

(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 part 202 of this title. You must value any liquid hydrocarbons avoidably lost or wasted under the provisions of part 206 of this title.

§ 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 Minerals Revenue Management on Form MMS-4054 (Oil and Gas Operations Report), in accordance with § 210.102 of this title.

(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 MMS representatives.

(2) After 2 years, you must maintain the records, allow MMS 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: