreciated.

Sincerely,

NOC Chief

cc: [if Indian, wherever applicable]
Indian Minerals Services Office
Nation Minerals Dept
BIA Area Office

BLMFO

bcc:

Lease, CA CRS #, Unit file
AFMSS
Suspense (PAT name)
:(Production Reviewer. name): :(date) I / :x(phone):(doc. name)