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## Title 30 - Mineral Resources

### Chapter II - Bureau of SAFETY and Environmental Enforcement, Department of the Interior

#### Subchapter B - Offshore

#### Part 250 - Oil and Gas and Sulphur Operations in the Outer Continental Shelf

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#### EDITORIAL NOTE ON PART 250

**Editorial Note:** Nomenclature changes to part 250 appear at 77 FR 50891, Aug. 22, 2012.

### Subpart K - Oil and Gas Production Requirements

#### GENERAL

#### § 250.1150 What are the general reservoir production requirements?

You must produce wells and reservoirs at rates that provide for economic development while maximizing ultimate recovery and without adversely affecting correlative rights.

#### WELL TESTS AND SURVEYS

#### § 250.1151 How often must I conduct well production tests?

(a) You must conduct well production tests as shown in the following table:

<b>You must conduct:</b>	<b>And you must submit to the Regional Supervisor:</b>
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You must conduct:	And you must submit to the Regional Supervisor:
(1) A well-flow potential test on all new, recompleted, or reworked well completions within 30 days of the date of first continuous production,	Form BSEE-0126, Well Potential Test Report, along with the supporting data as listed in the table in § 250.1167, within 15 days after the end of the test period.
(2) At least one well test during a calendar half-year for each producing completion,	Results on Form BSEE-0128, Semiannual Well Test Report, of the most recent well test obtained. This must be submitted within 45 days after the end of the calendar half-year.

- (b) You may request an extension from the Regional Supervisor if you cannot submit the results of a semiannual well test within the specified time.
- (c) You must submit to the Regional Supervisor an original and two copies of the appropriate form required by paragraph (a) of this section; one of the copies of the form must be a public information copy in accordance with §§ 250.186 and 250.197, and marked "Public Information." You must submit two copies of the supporting information as listed in the table in § 250.1167 with form BSEE-0126.

### § 250.1152 How do I conduct well tests?

- (a) When you conduct well tests you must:
- (1) Recover fluid from the well completion equivalent to the amount of fluid introduced into the formation during completion, recompletion, reworking, or treatment operations before you start a well test;
  - (2) Produce the well completion under stabilized rate conditions for at least 6 consecutive hours before beginning the test period;
  - (3) Conduct the test for at least 4 consecutive hours;
  - (4) Adjust measured gas volumes to the standard conditions of 14.73 pounds per square inch absolute (psia) and 60 °F for all tests; and
  - (5) Use measured specific gravity values to calculate gas volumes.
- (b) You may request approval from the Regional Supervisor to conduct a well test using alternative procedures if you can demonstrate test reliability under those procedures.
- (c) The Regional Supervisor may also require you to conduct the following tests and complete them within a specified time period:
- (1) A retest or a prolonged test of a well completion if it is determined to be necessary for the proper establishment of a Maximum Production Rate (MPR) or a Maximum Efficient Rate (MER); and
  - (2) A multipoint back-pressure test to determine the theoretical open-flow potential of a gas well.
- (d) A BSEE representative may witness any well test. Upon request, you must provide advance notice to the Regional Supervisor of the times and dates of well tests.

### §§ 250.1153-250.1155 [Reserved]

#### APPROVALS PRIOR TO PRODUCTION

### § 250.1156 What steps must I take to receive approval to produce within 500 feet of a unit or lease line?

- (a) You must obtain approval from the Regional Supervisor before you start producing from a reservoir within a well that has any portion of the completed interval less than 500 feet from a unit or lease line. Submit to BSEE the service fee listed in § 250.125, according to the instructions in § 250.126, and the supporting information, as listed in the table in § 250.1167, with your request. The Regional Supervisor will determine whether approval of your request will maximize ultimate recovery, avoid the waste of natural resources, or protect correlative rights. You do not need to obtain approval if the adjacent leases or units have the same unit, lease (record title and operating rights), and royalty interests as the lease or unit you plan to produce. You do not need to obtain approval if the adjacent block is unleased.
- (b) You must notify the operator(s) of adjacent property(ies) that are within 500 feet of the completion, if the adjacent acreage is a leased block in the Federal OCS. You must provide the Regional Supervisor proof of the date of the notification. The operators of the adjacent properties have 30 days after receiving the notification to provide the Regional Supervisor letters of acceptance or objection. If an adjacent operator does not respond within 30 days, the Regional Supervisor will presume there are no objections and proceed with a decision. The notification must include:
- (1) The well name;

- (2) The rectangular coordinates (x, y) of the location of the top and bottom of the completion or target completion referenced to the North American Datum 1983, and the subsea depths of the top and bottom of the completion or target completion;
- (3) The distance from the completion or target completion to the unit or lease line at its nearest point; and
- (4) A statement indicating whether or not it will be a high-capacity completion having a perforated or open hole interval greater than 150 feet measured depth.

#### **§ 250.1157 How do I receive approval to produce gas-cap gas from an oil reservoir with an associated gas cap?**

- (a) You must request and receive approval from the Regional Supervisor:
  - (1) Before producing gas-cap gas from each completion in an oil reservoir that is known to have an associated gas cap.
  - (2) To continue production from a well if the oil reservoir is not initially known to have an associated gas cap, but the oil well begins to show characteristics of a gas well.
- (b) For either request, you must submit the service fee listed in § 250.125, according to the instructions in § 250.126, and the supporting information, as listed in the table in § 250.1167, with your request.
- (c) The Regional Supervisor will determine whether your request maximizes ultimate recovery.

#### **§ 250.1158 How do I receive approval to downhole commingle hydrocarbons?**

- (a) Before you perforate a well, you must request and receive approval from the Regional Supervisor to commingle hydrocarbons produced from multiple reservoirs within a common wellbore. The Regional Supervisor will determine whether your request maximizes ultimate recovery. You must include the service fee listed in § 250.125, according to the instructions in § 250.126, and the supporting information, as listed in the table in § 250.1167, with your request.
- (b) If one or more of the reservoirs proposed for commingling is a competitive reservoir, you must notify the operators of all leases that contain the reservoir that you intend to downhole commingle the reservoirs. Your request for approval of downhole commingling must include proof of the date of this notification. The notified operators have 30 days after notification to provide the Regional Supervisor with letters of acceptance or objection. If the notified operators do not respond within the specified period, the Regional Supervisor will assume the operators do not object and proceed with a decision.

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#### PRODUCTION RATES

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#### **§ 250.1159 May the Regional Supervisor limit my well or reservoir production rates?**

- (a) The Regional Supervisor may set a Maximum Production Rate (MPR) for a producing well completion, or set a Maximum Efficient Rate (MER) for a reservoir, or both, if the Regional Supervisor determines that an excessive production rate could harm ultimate recovery. An MPR or MER will be based on well tests and any limitations imposed by well and surface equipment, sand production, reservoir sensitivity, gas-oil and water-oil ratios, location of perforated intervals, and prudent operating practices.
- (b) If the Regional Supervisor sets an MPR for a producing well completion and/or an MER for a reservoir, you may not exceed those rates except due to normal variations and fluctuations in production rates as set by the Regional Supervisor.

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#### FLARING, VENTING, AND BURNING HYDROCARBONS

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#### **§ 250.1160 When may I flare or vent gas?**

- (a) You must request and receive approval from the Regional Supervisor to flare or vent natural gas at your facility, except in the following situations:

Condition	Additional requirements
(1) When the gas is lease use gas (produced natural gas which is used on or for the benefit of lease operations such as gas used to operate production facilities) or is used as an additive necessary to burn waste products, such as H <sub>2</sub> S	The volume of gas flared or vented may not exceed the amount necessary for its intended purpose. Burning waste products may require approval under other regulations.
(2) During the restart of a facility that was shut in because of weather conditions, such as a hurricane	Flaring or venting may not exceed 48 cumulative hours without Regional Supervisor approval.

Condition	Additional requirements
(3) During the blow down of transportation pipelines downstream of the royalty meter	(i) You must report the location, time, flare/vent volume, and reason for flaring/venting to the Regional Supervisor in writing within 72 hours after the incident is over. (ii) Additional approval may be required under subparts H and J of this part.
(4) During the unloading or cleaning of a well, drill-stem testing, production testing, other well-evaluation testing, or the necessary blow down to perform these procedures	You may not exceed 48 cumulative hours of flaring or venting per unloading or cleaning or testing operation on a single completion without Regional Supervisor approval.
(5) When properly working equipment yields flash gas (natural gas released from liquid hydrocarbons as a result of a decrease in pressure, an increase in temperature, or both) from storage vessels or other low-pressure production vessels, and you cannot economically recover this flash gas	You may not flare or vent more than an average of 50 MCF per day during any calendar month without Regional Supervisor approval.
(6) When the equipment works properly but there is a temporary upset condition, such as a hydrate or paraffin plug	(i) For oil-well gas and gas-well flash gas (natural gas released from condensate as a result of a decrease in pressure, an increase in temperature, or both), you may not exceed 48 continuous hours of flaring or venting without Regional Supervisor approval. (ii) For primary gas-well gas (natural gas from a gas well completion that is at or near its wellhead pressure; this does not include flash gas), you may not exceed 2 continuous hours of flaring or venting without Regional Supervisor approval. (iii) You may not exceed 144 cumulative hours of flaring or venting during a calendar month without Regional Supervisor approval.
(7) When equipment fails to work properly, during equipment maintenance and repair, or when you must relieve system pressures	(i) For oil-well gas and gas-well flash gas, you may not exceed 48 continuous hours of flaring or venting without Regional Supervisor approval. (ii) For primary gas-well gas, you may not exceed 2 continuous hours of flaring or venting without Regional Supervisor approval. (iii) You may not exceed 144 cumulative hours of flaring or venting during a calendar month without Regional Supervisor approval. (iv) The continuous and cumulative hours allowed under this paragraph may be counted separately from the hours under paragraph (a)(6) of this section.

- (b) Regardless of the requirements in paragraph (a) of this section, you must not flare or vent gas over the volume approved in your Development Operations Coordination Document (DOCD) or your Development and Production Plan (DPP) submitted to BOEM.
- (c) The Regional Supervisor may establish alternative approval procedures to cover situations when you cannot contact the BSEE office, such as during non-office hours.
- (d) The Regional Supervisor may specify a volume limit, or a shorter time limit than specified elsewhere in this part, in order to prevent air quality degradation or loss of reserves.
- (e) If you flare or vent gas without the required approval, or if the Regional Supervisor determines that you were negligent or could have avoided flaring or venting the gas, the hydrocarbons will be considered avoidably lost or wasted. You must pay royalties on the loss or waste, according to 30 CFR part 1202. You must value any gas or liquid hydrocarbons avoidably lost or wasted under the provisions of 30 CFR part 1206.
- (f) Fugitive emissions from valves, fittings, flanges, pressure relief valves or similar components do not require approval under this subpart unless specifically required by the Regional Supervisor.

#### **§ 250.1161 When may I flare or vent gas for extended periods of time?**

You must request and receive approval from the Regional Supervisor to flare or vent gas for an extended period of time. The Regional Supervisor will specify the approved period of time, which will not exceed 1 year. The Regional Supervisor may deny your request if it does not ensure the conservation of natural resources or is not consistent with National interests relating to development and production of minerals of the OCS. The Regional Supervisor may approve your request for one of the following reasons:

- (a) You initiated an action which, when completed, will eliminate flaring and venting; or
- (b) You submit to the Regional Supervisor 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 sell the gas or to use the gas on or for the benefit of the lease.

#### **§ 250.1162 When may I burn produced liquid hydrocarbons?**

- (a) You must request and receive approval from the Regional Supervisor to burn any produced liquid hydrocarbons. The Regional Supervisor may allow you to burn liquid hydrocarbons if you demonstrate that transporting them to market or re-injecting them is not technically feasible or poses a significant risk of harm to offshore personnel or the environment.
- (b) If you burn liquid hydrocarbons without the required approval, or if the Regional Supervisor determines that you were negligent or could have avoided burning liquid hydrocarbons, the hydrocarbons will be considered avoidably lost or wasted. You must pay royalties on the loss or waste, according to 30 CFR part 1202. You must value any liquid hydrocarbons avoidably lost or wasted under the provisions of 30 CFR part 1206.

#### **§ 250.1163 How must I measure gas flaring or venting volumes and liquid hydrocarbon burning volumes, and what records must I maintain?**

- (a) If your facility processes more than an average of 2,000 bopd during May 2010, you must install flare/vent meters within 180 days after May 2010. If your facility processes more than an average of 2,000 bopd during a calendar month after May 2010, you must install flare/vent meters within 120 days after the end of the month in which the average amount of oil processed exceeds 2,000 bopd.
  - (1) You must notify the Regional Supervisor when your facility begins to process more than an average of 2,000 bopd in a calendar month;
  - (2) The flare/vent meters must measure all flared and vented gas within 5 percent accuracy;
  - (3) You must calibrate the meters regularly, in accordance with the manufacturer's recommendation, or at least once every year, whichever is shorter; and
  - (4) You must use and maintain the flare/vent meters for the life of the facility.
- (b) You must report all hydrocarbons produced from a well completion, including all gas flared, gas vented, and liquid hydrocarbons burned, to Office of Natural Resources Revenue on Form ONRR-4054 (Oil and Gas Operations Report), in accordance with 30 CFR 1210.102.
  - (1) You must report the amount of gas flared and the amount of gas vented separately.
  - (2) You may classify and report gas used to operate equipment on the lease, such as gas used to power engines, instrument gas, and gas used to maintain pilot lights, as lease use gas.
  - (3) If flare/vent meters are required at one or more of your facilities, you must report the amount of gas flared and vented at each of those facilities separately from those facilities that do not require meters and separately from other facilities with meters.
  - (4) If flare/vent meters are not required at your facility:
    - (i) You may report the gas flared and vented on a lease or unit basis. Gas flared and vented from multiple facilities on a single lease or unit may be reported together.

- (ii) If you choose to install meters, you may report the gas volume flared and vented according to the method specified in paragraph (b)(3) of this section.
- (c) You must prepare and maintain records detailing gas flaring, gas venting, and liquid hydrocarbon burning for each facility for 6 years.
  - (1) You must maintain these records on the facility for at least the first 2 years and have them available for inspection by BSEE representatives.
  - (2) After 2 years, you must maintain the records, allow BSEE representatives to inspect the records upon request and provide copies to the Regional Supervisor upon request, but are not required to keep them on the facility.
  - (3) The records must include, at a minimum:
    - (i) Daily volumes of gas flared, gas vented, and liquid hydrocarbons burned;
    - (ii) Number of hours of gas flaring, gas venting, and liquid hydrocarbon burning, on a daily and monthly cumulative basis;
    - (iii) A list of the wells contributing to gas flaring, gas venting, and liquid hydrocarbon burning, along with gas-oil ratio data;
    - (iv) Reasons for gas flaring, gas venting, and liquid hydrocarbon burning; and
    - (v) Documentation of all required approvals.
- (d) If your facility is required to have flare/vent meters:
  - (1) You must maintain the meter recordings for 6 years.
    - (i) You must keep these recordings on the facility for 2 years and have them available for inspection by BSEE representatives.
    - (ii) After 2 years, you must maintain the recordings, allow BSEE representatives to inspect the recordings upon request and provide copies to the Regional Supervisor upon request, but are not required to keep them on the facility.
    - (iii) These recordings must include the begin times, end times, and volumes for all flaring and venting incidents.
  - (2) You must maintain flare/vent meter calibration and maintenance records on the facility for 2 years.
- (e) If your flaring or venting of gas, or burning of liquid hydrocarbons, required written or oral approval, you must submit documentation to the Regional Supervisor summarizing the location, dates, number of hours, and volumes of gas flared, gas vented, and liquid hydrocarbons burned under the approval.

#### **§ 250.1164 What are the requirements for flaring or venting gas containing H<sub>2</sub>S?**

- (a) You may not vent gas containing H<sub>2</sub>S, except for minor releases during maintenance and repair activities that do not result in a 15-minute time-weighted average atmosphere concentration of H<sub>2</sub>S of 20 ppm or higher anywhere on the platform.
- (b) You may flare gas containing H<sub>2</sub>S only if you meet the requirements of §§ 250.1160, 250.1161, 250.1163, and the following additional requirements:
  - (1) For safety or air pollution prevention purposes, the Regional Supervisor may further restrict the flaring of gas containing H<sub>2</sub>S. The Regional Supervisor will use information provided in the lessee's H<sub>2</sub>S Contingency Plan (§ 250.490(f)), Exploration Plan, DPP, DOCD submitted to BOEM, and associated documents to determine the need for restrictions; and
  - (2) If the Regional Supervisor determines that flaring at a facility or group of facilities may significantly affect the air quality of an onshore area, the Regional Supervisor may require you to conduct an air quality modeling analysis, under 30 CFR 550.303, to determine the potential effect of facility emissions. The Regional Supervisor may require monitoring and reporting, or may restrict or prohibit flaring, under 30 CFR 550.303 and 30 CFR 550.304.
- (c) The Regional Supervisor may require you to submit monthly reports of flared and vented gas containing H<sub>2</sub>S. Each report must contain, on a daily basis:
  - (1) The volume and duration of each flaring and venting occurrence;
  - (2) H<sub>2</sub>S concentration in the flared or vented gas; and
  - (3) The calculated amount of SO<sub>2</sub> emitted.

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#### OTHER REQUIREMENTS

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#### **§ 250.1165 What must I do for enhanced recovery operations?**

- (a) You must promptly initiate enhanced oil and gas recovery operations for all reservoirs where these operations would result in an increase in ultimate recovery of oil or gas under sound engineering and economic principles.
- (b) Before initiating enhanced recovery operations, you must submit a proposed plan to the BSEE Regional Supervisor and receive approval for pressure maintenance, secondary or tertiary recovery, cycling, and similar recovery operations intended to increase the ultimate recovery of oil and gas from a reservoir. The proposed plan must include, for each project reservoir, a geologic and engineering overview

and any additional information required by the BSEE Regional Supervisor. You also must submit Form BOEM-0127 to BOEM along with the supporting data specified in BOEM regulations, 30 CFR part 550, subpart K.

- (c) You must report to Office of Natural Resources Revenue the volumes of oil, gas, or other substances injected, produced, or produced for a second time under 30 CFR 1210.102.

[76 FR 64462, Oct. 18, 2011, as amended at 81 FR 36150, June 6, 2016]

#### § 250.1166 What additional reporting is required for developments in the Alaska OCS Region?

- (a) For any development in the Alaska OCS Region, you must submit an annual reservoir management report to the Regional Supervisor. The report must contain information detailing the activities performed during the previous year and planned for the upcoming year that will:
- (1) Provide for the prevention of waste;
  - (2) Provide for the protection of correlative rights; and
  - (3) Maximize ultimate recovery of oil and gas.
- (b) If your development is jointly regulated by BSEE and the State of Alaska, BSEE and the Alaska Oil and Gas Conservation Commission will jointly determine appropriate reporting requirements to minimize or eliminate duplicate reporting requirements.
- (c) [Reserved]

#### § 250.1167 What information must I submit with forms and for approvals?

You must submit the supporting information listed in the following table with the form identified in column 1 and for the approvals required under this subpart identified in columns 2 through 4:

	WPT BSEE- 0126 (2 copies)	Gas cap production	Downhole commingling	Production within 500-ft of a unit or lease line
(a) Maps:				
(1) Base map with surface, bottomhole, and completion locations with respect to the unit or lease line and the orientation of representative seismic lines or cross-sections		✓	✓	✓
(2) Structure maps with penetration point and subsea depth for each well penetrating the reservoirs, highlighting subject wells; reservoir boundaries; and original and current fluid levels	✓	✓	✓	✓
(3) Net sand isopach with total net sand penetrated for each well, identified at the penetration point		✓	✓	
(4) Net hydrocarbon isopach with net feet of pay for each well, identified at the penetration point		✓	✓	
(b) Seismic data:				
(1) Representative seismic lines, including strike and dip lines that confirm the structure; indicate polarity		✓	✓	✓
(2) Amplitude extraction of seismic horizon, if applicable		✓	✓	✓

	WPT BSEE- 0126 (2 copies)	Gas cap production	Downhole commingling	Production within 500-ft of a unit or lease line
(c) Logs:				
(1) Well log sections with tops and bottoms of the reservoir(s) and proposed or existing perforations	✓	✓	✓	✓
(2) Structural cross-sections showing the subject well and nearby wells		✓	✓	*
(d) Engineering data:				
(1) Estimated recoverable reserves for each well completion in the reservoir; total recoverable reserves for each reservoir; method of calculation; reservoir parameters used in volumetric and decline curve analysis		†	†	✓
(2) Well schematics showing current and proposed conditions		✓	✓	✓
(3) The drive mechanism of each reservoir		✓	✓	✓
(4) Pressure data, by date, and whether they are estimated or measured		✓	✓	
(5) Production data and decline curve analysis indicative of the reservoir performance		✓	✓	
(6) Reservoir simulation with the reservoir parameters used, history matches, and prediction runs (include proposed development scenario)		*	*	*
(e) General information:				
(1) Detailed economic analysis		*	*	
(2) Reservoir name and whether or not it is competitive as defined under § 250.105		✓	✓	✓
(3) Operator name, lessee name(s), block, lease number, royalty rate, and unit number (if applicable) of all relevant leases		✓	✓	✓
(4) Geologic overview of project		✓	✓	✓
(5) Explanation of why the proposed completion scenario will maximize ultimate recovery		✓	✓	✓
(6) List of all wells in subject reservoirs that have ever produced or been used for injection		✓	✓	✓



✓ Required.

† Each Gas Cap Production request and Downhole Commingling request must include the estimated recoverable reserves for (1) the case where your proposed production scenario is approved, and (2) the case where your proposed production scenario is denied.

\* Additional items the Regional Supervisor may request.

Note: All maps must be at a standard scale and show lease and unit lines. The Regional Supervisor may waive submittal of some of the required data on a case-by-case basis.

(f) Depending on the type of approval requested, you must submit the appropriate payment of the service fee(s) listed in § 250.125, according to the instructions in § 250.126.