

From: director@fracdallas.org
To: [Oil and Gas Conservation Rulemaking](#)
Cc: wasden@cableone.net; [Tom Schultz](#)
Subject: IDL regarding Proposed Rules for Oil and Gas Conservation, Docket No. 20-0702-1601
Date: Wednesday, October 26, 2016 11:08:43 AM

Dear Mr. Wilson,

This e-mail pertains to Section 410 - Meters, as follows:

410. METERS.

01. General Requirements . Meter fittings of adequate size to measure the gas efficiently for the purpose of obtaining gas-oil ratios shall be installed on the gas vent line of every separator or proper connections made for orifice well tester. Well-head equipment shall be installed and maintained in excellent condition. Valves shall be installed so that pressures can be readily obtained on both casing and tubing. (3-29-12)

02. Meter Calibration. All required meters ~~shall~~ must be calibrated by an independent third party at least once per calendar year. The records of such calibration ~~shall~~ must be maintained or made available by the owner or operator of the well and ~~shall~~ copies must be available for inspection by submitted to the Department. Such records shall be maintained by the owner or operator for ~~a period of~~ at least five (5) years. (3-29-12) ()

03. Visibility. All required meters shall be accessible and viewable by the Department for the purpose of monitoring daily, monthly and/or cumulative production volumes from individual wells. (3-29-12)

Proposed language in Section 410 - Meters completely fails to protect Idaho citizens or government by inadequately regulating flow meters that measure the amount of oil, natural gas, natural gas liquids (NGLs) and/or condensate that flows from each well. Further, metering is how the state gets paid, so having accurately calibrated flow meters on wells is essential to insuring that accurate production records are kept and that the state is appropriately compensated for its mineral interest that is produced. I recommend scrapping the entire Section 410 and adopting something similar to the Texas standard below, as this is representative of the regulation deemed necessary by mature oil and gas states. Failing to require frequent testing and maintenance, by an independent third party certified by the state to perform such testing, may result in the state not receiving proper compensation and production reporting. Trusting an operator to properly maintain meters and accurately report production is NEVER done in mature oil and gas states, and it should not be allowed in Idaho in order to protect the mineral asset value that belongs to the citizens of Idaho under the auspices of Idaho state government, and specifically IDL.

Texas Administrative Code

[Next Rule>>](#)

[TITLE 16](#)

ECONOMIC REGULATION

[PART 1](#)

RAILROAD COMMISSION OF TEXAS

[CHAPTER 3](#)

OIL AND GAS DIVISION

RULE §3.27

Gas To Be Measured and Surface Commingling of Gas

(a) All natural gas, except casinghead gas, produced from wells shall be measured, with each completion being measured separately, before the

gas leaves the lease, and the producer shall report the volume produced from each completion to the commission. For commission purposes, the measurement requirements of this section are satisfied by the use of coriolis or turbine meters or any other measurement device or technology that conforms to standards established, as of the time of installation, by the American Petroleum Institute (API) or the American Gas Association (AGA) for measuring oil or gas, as applicable, or approved by the Director of the Oil and Gas Division as an accurate measurement technology. Exceptions to this provision may be granted by the commission upon written application.

(b) All casinghead gas sold, processed for its gasoline content, used in a field other than that in which it is produced, or used in cycling or repressuring operations, shall be measured before the gas leaves the lease, and the producer shall report the volume produced to the commission. Exceptions to this provision may be granted by the commission upon written application.

(c) All casinghead gas produced in this state which is not covered by the provisions of subsection (b) of this section, shall be measured before the gas leaves the lease, is used as fuel, or is released into the air, based on its use or on periodic tests, and reported to the commission by the producer. The volume of casinghead gas produced by wells exempt from gas/oil ratio surveys must be estimated, based on general knowledge of the characteristics of the wells. Exceptions to this provision may be granted by the commission upon written application.

(d) Releases and production of gas at a volume or daily flow rate, commonly referred to as "too small to measure" (TSTM), which, due to minute quantity, cannot be accurately determined or for which a determination of gas volume is not reasonably practical using routine oil and gas industry methods, practices, and techniques are exempt from compliance with this rule and are not required to be reported to the commission or charged against lease allowable production.

(e) In order to prevent waste, to promote conservation or to protect correlative rights, the commission may approve surface commingling of gas or oil and gas described in subsections (a), (b) or (c) of this section and produced from two or more tracts of land producing from the same commission-designated reservoir or from one or more tracts of land producing from different commission-designated reservoirs in accordance with §3.26(b) of this title (relating to Separating Devices, Tanks, and Surface Commingling of Oil).

(f) In reporting gas well production, the full-well stream gas shall be reported and charged against each gas well for allowable purposes. All gas produced, including all gas used on the lease or released into the air, must be reported regardless of its disposition.

(g) If gas is produced from a lease or other property covered by the coastal or inland waters of the state, the gas produced may, at the option of the operator, be measured on a shore or at a point removed from the lease or other property from which it was produced.

(h) All natural hydrocarbon gas produced and utilized from wells completed in geothermal resource reservoirs shall be measured and allocated to each individual lease based on semiannual tests conducted on full well stream lease production.

(i) For purposes of this rule, "measured" shall mean a determination of gas volume in accordance with this rule and other rules of the commission, including accurate estimates of unmetered gas volumes released into the air or used as fuel.

(j) No meter or meter run used for measuring gas as required by this rule shall be equipped with a manifold which will allow gas flow to be diverted or bypassed around the metering element in any manner unless it is of the type listed in paragraphs (1) or (2) of this subsection:

(1) double chambered orifice meter fittings with proper meter manifolding to allow equalized pressure across the meter during servicing;

(2) double chambered or single chambered orifice meter fittings equipped with proper meter manifolding or other types of metering devices accompanied by one of the following types of meter inspection manifolds:

(A) a manifold with block valves on each end of the meter run and a single block valve in the manifold complete with provisions to seal and a continuously maintained seal record;

(B) an inspection manifold having block valves at each end of the meter run and two block valves in the manifold with a bleeder between the two and with one valve equipped with provisions to seal and continuously maintained seal records;

(C) a manifold equipped with block valves at each end of the meter run and one or more block valves in the manifold, when accompanied by a documented waiver from the owner or owners of at least 60% of the royalty interest and the owner or owners of at least 60% of the working interest of the lease from which the gas is produced.

(k) Whenever sealing procedures are used to provide security in the meter inspection manifold systems, the seal records shall be maintained for at least three years at an appropriate office and made available for Railroad Commission inspection during normal working hours. At any time a seal is broken or replaced, a notation will be made on the orifice meter chart along with graphic representation of estimated gas flow during the time the meter is out of service.

(l) All meter requirements apply to all meters which are used to measure lease production, including sales meters if sales meter volumes are allocated back to individual leases.

(m) The commission may grant an exception to measurement requirements under subsections (a), (b) and (c) of this section if the requirements of this subsection are met. An exception granted under this subsection will be revoked if the most recent well test or production reported to the commission reflects a production rate of more than 20 MCF of gas per day or if any of the other requirements for an exception under this subsection are no longer satisfied. An applicant seeking an exception under this subsection must file an application establishing:

(1) the most recent production test reported to the commission demonstrates that the gas well or oil lease for which an exception is sought produces at a rate of no more than 20 MCF of gas per day;

(2) an annual test of the production of the gas well or oil lease provides an accurate estimate of the daily rate of gas flow;

(3) the flow rate established in paragraph (2) of this subsection multiplied by the recorded duration determined by any device or means that accurately records the duration of production each month yields an accurate estimate of monthly production; and

(4) the operator of the pipeline connected to the gas well or oil lease concurs in writing with the application. (n) Failure to comply with the provisions of this rule will result in severance of the producing well, lease, facility, or gas pipeline or in other appropriate enforcement proceeding.

Source Note: The provisions of this §3.27 adopted to be effective January 1, 1976; amended to be effective April 12, 1983, 8 TexReg 1019; amended to be effective March 10, 1986, 11 TexReg 901; amended to be effective June 23, 1997, 22 TexReg 5747; amended to be effective April 28, 2015, 40 TexReg 2275

Please make sure this e-mailed information is included in the official record of public documents submitted to IDL regarding Proposed Rules for Oil and Gas Conservation, Docket No. 20-0702-1601, as required by federal and state laws.

Most sincerely,

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"We only have one environment. When we destroy it we will become as extinct as the dinosaurs!"