



4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

30 CFR Part 250

[Docket ID: BSEE-2012-0003]

RIN 1014-AA01

Production Measurement Documents Incorporated by Reference

AGENCY: Bureau of Safety and Environmental Enforcement (BSEE), Interior.

ACTION: Final rule.

SUMMARY: BSEE is establishing a final rule to incorporate by reference 12 additional production measurement industry standards into the regulations governing oil, gas, and sulphur operations in the Outer Continental Shelf. Incorporation of these production measurement standards provides industry with up-to-date standards for measuring oil and gas production volumes. This rule will result in more accurate and efficient measurement of oil and gas production.

DATES: *Effective Date:* This final rule becomes effective on [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The incorporation by reference of certain publications listed in the rule is approved by the Director of the Federal Register as of [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Wilbon Rhome, Regulations and Standards Branch, at Wilbon.Rhome@BSEE.gov, 703-787-1587.

SUPPLEMENTARY INFORMATION: This Final Rule falls under the authority of BSEE and as such, new Regulation Identifier Number (RIN) and Docket ID numbers were assigned to this rulemaking. The new RIN for this Final Rule is 1014–AA01, will replace RIN 1010–AD53 from the proposed rule. The Docket is now BSEE-2012-0003, replacing BOEM-2010-0033.

BSEE uses standards, specifications, and recommended practices developed by standard-setting organizations and the oil and gas industry as a means of establishing requirements for activities in the Outer Continental Shelf (OCS). This practice, known as incorporation by reference, allows BSEE to incorporate the requirements of technical documents into the regulations at 30 CFR 250.198 without increasing the volume of the Code of Federal Regulations (CFR).

The regulations found at 1 CFR part 51 govern how BSEE and other Federal agencies incorporate by reference the requirements found in various documents. Agencies can incorporate by reference only through publication in the *Federal Register*. Agencies must also obtain approval from the Director of the *Federal Register* for each publication incorporated by reference. Incorporation by reference of a document or publication is limited to the edition of the document or publication cited in the regulations. Accordingly, newer editions, amendments, or revisions to documents already incorporated by reference in regulations are not part of BSEE regulations.

In some cases, BSEE may not agree with a standard or a specific section in a standard. As a result, a standard may not be included in the regulations at all or only a portion may be included.

Why Technical Standards are Important:

Industry standards incorporated in BSEE regulations are invaluable for a variety of reasons. In some instances they enable us to avoid unnecessarily detailed regulations. They have helped us to evolve from a regulatory process that reacts to inadequacies in OCS operations to a more orderly process that recognizes technical innovation and progressive ideas aimed at improving performance, safety, and efficiencies. Industry standards are also important because the law mandates their use by Federal agencies under certain circumstances.

Legal and Policy Mandates:

Legal and Policy mandates to Federal agencies, including BSEE, to use industry standards include the following:

- In October 1993, the Office of Management and Budget (OMB) issued a revised Circular A-119 entitled, “Federal Participation in the Development and Use of Voluntary Standards”. This Circular established the policy for participation by Federal employees in the development of technical standards and the use of voluntary standards by Federal agencies.
- In March 1996, President Clinton codified this OMB policy into Federal law when he signed the National Technology Transfer and Advancement Act (NTTAA). This Act requires Federal agencies to achieve greater reliance on technical standards developed or adopted by voluntary consensus bodies, that are consistent with the agency’s mission, with lessened dependence on in-house regulations.
- A final revision of OMB Circular A-119 was issued effective February 19, 1998. The Circular now directs agencies to use voluntary consensus standards in lieu of government-unique standards except where inconsistent with law or otherwise

impractical. The policies in this Circular are intended to reduce to a minimum the reliance by agencies on government-unique standards.

Summary of Documents Incorporated by Reference in this Rule:

BSEE is incorporating the requirements found in 12 measurement documents (nine American Petroleum Institute (API) and three American Gas Association (AGA) documents) to add the most current and updated measurement standards to provide industry with up-to-date guidance for measurement technology. The incorporation of these additional standards will promote the use of the best available and most accurate measurement technologies while operating in the OCS.

Measurement documents were chosen for incorporation into the regulations based on the latest technological advances introduced in these standards and highlighted in the synopsis below. BSEE, with the cooperation of independent reviewers from industry and academia, reviewed and commented on the contents of these documents in the course of their development. To ensure as consistent an approach as possible to onshore and offshore oil and gas measurement regulations the Department of the Interior's Gas and Oil Measurement Team (GOMT) reviewed the standards proposed for incorporation in this final rule. The GOMT, composed of BLM and BSEE oil and gas measurement experts, was established in August 2010 to provide technical and regulatory expertise to help ensure that oil and gas produced from Federal and Indian leases are accurately measured and properly reported and to provide greater regulatory consistency within the Department where possible.

Based on its review, BSEE determined that three of the standards in the proposed rule would not be included in this final rule. These standards may be further considered in subsequent rulemakings. The following three API standards are not included in this Final Rule because they are generally not applicable to offshore operations:

- API MPMS Chapter 2.2E—Petroleum and Liquid Petroleum Products—Calibration of Horizontal Cylindrical Tanks—Part 1: Manual Methods, First Edition, April 2004, ISO 12917-1: 2002 (Identical), Petroleum and liquid petroleum products—Calibration of horizontal cylindrical tanks—Part 1: Manual methods;
- API MPMS Chapter 2.2F—Petroleum and Liquid Petroleum Products—Calibration of Horizontal Cylindrical Tanks—Part 2: Internal Electro-optical Distance-Ranging Method, First Edition, April 2004, ISO 12917-2:2002 (Identical), Petroleum and liquid petroleum products—Calibration of horizontal cylindrical tanks—Part 2: Internal electro-optical distance-ranging method; and
- API MPMS Chapter 12—Manual of Petroleum Measurement Standards Chapter 12—Calculation of Petroleum Quantities, Section 2—Calculation of Petroleum Quantities Using Dynamic Measurement Methods and Volumetric Correction Factors, Part 5—Calculation of Base Prover Volume by Master Meter Method; First Edition, September 2001; Reaffirmed October 2006.

BSEE regularly participates in the reviews, revisions, and updates of standards to determine if additional versions should be incorporated into our regulations. Additions may be necessary because of changes in technology, environmental concerns, or operational incidents or trends in industry. Also, BSEE may request that a standard-writing body develop a new standard based on incident analysis or due to the introduction

of new exploration or production techniques or new technologies.

BSEE has reviewed the following requirements in the nine documents discussed below and has decided to incorporate the documents into the regulations at 30 CFR part 250 to ensure that industry uses the best available and most accurate measurement technologies. BSEE review shows that using the standards contained in these documents will not impose significant additional costs on the offshore oil and gas industry.

A summary of BSEE's review of the documents is provided below:

- AGA Report No. 7—Measurement of Natural Gas by Turbine Meters; Revised February 2006:

This standard applies to the installation, calibration, and operation of axial-flow turbine flow meters for measurement of natural gas, typically 2-inch and larger bore diameter, in which the entire gas stream flows through the meter rotor. Typical applications include measuring single-phase gas flow found in production, process, transmission, storage, distribution, and end-use gas measurement systems.

- AGA Report No. 9—Measurement of Gas by Multipath Ultrasonic Meters; Second Edition, April 2007:

This standard describes the optimum conditions and best practices for multipath ultrasonic transit-time flow meters used for the measurement of natural gas. Multipath ultrasonic meters have at least two independent pairs of measuring transducers (acoustic paths). Typical applications include measuring the flow of gas through production facilities, transmission pipelines, storage facilities, distribution systems, and large end-use customer meter sets. BSEE currently requires multipath ultrasonic meters used for gas royalty or allocation measurement to contain at least three independent pairs of

measuring transducers, and that requirement remains unchanged.

- AGA Report No. 10—Speed of Sound in Natural Gas and Other Related Hydrocarbon Gases; January 2003:

This standard contains information for computation of the speed of sound in natural gas and other related hydrocarbon gases. Procedures are included for computation of several related gas properties, including heat capacity, enthalpy, and the critical flow coefficient for sonic nozzles.

- API MPMS Chapter 4—Manual of Petroleum Measurement Standards Chapter 4—Proving Systems, Section 8—Operation of Proving Systems; First Edition, November 1995; Reaffirmed March 2007:

This standard provides information on operating meter provers in single-phase liquid hydrocarbons, though much of the information provided is applicable to other fluids. It is intended for use as a reference manual for operating proving systems.

- API MPMS Chapter 5—Manual of Petroleum Measurement Standards Chapter 5—Metering, Section 6—Measurement of Liquid Hydrocarbons by Coriolis Meters; First Edition, October 2002; Reaffirmed March 2008:

This standard is applicable to custody transfer applications for liquid hydrocarbons.

Topics covered are:

- Applicable API standards used in the operation of Coriolis meters;
- Proving and verification using both mass and volume-based methods; and
- Installation, operation, and maintenance.

The mass and volume-based calculation procedures for proving and quantity determination are included in this document. Additionally, the Coriolis meter is capable

of simultaneously determining density; however, this document does not address its use as a stand-alone densitometer.

- API MPMS Chapter 5—Manual of Petroleum Measurement Standards Chapter 5—Metering, Section 8—Measurement of Liquid Hydrocarbons by Ultrasonic Flow Meters Using Transit Time Technology; First Edition, February 2005:

This standard defines the application criteria for Ultrasonic Flow Meters (UFMs) and addresses the appropriate considerations regarding the liquids to be measured. Also, this document addresses the installation, operation, and maintenance of UFMs in liquid hydrocarbon service. This standard pertains only to spool type, two-or more-path ultrasonic flow meters with permanently affixed transducer assemblies. While this document was specifically written for custody transfer measurement, other acceptable applications may include allocation measurement, check meter measurement, and leak detection measurement.

- API MPMS Chapter 11—Manual of Petroleum Measurement Standards Chapter 11—Physical Properties Data, Section 1—Temperature and Pressure Volume Correction Factors for Generalized Crude Oils, Refined Products, and Lubricating Oils; May 2004; Addendum 1, September 2007:

This standard provides the algorithm and implementation procedure for the correction of temperature and pressure effects on density and volume of liquid hydrocarbons which fall within the categories of crude oil, refined products, or lubricating oils. Natural gas liquids and liquid petroleum gases are excluded from this standard. The combination of density and volume correction factors for both temperature and pressure is collectively referred to in this standard as a Correction for Temperature and Pressure of a Liquid. The

temperature portion of this correction is termed the Correction for the effect of Temperature on Liquid, also historically known as Volume Correction Factor. The pressure portion is termed the Correction for the effect of Pressure on Liquid.

- API MPMS Chapter 12—Manual of Petroleum Measurement Standards Chapter 12—Calculation of Petroleum Quantities, Section 2—Calculation of Petroleum Quantities Using Dynamic Measurement Methods and Volumetric Correction Factors, Part 3—Proving Reports; First Edition, October 1998; Reaffirmed 2009:

This standard provides standardized calculation methods for the determination of meter factors under defined conditions, regardless of the point of origin or destination or units of measure required by governmental customs or statute. The criteria contained here will allow different entities using various computer languages on different computer hardware (or by manual calculations) to arrive at identical results using the same standardized input data. This document also specifies the equations for computing correction factors, including the calculation sequence, discrimination levels, and rules for rounding to be employed in the calculations. No deviations from these specified equations are permitted, since the intent of this document is to establish a rigorous standard.

- API MPMS Chapter 12—Manual of Petroleum Measurement Standards Chapter 12—Calculation of Petroleum Quantities, Section 2—Calculation of Petroleum Quantities Using Dynamic Measurement Methods and Volumetric Correction Factors, Part 4—Calculation of Base Prover Volumes by the Waterdraw Method; First Edition, December 1997; Reaffirmed 2009:

This standard provides standardized calculation methods for the quantification of

liquids and the determination of base prover volumes under defined conditions, regardless of the point of origin or destination or units of measure required by governmental organizations. The criteria contained in this document allow different individuals, using various computer languages on different computer hardware (or manual calculations), to arrive at identical results using the same standardized input data. Part 4 of this standard discusses the calculation procedures for the waterdraw calibration method. It is important to point out that this publication specifies the equations for computing correction factors, rules for rounding, the sequence of the calculations, and discrimination levels of all numbers to be used in these calculations. No deviations from these specifications are permitted since the intent of this document is to serve as a rigorous standard.

- API MPMS, Chapter 21—Manual of Petroleum Measurement Standards Chapter 21—Flow Measurement Using Electronic Metering Systems, Section 2—Electronic Liquid Volume Measurement Using Positive Displacement and Turbine Meters; First Edition, June 1998:

This standard provides guidance for effective utilization of electronic liquid measurement systems for custody transfer measurement of liquid hydrocarbons. The guidance applies to systems using turbine or positive displacement meters. The procedures and techniques discussed in the document are recommended for use with new measurement applications. Liquid measurement using existing equipment and techniques not in compliance with this standard may have a higher uncertainty than liquid measurement based on the recommendations contained in this document.

- API MPMS Chapter 21—Manual of Petroleum Measurement Standards Chapter 21—

Flow Measurement Using Electronic Metering Systems, Addendum to Section 2—Flow Measurement Using Electronic Metering Systems, Inferred Mass; First Edition, August 2000; Reaffirmed February 2006:

This standard specifically covers inferred mass measurement systems utilizing flow computers as the tertiary flow calculation device and either turbine or displacement-type meters, working with on-line density meters, as the primary measurement devices. The procedures and techniques discussed in this document are required for use with new measurement applications. Liquid measurement using existing equipment and techniques not in compliance with this standard may have a higher uncertainty than liquid measurement based on the recommendations contained in this document.

- API RP 86, API Recommended Practice for Measurement of Multiphase Flow; First Edition, September 2005:

This recommended practice addresses how the user measures (multiphase) flow rates of oil, gas, water, and any other fluids that are present in the effluent stream. This recommended practice requires the definition not only of the methodology that is to be employed, but also the provision of evidence that this methodology will produce a quality measurement in the intended environment. It is intended that this recommended practice be used in conjunction with other similar documents to guide the user toward good measurement practice in upstream hydrocarbon production applications. The term “upstream” refers to those measurement points prior to, but not including, the custody transfer point.

Comments on the proposed rule:

On November 26, 2010, the former Bureau of Ocean Energy Management

Regulation, and Enforcement (BOEMRE) published a rule proposing to incorporate 15 additional production measurement industry standards into the regulations governing oil, gas, and sulphur operations in the Outer Continental Shelf (75 FR 72761). The public comment period ended on January 25, 2011. BOEMRE received only two sets of comments on the proposed rule; one set from API, the other set was consolidated comments from the API, International Association of Drilling Contractors, Independent Petroleum Association of America, National Ocean Industries Association, Offshore Operators Committee, and US Oil and Gas Association. Some of the comments raised issues related to another rulemaking; those issues are not included in the discussion of comments on this rulemaking. You may view these comments on BSEE's website at: <http://www.BSEE.gov/federalregister/2010.htm>

Discussion of Comments:

Comment: API's standards committees comply with the American National Standards Institute (ANSI)-approved procedures for standards development which, among other things, require API standards to be reviewed every five years. The comment stated that API acknowledges that the proposed rule refers to the latest editions of the API standards listed in the proposed rule. API further commented, "However, we would like to point out that a number of these standards are under revision, consistent with API's ANSI-approved procedures for standards development. As a result, new or revised editions will likely be published before the end of the year for a number of standards cited in the proposed rule, including:

API MPMS Chapter 4.8 Operation of Proving Systems;

API MPMS Chapter 5.8 Measurement of Liquid Hydrocarbons by Ultrasonic Flow

Meters Using Transit Time Technology;

API RP 86 Recommended Practice for Measurement of Multiphase Flow (to be replaced by API MPMS Chapter 20.3 Measurement of Multiphase Flow).”

Response: New or revised editions of the standards cited by API may be considered for possible incorporation either in whole or in part into BSEE’s regulations at the appropriate time. Of the documents suggested for incorporation, only the new edition of API MPMS Chapter 5.8 has been published; the other documents are still under development. API MPMS Chapter 5.8 was recently released and BSEE is reviewing to determine if it wants to incorporate it in the future. BSEE will review revised or new standards when they are released and will prepare a Notice of Proposed Rulemaking if it decides to incorporate any or all of these three new editions. However, BSEE does not believe it is in the best interest of either the government or the industry to delay this rulemaking to incorporate the one recently released new standard or to wait for the publication of the other standards. Therefore, BSEE will move forward with the incorporation by reference of 12 additional standards in the form that they existed at the time BSEE completed its review of the standards for purposes of this Final Rule. These standards will result in more accurate and efficient measurement of oil and gas production in the OCS.

Comment: API asked BSEE to clarify the intent of the new 30 CFR 250.198(a)(3), promulgated as part of an Interim Final Rule, Increased Safety Measures for Energy Development on the Outer Continental Shelf, published on October 14, 2010 (75 FR 63346) and requested that BSEE give additional clarification on what is actually intended by the provision presented in that rule at 30 CFR 250.198(a)(3), and what is required.

Response: This comment is beyond the scope of this rulemaking. The revised language was published in another proposed rule and BSEE will address this comment when that final rule is published.

Availability of Incorporated Documents for Public Viewing

When a copyrighted technical industry standard is incorporated by reference into the agency's regulations, BSEE is obligated to observe and protect that copyright. BSEE provides members of the public with website addresses where these standards may be accessed for viewing—sometimes for free and sometimes for a fee. The decision to charge a fee is made by the standard-developing organization. API provides free online public access to 160 key industry standards, including a broad range of technical standards. The standards represent almost one-third of all API standards and include all that are safety-related or have been incorporated into Federal regulations, including the standards in this rule, as of the effective date. The newly accessible standards will be available for review online, and hardcopies and printable versions will continue to be available for purchase. BSEE is incorporating both API and AGA standards.

The addresses to these website locations are:

API Standard/Document Contact IHS at 1-800-854-7179 or 303-397-7956 Local and International, <http://www.global.ihs.com>; and AGA Standard/Document 1-800-699-9277 Toll free in US & Canada <http://www.techstreet.com/contact.tmpl>. You may view or purchase these API documents at: <http://www.api.org/>.

For the convenience of the viewing public who may not wish to purchase or view these final documents online, they may be inspected at the Bureau of Safety and Environmental Enforcement, 381 Elden Street, Room 3313, Herndon, Virginia 20170;

phone: 703-787-1587; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

These documents, now incorporated in the final rule, will continue to be made available to the public for viewing when requested. Specific information on where these documents can be inspected or purchased can be found at 30 CFR 250.198, Documents Incorporated by Reference.

Procedural Matters

Regulatory Planning and Review (Executive Orders 12866 and 13563).

This final rule is not a significant rule as determined by the Office of Management and Budget (OMB) and is not subject to review under E.O. 12866. This final rule:

(1) Will not have an annual effect of \$100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. The primary purpose of this final rule is to add the most current and updated measurement standards so that lessees use new measurement technology. BSEE believes that these additional standards will not result in any significant additional costs. The benefits of the final changes in this rule justify the negligible cost incurred by the offshore oil and gas industry. The cost to the industry in most cases will be minor equipment modification or replacement, some additional training and the purchase price of these documents. Compliance with the standards in the editions of these documents incorporated by reference will assure the use of the best available and most accurate measurement technologies for operations on the OCS.

(2) Will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency because it does not affect the work of other agencies or hinder other agencies from taking action.

(3) Will not materially alter the budgetary effects or entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients.

(4) Will not raise novel, legal, or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in E.O. 12866.

Executive Order 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The executive order directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. This final rule has been developed in a manner consistent with these requirements.

Regulatory Flexibility Act

The Department of the Interior certifies that this final rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

This final rule will affect lessees and operators of oil and gas leases in the OCS. This includes approximately 130 active Federal oil and gas lessees. Lessees that conduct

business under this rule are coded under the Small Business Administration's (SBA) North American Industry Classification System (NAICS) codes 211111, Crude Petroleum and Natural Gas Extraction, and 213111, Drilling Oil and Gas Wells. For these NAICS code classifications, a small company is defined as one with fewer than 500 employees. BSEE estimates that approximately 70 percent of the 130 lessees and operators that explore for and produce oil and gas on the OCS meet the definition of a small company. This rule, which will incorporate 15 additional standards, will not have a significant economic effect on a substantial number of small companies because the newly incorporated standards will not impose significant costs or burdens on any lessees or operators. Therefore, the primary economic effect of this rule on small business will be the nominal cost associated with the purchase of the standards.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the actions of BSEE, call 1-888-734-3247. You may comment to the Small Business Administration without fear of retaliation. Allegations of discrimination/retaliation filed with the Small Business Administration will be investigated for appropriate action.

Small Business Regulatory Enforcement Fairness Act

The final rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act (5 U.S.C. 801 *et seq.*). This final rule:

- a. Will not have an annual effect on the economy of \$100 million or more.

b. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. The cost to comply with the rule will virtually be the same as current requirements.

c. Will not have a significant adverse effect on competition, employment, investment, productivity, innovation, or ability of U.S.-based enterprises to compete with foreign-based enterprises. The requirements will apply to all entities operating on the OCS.

Unfunded Mandates Reform Act of 1995

This final rule will not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The final rule will not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*) is not required.

Takings Implication Assessment (E.O. 12630)

Under the criteria in E.O. 12630, this final rule does not have significant takings implications. The final rule is not a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment is not required.

Federalism (E.O. 13132)

Under the criteria in E.O. 13132, this final rule does not have federalism implications. This final rule will not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a

role in OCS activities, this final rule will not affect that role. A Federalism Assessment is not required.

Civil Justice Reform (E.O. 12988)

This rule complies with the requirements of E.O. 12988. Specifically, this rule:

(a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and

(b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

Consultation with Indian Tribes (E.O. 13175)

Under the criteria in E.O. 13175, we have evaluated this final rule and determined that it has no potential effects on federally recognized Indian tribes. There are no Indian or tribal lands in the OCS. Nor are tribally owned businesses subject to the regulation.

Paperwork Reduction Act

The final revisions do not contain any information collection subject to the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et. seq.*); therefore, a submission to OMB for review and approval is not required.

National Environmental Policy Act of 1969 (NEPA)

This final rule does not constitute a major Federal action significantly affecting the quality of the human environment. BSEE has analyzed this final rule under the criteria of NEPA and 43 CFR part 46. This final rule meets the criteria set forth in 43 CFR 46.210(i) for a Departmental “Categorical Exclusion” in that this final rule is “... of an administrative, financial, legal, technical, or procedural nature....” This final rule also meets the criteria set forth in 516 Departmental Manual 15.4(C)(1) for a BSEE

“Categorical Exclusion” in that its impacts are limited to administrative, economic or technological effects. We have also determined that the rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that will require further analysis under NEPA.

Data Quality Act

In developing this rule, BSEE did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Pub. L. 106-554, app. C § 515, 114 Stat. 2763, 2763A-153-154).

Effects on the Energy Supply (E.O. 13211)

This rule is not a significant energy action under the definition in E.O. 13211. A Statement of Energy Effects is not required.

List of Subjects in 30 CFR Part 250:

Continental shelf, Incorporation by reference, Public lands--mineral resources,
Reporting and recordkeeping requirements.

March 16, 2012

Date

Marcilynn A. Burke
Acting Assistant Secretary - Land and Minerals Management

For the reasons stated in the preamble, BSEE proposes to amend 30 CFR part 250 as follows:

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 250 continues to read as follows:

Authority: 31 U.S.C. 9701, 43 U.S.C. 1334.

2. Amend § 250.198 by:

- a. Removing paragraph (h)(75) and redesignating (h)(76) through (h)(80) as (h)(75) through (h)(79); and

- b. Adding paragraphs (h)(80) through (h)(88) and (l) to read as follows:

§ 250.198 Documents incorporated by reference.

* * * * *

(h) * * *

(80) API Manual of Petroleum Measurement Standards (MPMS) Chapter 4—Proving Systems, Section 8—Operation of Proving Systems; First Edition, reaffirmed March 2007; incorporated by reference at § 250.1202(a)(2), (a)(3), (f)(1), and (g);

(81) API Manual of Petroleum Measurement Standards (MPMS) Chapter 5—Metering, Section 6—Measurement of Liquid Hydrocarbons by Coriolis Meters; First Edition, reaffirmed March 2008; incorporated by reference at § 250.1202(a)(2) and (3);

(82) API Manual of Petroleum Measurement Standards (MPMS) Chapter 5—Metering, Section 8—Measurement of Liquid Hydrocarbons by Ultrasonic Flow Meters Using Transit Time Technology; First Edition, February 2005; incorporated by reference at § 250.1202(a)(2) and (3);

(83) API Manual of Petroleum Measurement Standards (MPMS) Chapter 11—Physical Properties Data, Section 1—Temperature and Pressure Volume Correction Factors for Generalized Crude Oils, Refined Products, and Lubricating Oils; May 2004, (incorporating Addendum 1, September 2007); incorporated by reference at § 250.1202(a)(2), (a)(3), (g), and (l)(4);

(84) API Manual of Petroleum Measurement Standards (MPMS) Chapter 12—Calculation of Petroleum Quantities, Section 2—Calculation of Petroleum Quantities Using Dynamic Measurement Methods and Volumetric Correction Factors, Part 3—Proving Reports; First Edition, reaffirmed 2009; incorporated by reference at § 250.1202(a)(2), (a)(3), and (g);

(85) API Manual of Petroleum Measurement Standards (MPMS) Chapter 12—Calculation of Petroleum Quantities, Section 2—Calculation of Petroleum Quantities Using Dynamic Measurement Methods and Volumetric Correction Factors, Part 4—Calculation of Base Prover Volumes by the Waterdraw Method, First Edition, reaffirmed 2009; incorporated by reference at § 250.1202(a)(2), (a)(3), (f)(1), and (g);

(86) API Manual of Petroleum Measurement Standards (MPMS) Chapter 21—Flow Measurement Using Electronic Metering Systems, Section 2—Electronic Liquid Volume Measurement Using Positive Displacement and Turbine Meters; First Edition, June 1998; incorporated by reference at § 250.1202(a)(2);

(87) API Manual of Petroleum Measurement Standards Chapter 21—Flow Measurement Using Electronic Metering Systems, Addendum to Section 2—Flow Measurement Using Electronic Metering Systems, Inferred Mass; First Edition, reaffirmed February 2006; incorporated by reference at § 250.1202(a)(2);

(88) API RP 86, API Recommended Practice for Measurement of Multiphase Flow; First Edition, September 2005; incorporated by reference at § 250.1202(a)(2), (a)(3), and § 250.1203(b)(2).

* * * * *

(l) American Gas Association (AGA Reports), 400 North Capitol Street, NW, Suite 450, Washington, DC 20001, <http://www.aga.org>; phone: 202-824-7000;

(1) AGA Report No. 7—Measurement of Natural Gas by Turbine Meters; Revised February 2006; incorporated by reference at § 250.1203(b)(2);

(2) AGA Report No. 9—Measurement of Gas by Multipath Ultrasonic Meters; Second Edition, April 2007; incorporated by reference at § 250.1203(b)(2);

(3) AGA Report No. 10—Speed of Sound in Natural Gas and Other Related Hydrocarbon Gases; Copyright 2003; incorporated by reference at § 250.1203(b)(2).

3. In § 250.1202, revise paragraphs (a)(2) and (3), (f)(1), (g) introductory text and (g)(1) through (4), and (l)(4) to read as follows:

§ 250.1202 Liquid hydrocarbon measurement.

* * * * *

(a) * * *

(2) Use measurement equipment and procedures that will accurately measure the liquid hydrocarbons produced from a lease or unit to comply with the following additional API MPMS industry standards or API RP:

(i) API MPMS, Chapter 4, Section 8 (incorporated by reference as specified in § 250.198);

(ii) API MPMS, Chapter 5, Section 6 (incorporated by reference as specified in

§ 250.198);

(iii) API MPMS, Chapter 5, Section 8 (incorporated by reference as specified in § 250.198);

(iv) API MPMS, Chapter 11, Section 1 (incorporated by reference as specified in § 250.198);

(v) API MPMS Chapter 12, Section 2, Part 3 (incorporated by reference as specified in § 250.198);

(vi) API MPMS Chapter 12, Section 2, Part 4 (incorporated by reference as specified in § 250.198);

(vii) API MPMS, Chapter 21, Section 2 (incorporated by reference as specified in § 250.198);

(viii) API MPMS, Chapter 21, Addendum to Section 2 (incorporated by reference as specified in § 250.198);

(ix) API RP 86 (incorporated by reference as specified in § 250.198);

(3) Use procedures and correction factors according to the applicable chapters of the API MPMS or RP as incorporated by reference in 30 CFR 250.198, including the following additional editions:

(i) API MPMS, Chapter 4, Section 8, (incorporated by reference as specified in § 250.198);

(ii) API MPMS, Chapter 5, Section 6 (incorporated by reference as specified in § 250.198);

(iii) API MPMS, Chapter 5, Section 8 (incorporated by reference as specified in § 250.198);

(iv) API MPMS Chapter 11, Section 1 (incorporated by reference as specified in § 250.198);

(v) API MPMS Chapter 12, Section 2, Part 3 (incorporated by reference as specified in § 250.198);

(vi) API MPMS Chapter 12, Section 2, Part 4 (incorporated by reference as specified in § 250.198);

(vii) API RP 86 (incorporated by reference as specified in § 250.198); when obtaining net standard volume and associated measurement parameters; and

* * * * *

(f) * * *

(1) Calibrate mechanical-displacement provers and tank provers at least once every 5 years according to the API MPMS as incorporated by reference in 30 CFR 250.198, including the following additional editions:

(i) API MPMS, Chapter 4, Section 8, (incorporated by reference as specified in § 250.198);

(ii) API MPMS Chapter 12, Section 2, Part 4 (incorporated by reference as specified in § 250.198);

* * * * *

(g) * * * Calculate the following correction factors using the API MPMS as referenced in 30 CFR 250.198, including the following additional editions:

(1) API MPMS, Chapter 4, Section 8, (incorporated by reference as specified in § 250.198);

(2) API MPMS Chapter 11, Section 1 (incorporated by reference as specified in § 250.198);

(3) API MPMS Chapter 12, Section 2, Part 3 (incorporated by reference as specified in § 250.198);

(4) API MPMS Chapter 12, Section 2, Part 4 (incorporated by reference as specified in § 250.198);

* * * * *

(1) * * *

(4) Obtain the volume and other measurement parameters by using corrections factors and procedures in the API MPMS as incorporated by reference in 30 CFR 250.198, including: API MPMS Chapter 11, Section 1 (incorporated by reference as specified in § 250.198).

4. Revise § 250.1203(b)(2) to read as follows:

§ 250.1203 Gas measurement.

* * * * *

(b) * * *

(2) Design, install, use, maintain, and test measurement equipment and procedures to ensure accurate and verifiable measurement. You must follow the recommendations in API MPMS or RP and AGA as incorporated by reference in 30 CFR 250.198, including the following additional editions:

(i) API RP 86 (incorporated by reference as specified in § 250.198);

(ii) AGA Report No. 7, (incorporated by reference as specified in § 250.198);

(iii) AGA Report No. 9, (incorporated by reference as specified in § 250.198);

(iv) AGA Report No. 10, (incorporated by reference as specified in § 250.198);

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