

Code of Federal Regulations Onshore Orders Notice to Lessees

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Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA)

To ensure that all oil and gas originated on the public lands and on the Outer Continental Shelf are properly accounted for under the direction of the Secretary of the Interior.



43 CFR 3160

Regulations that govern operations associated with the exploration, development and production of oil and gas deposits from-

- Leases Issued
- Restricted Indian Land Leases
- Leases under Jurisdiction of the Secretary of the Department of the Interior



WHY?



Industry Problems



When were these rules and regulations enacted???



Onshore Orders

- ▣ OO # 1 Effective Date November 21, 1983
- ▣ Revised 7-March-2007
- ▣ OO # 2 Effective Date December 18, 1988
- ▣ OO # 3 Effective Date March 27, 1989
- ▣ OO # 4 Effective Date August 23, 1989
- ▣ OO # 5 Effective Date March 27, 1989
- ▣ OO # 6 Effective Date January 22, 1991
- ▣ OO # 7 Effective Date October 8, 1993



Notice to Lessees

- ▣ NTL # 3 Effective Date March 1, 1979
- ▣ NTL # 4 Effective Date December 1, 1978
- ▣ NTL 2004-1 Effective Date April 23, 2004



Onshore Orders

- ▣ Onshore Oil and Gas Order No. 1
- ▣ Approval of Operations on Onshore Federal and Indian Oil and Gas Leases
 - Approval of All Proposed Exploratory, Development and Service Wells
 - Approval of All Subsequent Well Operations
 - Approval of Lease Operations



Onsite with Bureau of Land Management (BLM), Operator, Contractors



Application for Permit to Drill (APD)

This document is a contract between the BLM and the Lease Holder

- Document is not negotiable once signed
- Changes can be made by sundry application and approval by authorized officer

Discuss with all parties before the APD is submitted to resolve concerns.





07/09/2012

Onshore Orders

- ▣ Onshore Oil and Gas Order No. 2
- ▣ Drilling Operations
 - Well Control
 - Casing and Cementing
 - Mud Program
 - Drill Stem Testing
 - Special Drilling Operations
 - Surface Use
 - Drilling Abandonment

Onshore Orders

- ▣ Onshore Oil and Gas Order No. 3
- ▣ Site Security
 - Storage and Sales Facilities-Seals
 - Lease Automatic Custody Transfer (LACT) – Seals
 - Removal of Crude Oil by Other Means
 - By-Pass Around Meters
 - Theft or Mishandling of Oil
 - Self Inspection
 - Record Keeping
 - Site Security Plan
 - Site Facility Diagram



Onshore Orders

- ▣ Onshore Oil and Gas Order No. 4
- ▣ Measurement of Oil
 - Required Recordkeeping
 - General Requirements and Minimum Standards
 - Oil Measurement by Tank Gauging
 - Oil Measurement by Positive Displacement Meter
 - Oil Measurement by Other Methods
 - Determination of Oil Volume Other than Measurement

Tank Gauging



LACT Meter



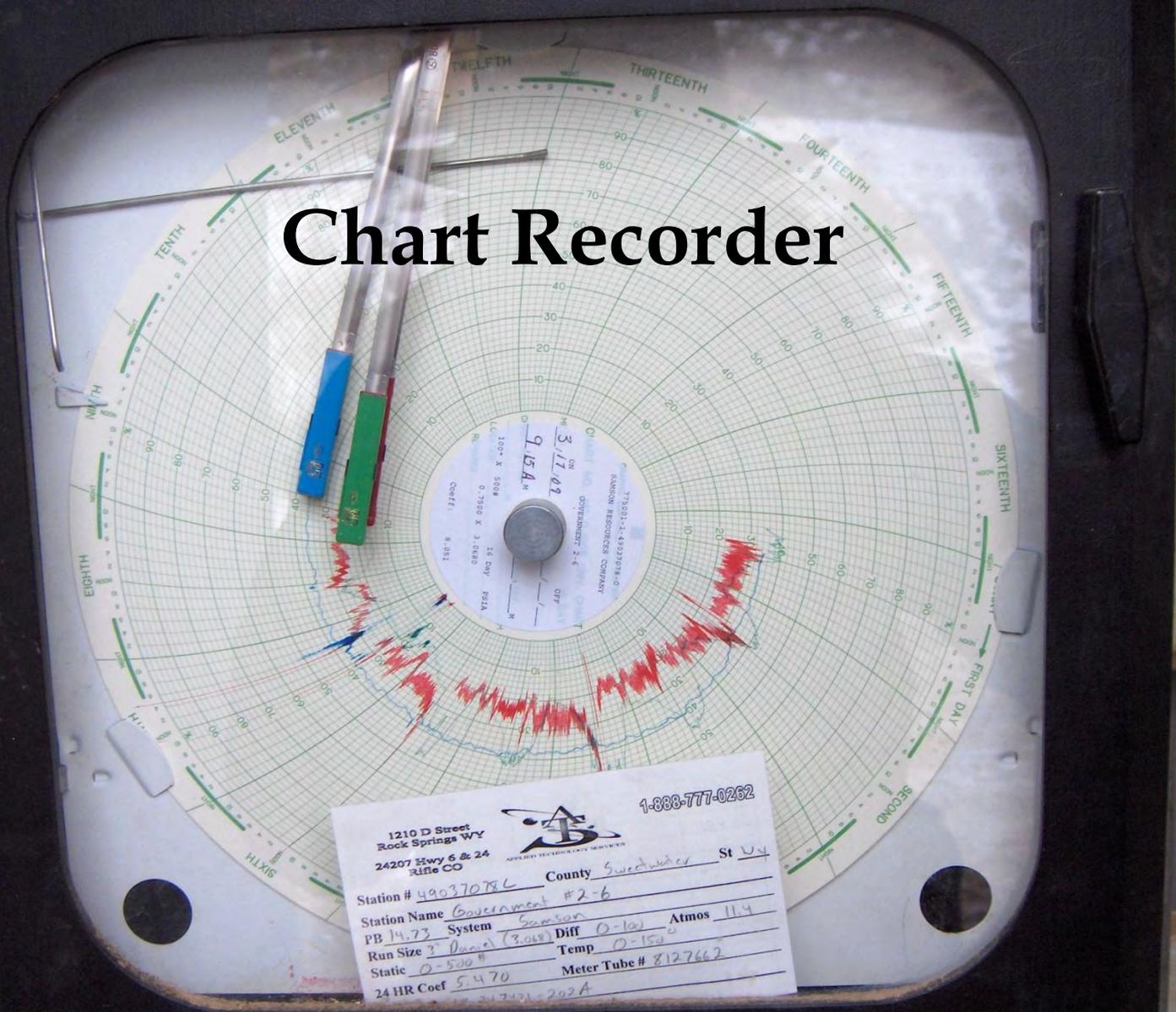
01/21/2009 4:44 am

Onshore Orders

- ▣ Onshore Oil and Gas Order No. 5
- ▣ Measurement of Gas
 - Required Recordkeeping
 - General Requirements and Minimum Standards
 - Gas Measurement by Orifice Meter
 - Gas Measurement by Other Methods/Other Locations



Chart Recorder



Electronic Flow Computer



06/13/2012

Manual of Petroleum Standards
Chapter 14-Natural Gas Fluids Measurement
Section 3

American Petroleum Institute (API)
Standard 2530
Second Edition
September, 1985

American Gas Association (AGA)
Report No. 3



Onshore Orders

- ▣ Onshore Oil and Gas Order No. 6
- ▣ Hydrogen Sulfide Operations
 - Application, Approval and Reports
 - Public Protection
 - Drilling/Completion/Workover Requirements
 - Production Requirements



DANGER
POISONOUS GAS,
H₂S
PERSONAL MONITOR
REQUIRED
IN THIS AREA

--NO--
SMOKING
BEYOND
THIS POINT



Onshore Orders

- ▣ Onshore Oil and Gas Order No. 7
- ▣ Disposal of Produced Water
 - General Requirements
 - Application and Approval Authority
 - Informational Requirements for Injection Wells
 - Informational Requirements for Pits
 - Construction and Maintenance for Pits
 - Other Disposal Methods
 - Reporting Requirement for Disposal Facilities

Produced Water Disposal



04/04/2007 2:51 pm

Notice To Lessees

- ▣ Notice to Lessee – 3A
 - Major Undesirable Events Requiring Immediate Notification
 - Written Reports
 - Other Than Major Undesirable Events
 - Contingency Plans
 - Monthly Reports of Operations/Reports of Sales and Royalty
 - Liquidated Damages

Major Undesirable Events Report within 24 Hrs.

- A. Oil , saltwater, toxic liquid 100 barrels (Bbls.) or more unless contained inside firewall
- B. Venting of 500 thousand cubic feet (MCF) or more
- C. Fire which consumes A or B
- D. Any spill, venting or fire in sensitive area e.g., parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, urban areas, suburban areas
- E. Accident with fatality
- F. Every blowout (loss of control of well)

H₂S Gas



03/22/2012

Notice To Lessees

- ▣ Notice to Lessee – 4A
- ▣ Royalty or Compensation for Oil and Gas Lost
 - General
 - Definitions
 - Authorized Venting and Flaring of Gas
 - Other Venting or Flaring
 - Reporting and Measurement Responsibilities
 - Value Determinations for Royalty/Compensation
 - Compliance

Oil Lost



12/27/2007 12:29 pm

Notice To Lessees

- ▣ Notice to Lessee 2004-1 WY.
 - Standards for the Use of Electronic Flow Computers (EFCs) Used on Differential Type Flow Meters for Gas Measurement
 - Other Standards Incorporated by Reference
 - Informational Requirements
 - Verification and Calibration
 - Other Requirements
 - Variance from Minimum Standards

Notice to Lessee 2004-1 WY.

EFCs shall be installed, operated and maintained in accordance with the portions of API Chapter 21, Section 1, 1993 that apply to differential types of flow meters.



Gas Information Card

Battery Voltage
14.2 Volts



Western Gas Resources
Anadarko Petroleum Corp.
Gas Measurement Dept.
P.O. Box 100
Green River, WY 82935
307-382-4562

FEDERAL LEASE #: Wyw-017132
ATMOS: 11.7
STATIC ZERO SQ. RT.: 1.08
LINE SIZE: 4.026

LEASE: Desert Springs #14-L
STATION: 91-594-109

TOTAL FLOW SERIAL # 6413-106122

FISHER ROC SERIAL #: [Handwritten wavy line]
STATIC PRESSURE: UPSTREAM
 DOWNSTREAM

DIFF. RANGE	STATIC RANGE	TEMP. RANGE
<u>100"</u>	<u>1000"</u>	<u>150°</u>

DATE	TECH	LINE & ORIFICE	GRAVITY	N ²	CO ₂	COEFF
<u>July 16, 2009</u>	<u>S/4</u>	<u>4x1.500</u>	<u>.735</u>	<u>.693</u>	<u>.328</u>	<u>43.71</u>

TOTAL FLOW

MEASUREMENT & CONTROL SYSTEMS

Violations

Major Violation

- Any non-compliance activity that may cause or threaten immediate, substantial and adverse impact on public health and safety, the environment, production accountability or royalty income.



Violations

Minor Violation

- A non-compliance action that does not rise to the level of a “Major Violation.”



Why?

To prevent

- Oil in Pits
- Oil Spills
- Drilling Problems
- Tank Failure
- Abandonment of Equipment
- Production Loss
- Equipment Failure



Oil in Pits



Oil Spills



12/27/2007 12:30 pm

Drilling Problems

24.03.2007



Tank Failure

03/29/2006 11:30 am



Equipment Abandonment



06/16/2006 11:41 am

Production Loss



2/20/2008 11:57 am

Equipment Failure



12/27/2007 12:19 pm

Regulations

Adapted by the Department of Interior/BLM and industry to protect the environment and produce petroleum products on public land.



**Would you want
this next to your home?**



09/20/2006 11:59 am

Questions???



Thank You



02/24/2010