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| **NTL 92-5**  Notice to Lessees and Operators of Onshore Federal and Indian  Oil and Gas Leases Within the Jurisdiction  of the New Mexico State Office  (NTL 92-5 New Mexico)    **Standards for Meters Measuring Low Gas Volumes**   |  |  |  |  | | --- | --- | --- | --- | | I. Background:  Throughout 1990, members of the New Mexico BLM met with the New Mexico Oil Conservation Division, gas producers, transporters, and purchasers in Santa Fe, NM to address issues concerning the measurement of low volume gas wells. The purpose of these meetings was to develop standards that will ensure satisfactory measurement while preventing premature abandonment of low volume wells due to excessive operating costs. In the San Juan Basin of New Mexico there are approximately 1850 Federal and Indian wells that produce 15 MCF/D or less, accounting for approximately 4.7 BCF of gas production per year. Industry estimates approximately $1,000,000 in annual savings by reducing operating costs.  Options discussed include: Central point delivery meters, allocation of low volume wells based on annual well testing, single gas meter lease measurement, flow-no-flow timers (very low volume meters), commingling, and several alternate methods of measurement.  Gas measurement components covered by this notice include the following:  A. Reduction of calibration frequency from quarterly to semiannually for meters measuring 100 MCF/D or less on a monthly basis.  B. Standardize the requirement of the static pressure recording pen to match the requirement of the differential pressure recording pen  C. Alternate methods of measurement for marginal producing gas wells.  II. Purpose:  The purpose of this NTL is to establish standards for variances to Onshore Order Number 5 which establishes minimum standards for gas measurement. This NTL is an effort to extend the life of marginal gas wells, by reducing operating costs, thereby conserving resources that otherwise would be lost.  III. Definitions:  Low Volume Gas Well Meter. A meter that measures an average of 100 MCF/D or less on a monthly basis.  Marginal Gas Well Meter. A meter that measures an average of 15 MCF/D or less on monthly basis.  IV. Calibration Frequency:  Calibration Frequency shall be the same as outlined in Onshore Order Number 5 except for low volume gas well meters. If the operator and purchaser mutually agree, low volume gas well meters may be calibrated semiannually rather than quarterly.  V. Static Pen Requirement  The static element shall be sized so that the static pressure pen records in the outer 2/3 of the chart range for the majority of the flow period. all meters must meet this standard when originally installed. However, a low volume gas well meter is exempt from this requirement if, after installation, decreasing reservoir/line pressure causes the static pressure to drop below this requirement, if reasonable measurement accuracy is obtained.  VI. Marginal Producing Gas Wells:  The authorized officer may approve alternate methods of measurement if the operator can demonstrate that the allocation method is equatable to all parties and will not result in a loss of royalty. As an example, large uncertainty limits can be created when measuring small volumes (an average of 15 mcf/d or less on a monthly basis). This makes allocation of production an alternative to individual well measurement.  Approval requests must be submitted on a lease basis, but may include multiple leases and should include the following:  A. The reason for the proposal, i.e., economics, environmental, or conservation.  B. Appropriate explanations and diagrams describing the proposed operation in detail:  1. A map showing all lease numbers and location of all leases and wells that will be connected to the proposed off-lease metering facility. All unitized or communitized areas, producing zones, pools, etc. must be clearly illustrated.  2. A schematic diagram or map which clearly locates and identifies all alternative measurement equipment used.  3. Explanation of the proposed allocation method of production to contributing leases/wells.  4. Estimated amounts of gas production from each lease involved.  Any well(s) or lease(s) subsequently added to an approved alternate method of measurement system/facility, must be approved by the Authorized Officer prior to being included in that facility.  The operator is advised that an approval for commingling of production, off-lease measurement, or alternate methods of measurement does not relieve the lessee or operator from legal obligations he/she may have regarding consent from other interest holders or State regulatory agencies.   |  |  |  | | --- | --- | --- | | APPROVED: | Date: 1-1-92 | Larry L. Woodard New Mexico State Director | | | |