

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240
September 20, 1996

In Reply Refer To:
3162.7 (310) L

EMS TRANSMISSION 9/26/96
Instruction Memorandum No. 96-187
Expires: 9/30/97

To: All State Directors
From: Director
Subject: Instruction Memorandum (IM) for Gas Production Accountability Responsibilities

ISSUE: The current BLM policy does not allow the BLM to approve measurement past the inlet of a gas processing plant. In those cases where the gas constituents and properties do not allow for accurate measurement required by 43 CFR 3162.7-3 and Onshore Order No. 5, prior to processing, the BLM cannot ensure production accountability.

OBJECTIVE: The purpose of this IM is to revise BLM's policy on the limit of regulatory jurisdiction for gas production accountability in specific situations.

BACKGROUND: Instruction Memorandum (IM) No. 90-474, established BLM's policy on the regulatory division of responsibilities between the BLM and MMS on oil and gas accountability. The point where BLM defined its jurisdictional line was two fold: 1) BLM's jurisdiction was not to go past the Approved Point of Measurement (APM), and 2) the APM cannot be past the inlet of a gas processing plant.

POLICY: Anytime Federal or Indian gas production from an individual lease, communitization agreement, or unit area cannot be measured accurately prior to processing, the BLM can approve measurement at the tailgate of a gas processing plant. Some examples of production streams that cannot be accurately measured prior to processing include those in two-phase flow or high H₂S content.

In response to the comments submitted regarding the draft of this IM, issues involving gas production commingled prior to processing will be referred to the proposed pilot study group (see the attached memorandum). The Washington Office has assigned the Wyoming State Office (WSO) as the lead state to address gas plant issues and studies. All issues and projects involving gas plants will be coordinated through the Wyoming State Office.

IMPLEMENTATION AND SCHEDULE: This policy is effective immediately.

COORDINATION: When measurement approval is being granted at the tailgate meter(s) of a gas processing plant, MMS Valuation and Standards Division should be notified prior to granting the approval so necessary changes can be made for reporting purposes. Cooperation with MMS on the pilot study has been coordinated and agreed to.

BUDGET IMPLICATIONS: Minimal.

CONTACT: If there are any questions regarding this policy, please contact John Shufflebarger at (307) 775-6202.

Signed
W. Hord Tipton
Assistant Director
Resource Use and Protection

Authenticated
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Directives Team, WO530

1 Attachment

1 - Results and Recommendations of BLM/MMS Gas Accountability Work Group
Meeting of March 1996 (3 pp)