

INFORMATION FOR GAS PROCESSING PLANT OPERATORS

References: **Statewide Rules 54,61 and 62**

General Information

What is required of a Gas Processing Operator?

Organization Report

Prior to initial operation, gas processing plant operators must file with the Commission in Austin on original of the Form P: Organization Report (Statewide Rule 1). This is to be renewed annually. Any change in operator name, office and/or address must be reported within days after it occurs.

Certificate of Compliance

* A Gasoline plant operator, that is, of a plant making liquid hydrocarbons other than those specified in Section V, Number, 2, 3 of the Form R-3, must file and annually renew with the Commission a Form R-5: Certificate of Compliance for Natural Gasoline Plants (Statewide Rule 61). The R-5 is to be mailed to the Commission District Office having jurisdiction over the gasoline plant. The certificate must be renewed one year from the date of the prior renewal.

* A cycling plant operator, that is of a plant cycling gas not liquid hydrocarbons, must be filed and annually renew with the Commission a Form R-6: Application for Certificate of Compliance (Statewide Rule 62). Form R-6 is to be mailed to the Commission District Office having jurisdiction over the cycling plant. The certificate must be renewed by filing a Form R-6 by August 1st of each year.

* Other typed plants (drip, scrubbers, separators, dehydrators, etc., which produce only liquid hydrocarbons specified in Section V 1, 2, and 3 of the Form R-3) do not need a certificate of compliance.

Form R-3: Monthly Report for Gas Processing Plants. This is a monthly report which must be filed by all operators of gas processing plants in accordance with Statewide Rule 54. The original is to be filed with the Commission's Office no later than the 25th of the month following the month for which operations are being reported. The failure to timely file the Form R-3 may result in the liquid hydrocarbon stock -on-hand being frozen for the delinquent plant/facility by Commission action. Several facilities (drips, scrubbers, and compressors) may be reported on one Form R-3 if they serve a main system where gas is delivered for final processing and disposition. The Form R-3 must be filed beginning with the initial month of operation through to the time when the plant is no longer in operation. When operations have ceased and all stock in inventory has been disposed of, mark the Form R-3 as "Final Report" in Section XI No. 3. If the Form R-3 is the first report for a new plant, note "New Plant" at the top of the form. For new plant serial numbers, Fax a completed Form R-3 with all the appropriate lines filled in and a serial number will be issued. Detailed instructions for the Form R-3 are covered below.

Changes in Gas processing plant operator, plant name or plant type are to be brought to the attend of Gas Plant Audit Section of Permitting/Production Services by noting the changes and effective date on the Form R-5, R-6 and in Section XI Line 3 of the Form R-3: Monthly Report of Gas Processing Plants.

DETAILED INSTRUCTIONS FOR THE FORM R-3: MONTHLY REPORT FOR GAS PROCESSING PLANTS

Purpose of the Form R-3. It is an accounting in general and in detail of:

- natural gas received at the gas processing plant or facility and its disposition see Natural Gas detail below,
- solids, other gases, and liquid hydrocarbons, that result from the treatment and/or processing of the gas are received by the plant/facility; for liquid hydrocarbon production, there is also stock balancing and disposition (see other materials below).

Identification Section of the Form R-3

- Use the serial number as assigned by the Commission Austin Office
- Use the operator name exactly as shown on Form P-5 (Organization Report) and operator number
- Use the operator name exactly as listed for the Commission assigned R-3 Serial number (system name is no longer required).
- List the names of fields that are the source of the natural gas supply
- Give the name of the county where plant/facility is located
- Physical location (for initial R-3 only) show street address, direction, or distance from nearest major intersection
- Give the maximum daily MCF that the plant or facility was constructed to process
- Give type of plant

Sections I, II, III, IX, and XI relate to natural gas. All gas volumes must be reported in the thousands of cubic feet (whole numbers only, no decimals) at a base pressure of 14.65 PSI absolute and a base temperature of 60 degrees Fahrenheit in accordance with the gas measurement law. The number and volumes from all oil and/or gas well connected to the whole system are to be included. Note: Do not fill out these sections if the R-3 is filed for a main line drip station (see other material detail)

Section 1: Intake Volumes (MCF Monthly)

1-6 number of wells and gas volumes must be given separately for gas well and casinghead gas as well as totals.

*Gas Well: a producing well carried on the Commission gas well proration schedule.

*Oil Well: a well that is producing oil and casinghead gas and is carried on the Commission oil well proration schedule.

2. Total volume of gas **PRODUCED BY WELLS** connected to the plant by any gathering system(s) **AS MEASURED AT THE WELL FOR GAS WELL GAS ON THE LEASE FOR CASINGHEAD GAS.**
3. Volume of gas from the gathering system that will not be processed through the plant/facility. If any volume is listed, Section II must be completed to itemize its disposition. The volumes across Line 3 for gas well gas, casinghead gas, and total should equal those volumes shown in Section II, Line 10.
4. The volume of gas from the gathering system that **WILL** be processed. (Line 2 minus Line 3.)
5. Volume of gas coming into the plant/facility from the well **AS MEASURED BY PLANT INTAKE METERS.**
6. Volume of any discrepancy between Line 4 and Line 5.
7. Refinery and Storage Vapors. Self -explanatory. Total volume that source.
8. Volume of natural gas received for further processing and **ANOTHER GAS PROCESSING PLANT/FACILITY** that is being reported on a Form R-3 by that plant/facility. The Commission assigned serial number of that plant/facility is to be given on this Line and the amount of gas in the total column.
9. Volume from a line carrying gas that is already processed and/or gathered directly from gas wells or oil leases.
10. Gas Withdrawn From Storage. Occasionally gas is withdrawn from some reservoirs and sent to processing plants. In this case, they will show the total volume gotten from all reservoirs on the line that says withdraw from storage.
11. Volume of natural gas that is received for processing or further disposition from another state. The name of the state is to be given on this line along with the amount of gas in the total column.

12. Total of volumes given in Lines 5 and 7 in the "Total" column. This total volume is to be itemized as disposition in Section III and should equal the volume shown in Section III Line 15, total.

SECTION II AND SECTION III both itemize total volumes according to the disposition of the natural gas. Section II is for gas from the gathering system that is not processed through the plant. Section III is for residue gas. The following are explanations of the various dispositions.

1. **Extraction Loss.** Volumetric equivalent of liquid hydrocarbons removed during processing. If any liquid hydrocarbons are recovered, Section V must be completed.
2. & 3. **H2S and CO2 Loss.** Volume of hydrogen sulfide and/or carbon dioxide removed during processing. If any is recovered, Section IV must be completed. **Note: Prior to removal of hydrogen sulfide, a Form H-9: Certificate of Compliance Rule 36 must be filed with the appropriate district office.**
4. **Plant Fuel.** Volume of gas used as fuel for plant during its operation
5. **Fuel System and Lease Use/Lease Fuel and Use.** Volume of natural gas used, sold/given for field operations, lease drilling fuel, compressor fuel, etc.
6. **Gas Lift.** Volume of gas use, sold, or given for injection into oil wells to lift oil that will be reported by the lease operator on the **Form PR: Monthly Production Report** in Column 9.
7. **Repressuring and Pressure Maintenance.** Volume of gas used, sold, or given to maintain up reservoir pressure through an injection well in an oil reservoir. If any volume of gas is reported under this disposition Section IX must be completed and there must be an agreement between volumes in both sections.
8. **Cycled.** Volume of gas returned to gas cycling projects (gas reservoir/gas cap of association reservoir) after extraction of liquid hydrocarbons. If any volumes of gas are reported under this disposition Section IX must be completed.
9. **Underground Storage.** Natural gas injected into underground storage. If any volume of gas is reported under this disposition, Section IX must be completed. **NOTE: a month GAS STORAGE DATA SHEET (Form G-3) must be filed with the Commission in Austin.**
10. **Carbon Black Plants.** Volume of natural gas delivered to a gas carbon black plant
11. **Other Processing Plants.** Volume of natural gas delivered to **ANOTHER GAS PROCESSING PLANT/FACILITY** which will report is receipt on a Form R-3.
12. **Transmission Line.** Volume of natural gas sent through transmission line to be used for industrial plant, irrigation fuel, refinery fuel, etc.
13. **Vented.** Volumes of gas unavoidably vented. If any volume is given, Section XI must be completed.
14. **Meter Difference.** Volume of difference between Section I, Line 12 and Section III sum of volumes of numbers 1-13. If this amounts to 10 percent or more of Section I, Line 12, a letter of explanation must be attached to **Form R-3.**
15. **Extraction Loss** due to removal of water should be listed in Section III identified as item 15.
16. **Extraction Loss** due to Nitrogen should be listed in Section III listed as item 16.

Totals. (Lines 1-16) The totals of Section II must equal the totals of Section I Line 3, while the total of Section III must equal Section I Line 12.

Section IX: Report of gas injected. Only gas from this plant/facility is to be shown in this section. If any volumes were listed in either Section II or Section III under the following disposition, this section must be completed.

* Repressuring and Pressure Maintenance *Cycled *Underground Storage

In Column 3, "Lease", please put the oil lease or gas well ID number in parentheses under the lease name. If more space for injection listing is needed, continue on a **Form R-4: Gas Processing Plant Report of Gas Injected**. Oil wells receive credit for gas injected and reported by the lease operator as "repressuring and maintenance" on **Form W-9: NET GAS-OIL RATIO REPORT**. Gas wells receive credit for gas cycled and reported as "cycled" on *Form G-9*.

Section X: Detail of delivery of gas. If any volumes were listed in either Section II or Section III under the following dispositions, this section must be completed.

*Other Processing Plants *Transmission line (including gas to others for lease use, storage, industrial use, etc.)

Gas shown in Section II is to be listed under "Unprocessed Gas" column, while that shown in Section III is to be listed as "Residue Gas" column. Deliveries of both contract gas and non-contract should be reported in this section. Include gas for injection.

Section XI: Remarks. If volumes are listed in Section II or Section III under the disposition of "Vented", this section must be completed. Section 1 for unprocessed gas, Section 2 for residue gas.

Other Material Detail

Section IV relates to the recovery of sulfur and CO₂ during the processing of natural gas. Section V, VI, VIII relate to the production, stock balancing, and disposition of liquid hydrocarbons resulting from the processing of the natural gas. All liquid quantities shown shall be in barrels of U.S. gallons based on actual physical gauges computed from 100% U.S. Tank Tables or other method of measurement approved by the Commission and corrected for the temperature at the time of measurement to a standard temperature of 60 degrees Fahrenheit. Do not use fractions of barrels of liquid in this report.

*Main-line drip stations need fill out ONLY Section V, VI, VII, and VIII and leaving Section I-IV and IX-XI blank. A main-line drip station is one located downstream from the main gas processing plant compressor, that is, the gas has **ALREADY** been through the plant.

*Operators in the Panhandle oil fields refer to Commission Memorandums of September 24, 1985 and February 6, 1986, concerning reporting of LTX liquids on Form R-3.

Section IV: Sulfur and CO₂ Recovery. Sulfur should be reported in long tons.

Section V: Plant Liquid Hydrocarbons Production (barrels only). ALL liquids production is to be reported on this section. No. 11 is the total of all volumes listed in No.'s 1 thru 10. This total should be identical to the total in Section VII Line 5, "Produced". Do not include as production any products received since this section is only for those products extracted from natural gas taken into the plant for processing.

1. Condensate from Gas Well Gas: drip and/or condensate production from gas well gas are liquids reported on Form R-3. Do not report any condensate production on the *Form P-2*. Any volume entered here is to be carried over to Section VII, Line 5, first column.
2. Drip and/or Scrubber Oil from Casinghead Gas: The total volume of drip and/or scrubber oil recovered prior to compression from casinghead gas by the gas processing plant. This drip from casinghead gas is assumed to be liquids in the line that have naturally dropped out of casinghead gas. This would include ALL liquids that cannot be proven to be drip from gas well drip.

3. Plant Condensate: Condensate recovered after compression through plant processing and not recoverable through normal lease separation. Any volume entered here must be carried over to Section VII line 5 and included in the first column. **NOTE:** When reporting hydrocarbons or LPG mixtures in this section, the components should be listed if they are known rather than the mixture itself.

Section VI: Detail of Drip of Scrubber Recovery: This must be completed, including well counts if the Form R-3 is being filed for a main-line drip station or composed of more than one facility. Total volume should be the same as that shown for Section V, Number 2.

Section VII: Barrels (liquid hydrocarbon stock balancing). In this section, the details are given of the various liquid hydrocarbons that were in Section V, opening and closing inventories, receipts, deliveries, and losses. LPG and hydrocarbon mixtures should be broken down and listed by components if those components are known.

Line 1: Should equal Line 10 of the previous month's R-3

Line 2: Stock being held by Commission action due to violation of Commission rules

Line 3: Total of Line 1 plus Line 2

Line 4: Amount received into plant for further processing or disposition: must be itemized in Section VIII

Line 5: Total of volumes reported in Section V as extracted from natural gas taken into the plant for processing. Do not list any products that were received, they are to be listed in Line 4 by component.

Line 6: Amount taken from plant for delivery elsewhere including LPG placed in underground storage; must be itemized in Section VIII

Line 7: Amount lost due to evaporation, theft, etc., An explanation should be given.

Line 8: Line 3 plus Line 4 plus Line 5 minus line 6 minus line 7

Line 9: See Line 2 explanation

Line 10: Line 8 minus Line 9. Should equal Line 1 *following month's Form R-3*

Section VIII: Liquid Operations Statement. In this section, any liquid hydrocarbons listed in Section VII on lines 4 or 6 must be individually identified. LPG and hydrocarbons mixtures are to be given as a mixture rather than by components. Any commodities going into or coming from underground storage should be listed in this section with notation of "underground storage" made in the first column.

All receipts and deliveries and receipts must be shown. If the commodity is condensate, drip, or scrubber liquid hydrocarbon or the company listed is another gas processing plant, the second column must also be completed by entering the COMPLETE Commission assigned registration serial no. of the receiving/delivering company, (e.g., T-1 8A-004, R-3 10-0657). If the transaction is wholesale/retail, note this in the second column.

If additional space is required to list receipts and deliveries, a page may be attached listing in the exact same format as show in Section VIII.