UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANGAGEMENT SERVICE

NTL No. 2006-N06 Effective Date: December 19, 2006

NOTICE TO LESSEES AND OPERATORS (NTL) OF FEDERAL OIL AND GAS LEASES ON THE OUTER CONTINENTAL SHELF (OCS)

Flaring and Venting Approvals

This NTL provides guidelines for flaring and venting approvals and updates personnel contacts. It supersedes NTL No. 2003-P04, dated May 18, 2003; NTL No. 2004-G08, dated April 21, 2004; and NTL No. 2005-G04, dated March 1, 2005.

Definitions

Flaring is the burning of gas in the field as it is released into the atmosphere. Venting is the release of gas into the atmosphere without igniting it. Venting includes gas that is released underwater and bubbles to the atmosphere.

Reporting and Record-Keeping Requirements

You must report all hydrocarbons produced from a well completion, including all gas flared and vented, to Minerals Revenue Management in accordance with 30 CFR 216.53. Under 30 CFR 250.1105(d), you must also prepare records detailing gas flaring and venting at each facility and maintain these field records for at least 6 years as required at 30 CFR 212.50. During the first 2 years, these field records should be kept at the facility and be available for Minerals Management Service (MMS) inspection in accordance with 30 CFR 250.1105(e).

Your field records must include all gas flared and vented, not just gas that is flared and vented during upsets (see attached sample). For example, if your equipment is working properly but a small volume of gas is being flared or vented from storage vessels or other low-pressure production vessels because the gas cannot be economically recovered, this volume must be recorded on your field records.

Current regulations do not require you to meter the volume of gas flared or vented at your facility. Therefore, unless the MMS has specifically required you to install flare-vent meters at your facility, you may calculate these volumes to the best of your ability and show these calculated values on your field records. You should be prepared to demonstrate the validity of your calculations to MMS at all times.

Classifying Natural Gas

Produced natural gas that is used on or for the benefit of lease operations may be reported as lease use gas. Examples include fuel gas used to power generators, fuel gas used to power compressors, gas for flare pilot lights, sparge gas used to regenerate glycol that is emitted with steam from the reboiler, and blanket gas used to maintain fluid levels in storage tanks. Operators should use the minimum amount of lease use gas necessary for its intended purpose. If the lease use gas is not combusted, it should be recaptured and marketed when it is economic to do so.

If your equipment is working properly, but produced natural gas is being flared or vented from low-pressure storage vessels, this gas may be considered "small and uneconomic" for purposes of 30 CFR 250.1105(a)(1) only if the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. If the total volume of this gas exceeds an average of 50 thousand cubic feet (MCF) of gas per day at your facility, you should present an evaluation to the Regional Supervisor demonstrating that it is uneconomic to capture this gas and, therefore, the flaring or venting is allowable under 30 CFR 250.1105(a). As an alternative to presenting an economic evaluation, you may install the equipment necessary to capture the gas. Note that this paragraph only applies to gas flared and vented from storage vessels and other low-pressure production vessels.

Gulf of Mexico Region (GOMR) Approval Guidelines

You should contact the Rate Control Section to conduct business concerning 30 CFR 250, subpart K, and to make oral requests to flare or vent under 30 CFR 250.140. Operators must document oral flaring and venting approvals in writing and send them to the Rate Control Section within 72 hours. An email or facsimile transmission will satisfy this documentation requirement. Note that MMS District Offices are not authorized to approve flaring or venting.

Whenever possible, please make requests during normal working hours (7 a.m. to 5 p.m., Monday through Friday). In the event of an evening or weekend emergency, you may call the Rate Control Section cell phone at (504) 914-2329. If there is no answer, please leave a voice mail message so your call can be returned.

Contact Information

Contact information may change from time to time. Therefore, for current contact information always check our website at http://www.mms.gov/ntls/.

GOMR Contact Information

Office Address:	Rate Control Section 1201 Elmwood Park Boulevard (MS 5330) New Orleans, Louisiana 70123-2394
Email Address:	**rate.control.unit@mms.gov**
Cell Number:	(504) 914-2329

Fax Number: (504) 736-5754

Contact names and telephone numbers of personnel who can respond to your requests are:

Eric Kazanis, Petroleum Engineer
Office: (504) 736-2667

Joan Edwards, Petroleum Engineer
Office: (504) 736-5715

Michelle Uli, Petroleum Engineer
Office: (504) 736-2747

Richie Baud, Unit Supervisor
Office: (504) 736-2480

Ronald Bowser, Section Chief
Office: (504) 736-2640

Pacific Region (POCSR) Approval Guidelines

In the MMS POCSR, the Office of District Operations/California District Office (805-389-7775) has the approval authority for flaring or venting. You need to obtain MMS approval before you exceed the time periods specified in 30 CFR 250.1105. Subsequent to the flaring or venting episode, the flaring/venting duration and volumes must be promptly reported, including corrective measures taken, to the MMS POCSR Office of Reservoir Evaluation and Production.

POCSR Contact Information

Office Address: Office of District Operations, California District Office
770 Paseo Camarillo
Camarillo, CA 93010

Office Number (24/7): (805) 389-7775
Fax Number: (805) 389-7784

Office Address: Office of Reservoir Evaluation and Production
770 Paseo Camarillo
Camarillo, CA 93010

Office Number: (805) 389-7700
Fax Number: (805) 389-7737

Contact name and telephone number of person who can respond to your requests is:

Office of District Operations, California District Office
Office: (805) 389-7775

Armen Voskanian (Office of Resource Evaluation and Production)
Office: (805) 389-7727
Email: armen.voskanian@mms.gov

Alaska Region Approval Guidelines

In the MMS Alaska Region, the Regional Supervisor of Field Operations has the approval authority for flaring or venting. You need to obtain MMS approval before you exceed the time periods specified in 30 CFR 250.1105. Subsequent to the flaring or venting episode, the flaring/venting duration and volumes must be promptly reported, including corrective measures taken, to the office listed below.

Alaska Region Contact Information

Office Address:	3801 Centerpoint Drive, Suite 500 Anchorage, AK 99503-5823
Fax Number:	(907) 334-5302

Telephone numbers for the Office of Field Operations who can respond to your requests are:

Office of Field Operations, Alaska Region
Office: (907) 334-5303
Cell: (907) 250-0546

Paperwork Reduction Act of 1995 Statement

The collection of information referred to in this notice provides clarification, description, or interpretation of requirements contained in 30 CFR 250, subparts K and A, and 30 CFR Part 216. The Office of Management and Budget has approved the collection of information required by these regulations and assigned OMB Control Numbers 1010-0041, 1010-0114, and 1010-0139, respectively. This notice does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contact

If you have any specific questions concerning this NTL, please contact Mr. Richie Baud by email at richie.baud@mms.gov or by phone at (504) 736-2480.

DEC 19 2006

Robert LaBelle
Acting Associate Director for
Offshore Minerals Management

Attachment

The following six pages provide example field records for flaring and venting at your facility over a typical month. Currently, there is no required format for flare-vent field records and many operators place all flaring and venting information onto a single sheet of paper each month. However, separating flare-vent records into multiple parts each month is encouraged because this will ensure that your flaring and venting is authorized and recorded properly at each facility.

Small & Uneconomic - Flare/Vent - 250.1105(a)(1)

Month: March 2006

Date	Hrs	Vol Flared (MCF)	Vol Vented (MCF)	Source of Release	Reason/Comments
3/1	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/2	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/3	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/4	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/5	24		16	(a) 6 MCF; (b) 1 MCF; (c) 3 MCF; (d) 4 MCF	Normal Operations
3/6	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/7	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/8	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/9	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/10	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/11	24		19	(a) 9 MCF; (b) 1 MCF; (c) 5 MCF; (d) 4 MCF	Normal Operations
3/12	24		19	(a) 9 MCF; (b) 1 MCF; (c) 5 MCF; (d) 4 MCF	Normal Operations
3/13	24		19	(a) 9 MCF; (b) 1 MCF; (c) 5 MCF; (d) 4 MCF	Normal Operations
3/14	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/15	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/16	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/17	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/18	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/19	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/20	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/21	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/22	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/23	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/24	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/25	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/26	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/27	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/28	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/29	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/30	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
3/31	24		23	(a) 11 MCF; (b) 2 MCF; (c) 6 MCF; (d) 4 MCF	Normal Operations
Monthly Totals		0	694		

Legend

a) Flash gas off LP storage tank #1056
b) Flash gas off LP storage tank #1057
c) Flash gas off FWKO
d) Flash gas off LP storage tank #3052

Equipment Failure/Upsets - Flare/Vent - 250.1105(a)(2)

Month: March 2006

Date	Hrs	Cum Hrs	Vol Flared (MCF)	Vol Vented (MCF)	Wells contributing	GOR	Well Type	Reason/Comments
3/5	6	6		253	A-1 A-2 A-5	792 1,317 1,050	Oil Oil Oil	Compressor down
3/11	11	17		62	A-1 A-2 A-4 A-5	792 1,317 910 1,050	Oil Oil Oil Oil	VRU down
3/12	24	41		120	A-1 A-2 A-4 A-5	792 1,317 910 1,050	Oil Oil Oil Oil	VRU down
3/13	1	42		25	A-1 A-2 A-4 A-5	792 1,317 910 1,050	Oil Oil Oil Oil	VRU down
Monthly Totals	**42**		**0**	**460**				

Well Testing/Unloading/Cleaning - Flare/Vent - 250.1105(a)(3)

Month: March 2006

Date	Hrs	Cum Hrs (per test)	Vol Flared (MCF)	Vol Vented (MCF)	Well Name	GOR	Reason/Comments
3/7	14	14		6,512	A-15	35,600	Unload well
3/24	31	31		3,909	A-12	2,118	Clean out completion fluids
3/25	6	37		1,100	A-12	2,118	Clean out completion fluids
Monthly Totals	**51**		**0**	**11,521**			

Lease Use Gas

Month: March 2006

Date	Vol (MCF)	Reason/Comments
3/1	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/2	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/3	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/4	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/5	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/6	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/7	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/8	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/9	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/10	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/11	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/12	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/13	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/14	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/15	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/16	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/17	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/18	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/19	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/20	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/21	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/22	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/23	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/24	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/25	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/26	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/27	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/28	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/29	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/30	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
3/31	56	(a) 14 MCF; (b) 32 MCF; (c) 10 MCF
Monthly Totals	**1,736**	

Legend

a) Flare pilot light
b) Reboiler sparge gas
c) Blanket gas - tank #1753

Liquid HC Burned - 250.1105(c)

Month: March 2006

Date	Hrs	Vol Burned (bbls)	Well Name	GOR	Reason/Comments
3/20	18	65	A-7	1,213	Unload well
Monthly Totals	**18**	**65**			

Flaring & Venting Volume Summary

Month: March 2006

Date	Small & Uneconomic (MCF)		Equip. Failure (MCF)		Testing, Unloading, Cleaning (MCF)		Total Flare (MCF)	Total Vent (MCF)	Lease Use (MCF)	Liquids Burned (bbls)
	Flare	Vent	Flare	Vent	Flare	Vent				
3/1		23					0	23	56	
3/2		23					0	23	56	
3/3		23					0	23	56	
3/4		23					0	23	56	
3/5		16		253			0	269	56	
3/6		23					0	23	56	
3/7		23				6,512	0	6,535	56	
3/8		23					0	23	56	
3/9		23					0	23	56	
3/10		23					0	23	56	
3/11		19		62			0	81	56	
3/12		19		120			0	139	56	
3/13		19		25			0	44	56	
3/14		23					0	23	56	
3/15		23					0	23	56	
3/16		23					0	23	56	
3/17		23					0	23	56	
3/18		23					0	23	56	
3/19		23					0	23	56	
3/20		23					0	23	56	65
3/21		23					0	23	56	
3/22		23					0	23	56	
3/23		23					0	23	56	
3/24		23				3,909	0	3,932	56	
3/25		23				1,100	0	1,123	56	
3/26		23					0	23	56	
3/27		23					0	23	56	
3/28		23					0	23	56	
3/29		23					0	23	56	
3/30		23					0	23	56	
3/31		23					0	23	56	
Monthly Totals	**0**	**694**	**0**	**460**	**0**	**11,521**	**0**	**12,675**	**1,736**	**65**