COLORADO
Oil & Gas Conservation Commission
Department of Natural Resources

Notice to Operators Statewide
Flowlines or Pipelines – 1100 Series Rules – May 16, 2017
Updated June 21, 2017
June 22, 2017

Frequently Asked Questions

Introduction

Operators are required to use the attached Flowline Inventory spreadsheet to document their Flowline and pipeline inventory and location data (Phase I) and integrity test data (Phase II) for all Flowlines and pipelines associated with a well or production facility located within 1,000 feet of a Building Unit. The Flowline Inventory spreadsheet has required data fields for both Phase I and Phase II activities. Operators are requested to submit iterations of the Flowline Inventory spreadsheet to COGCC on a weekly basis. Operators may complete all Phase I actions first, then proceed to Phase II, or may complete Phase I and Phase II activities for a given location before moving to the next location. Updates to the Flowline Inventory spreadsheet will be captured automatically by the COGCC database.

Frequently Asked Questions

1. What is meant by the term "tank battery" in Phase I, part 1.a.?

   "Tank battery" is used broadly to denote a Battery, Oil and Gas Facility, Oil and Gas Location or Production Facility.

2. Why does the NTO refer to both "pipelines" and "Flowlines"?

   The NTO refers to pipelines only because the 1100-Series Rules are called "Pipeline Regulations." The NTO is limited to conduits that meet the COGCC 100-Series Rules definition of "Flowlines," regardless of the common name associated with such a line.

3. Does this NTO cover midstream gas gathering pipelines?

   No. This NTO does not apply to pipelines after custody transfer to gas gathering company pipelines.

   COGCC Rules define gas flowlines as follows: "**FLOWLINES** shall mean those segments of pipe from the wellhead downstream through the production facilities ending at: in the case of gas lines, the gas metering equipment." For producers who also operate their own gathering system and no custody transfer occurs, sections 2.3 "Definition of Production Operation" and 2.4 "Basic Production Operation Definitional Concepts" of the American Petroleum Institute API RP 80: Guidelines for the Definition of Onshore Gas

Gathering Lines are good references for differentiating a Flowline from a gathering line. (June 7th, 2017)

4. Does this NTO apply to wells or production facilities on federal surface or federal minerals?

   Yes.

5. Does this NTO apply to wells or production facilities on tribal surface or tribal minerals?

   No.

6. Does the NTO cover PHMSA regulated lines?

   No (unless they are regulated Flowlines).

7. Does the NTO cover gas storage?

   Interstate, FERC authority gas storage is not included.
   Intrastate gas storage is included.

8. Does the NTO cover Flowlines on Oil and Gas Locations at which all the wells and production facilities are co-located on the same pad?

   Yes. However, Locations with remote tank batteries are a higher priority than co-located facilities, and staff recommends operators prioritize integrity testing of Flowlines where the well(s) and production facilities are not co-located on the same well pad.

9. Phase I, subpart 2 refers to removing all operating valves from any existing Flowline or pipeline riser not in use. May lock-out / tag-out be used instead of removing a valve?

   Yes. A riser associated with a Flowline or pipeline not in use must be painted with fluorescent paint, then any valves on the riser may be removed, locked-out / tagged-out, or blinded-out / tagged-out as a temporary measure until the riser can be cut-off below grade and sealed pursuant to COGCC Rule 1103.

10. In the Flowline Inventory spreadsheet, do the first 9 columns describe the line's starting point and the next set of columns describe the endpoint of the line?

    Yes, in the simple case of a well, separator and tank all on the same location, the first row would report the well to separator using the well's API number

followed by the riser type, GPS location and status. In the same row the Flowline end point would be described by the Location ID, riser GPS location and status. Then a new row is used to describe the separator-to-tank connection. The starting point to the separator outlet with the riser type, GPS location and status. The API number is repeated to complete the row. Then the endpoint is at the tank with Location ID, riser GPS location and status. This process is repeated for all lines. When the well's API location and the Facility Location ID are not co-located, the various scenarios will become apparent, with the well, separator or tanks at different locations.

11. How will wells scheduled for P&A (Form 6, Intent to be Abandoned submitted) be handled?

    Mark risers with fluorescent paint, lock-out/tag-out or blind plug / tag-out risers and provide a comment on the spreadsheet noting a Form 6 has been submitted for the well and related piping.

12. What accuracy is required for GPS locations?

    A PDOP of less than 6 is required. For newer GPS receivers (e.g. GNSS), an accuracy statement of 1 meter or less is also acceptable (please record these values in meters in the PDOP column and note in comments that accuracy values are being reported).

13. May operators use in-house personnel to collect GPS locations?

    Yes, subject to the GPS accuracy requirements stated above.

14. Does COGCC have enough GPS devices with the required accuracy to "loan" them to small operators?

    No, COGCC does not have units to loan. Suitable GPC units are available for rent from various companies. Well-known brand names include Trimble and Corvallis.

15. Do Flowlines that have an open end going to a tank or water pit need to be tested for integrity?

    If the dump line is on the well pad or on the facility location, an operator will need to add the line to the Phase I inventory. In Phase II, enter "Dump Line" in the flowline type column. For hydrocarbon lines, ~~ultimately~~ an operator

will have to ensure integrity, which may mean obtaining isolation equipment or coming up with an integrity alternative acceptable to the COGCC. A water line after separation will not be included as part of this NTO. Operators are reminded water flowlines are regulated per Rule 1101.e, and documented integrity test results must be retained for 3-years. (June 7th, 2017)

16. Do dump lines need a specific GPS location?

    If well, tanks and separation equipment are co-located on the same location, the dump lines do not have to be separately located with the GPS. You may use the API # and Facility ID, which have the same Location ID.

17. Are flowlines associated with shut-in (SI) and temporarily abandoned (TA) wells included under the NTO requirements?

    Yes. SI and TA wells are considered active and must be managed in accordance with existing COGCC rules. If a bridge plug has been set, an outside fluid source can be used to perform integrity testing. Any line not abandoned pursuant to Rule 1103 is considered active.

18. Is the distance from a Building Unit based on the beginning point, end point, or path of a Flowline?

    Inventory and integrity testing requirements apply if either end of a Flowline is within 1,000 feet of a Building Unit, and if the known pathway of a Flowline passes within 1,000 feet of a Building Unit.

19. Do existing pressure testing variances supersede the NTO?

    No. Operators with an existing pressure testing variance must comply with the NTO.

20. If an operator has no flowlines within 1,000 feet of a Building Unit, what is required under the NTO?

    Phase II of the NTO applies to all flowlines and risers, regardless of proximity to a Building Unit. An operator may respond to DNR_COGCC_SpecialProject@state.co.us with specific comments about NTO compliance.

All Flowlines regardless of distance to a Building Unit

- **Phase I – To Be Completed by May 30, 2017**

Part 2: Mark risers using fluorescent paint; have all operating valves removed (or lock-out/tag-out or blind-out tag-out), and be capped until it can be cut-off below grade and sealed pursuant to Rule 1103.

- **Phase 2 – To Be Completed by June 30, 2017**
  Part 2: Except as described below in item 27, any flowline that is not actively operated must be abandoned pursuant to Rule 1103 regardless of when it was installed or taken out of service. This means risers must be cut-off below grade pursuant to the rule. Deferring removal of risers until a location is abandoned is NOT an option. (June 7th, 2017)

21. Does the NTO only apply to what is considered "higher" risk facilities located within the 1,000' buffer zone?

No.
~~Phase I refers to the abandonment of any unused flowline.~~
~~Subpart 1 requires the reporting of any flowlines within 1,000 feet of a Building Unit.~~
~~Subpart 2 requires for all piping the identification of any unused risers.~~
~~Phase II refers to the abandonment of any unused flowline.~~
~~Subpart 1: requires operators to ensure and document integrity flowlines within 1,000 feet of a Building Unit.~~
~~Subpart 2: requires operators to abandon unused flowlines.~~

22. Does a current annual pressure testing plan satisfy the NTO requirements?

No. However, a documented integrity test for a Flowline completed after November 1, 2016 satisfies the integrity testing requirement of the NTO.

23. Does ancillary piping that feeds gas to meters and domestic taps need to be inventoried and tested for integrity under the NTO?

~~Yes the operator is responsible for these lines and should follow the NTO.~~

Yes, unless the operator has contractually shifted control over, and responsibility for operating the ancillary piping to another person or entity. COGCC will assume the operator is responsible for ensuring ancillary piping meets the NTO unless the operator provides written documentation demonstrating that another person or entity has control over and responsibility for operating the ancillary piping. (June 7th, 2017)

23 Follow-up question: For domestic gas taps, what is the suggested method for reporting written documentation showing contractual shifting of control for the domestic gas taps discussed in question 23?

At the present time, placing a comment on the spreadsheet that operator has written documentation shifting control is sufficient. Agreements should be available to COGCC upon request or as part of a future COGCC audit.

24. Are Flowlines associated with a TA well required to be tested for integrity if both ends can be seen and are disconnected?

    In this case, either the risers must be marked with fluorescent paint and locked-out / tagged out or blind-plug / tagged out until the risers are cut below grade, or the lines must be inventoried and tested for integrity prior to June 30, 2017.

25. Risers can be found several times on a pad, and the Flowline Inventory spreadsheet has a one chance; do you define the end point for a riser as the outlet side of the meter?

    This question arose from the first version of the spreadsheet, which was revised to report the end points of each flowline and includes both phases of the NTO. The current spreadsheet version is dated May 11, 2017. (June 7th, 2017)~~The end points would be the flange on the valve or end of the vertical section.~~

26. If a well has wildlife protection restrictions is an extension of time available?

    No. The work program scheduled under the NTO does not require use of restricted heavy equipment.

27. May a flowline that is not currently in active use, but which is associated with an active well or facility (including, e.g., a shut-in, temporarily abandoned, or waiting on completion well) be retained for planned future use instead of being abandoned pursuant to Rule 1103?

    Yes, provided any such line passes a successful integrity test and is locked-out/tagged-out or blind-plugged/tagged out and labeled as: "Active Flowline, LO/TO" by June 30, 2017. Such flowlines are considered active and must comply with COGCC Rules 605.d, 1101, and 1102, which includes pressure testing each calendar year. Any such flowlines not locked out/tagged out as described above will be identified as unused equipment during inspections and may be subject to penalties for failure to comply with the NTO. (June 7th, 2017)

28. Large-scale water gathering and management systems may include, for example, piping connections between the wellhead and production equipment; from production equipment to a large water tank that services many wells; from such tanks to trunk line; and from the trunk line to a centralized exploration

and production waste injection-well facility or water treatment facility. Which of these different water-conveying pipes are considered flowlines within the scope of the NTO?

COGCC considers lines conveying produced water to be flowlines, and such lines are not regulated by other pipeline regulatory agencies (PHMSA or PUC). Therefore, such water flowlines are subject to rules 605.d, 1101, and 1102, which includes integrity testing each calendar year. However, after initial separation, the water in these flowlines contains very little gas and the fire and explosion risks associated with a leak or pipeline strike are low. Accordingly, only those water lines that commence at a wellhead are included within the scope of the NTO. (June 7th, 2017)

29. **As an optional "Phase 3" of the NTO, operators may opt to reconfigure systems to remove existing return or supply gas lines and replace them with on-location wellhead gas or compressed air. Such systems must demonstrably eliminate existing flowlines that carry gas (in either direction) between a wellhead and a separate, off-location production facility. An operator wishing to replace or remove gas return/supply flowlines must make a written request to Engineering Integrity Supervisor Mark Schlagenhauf to do so on or before June 15, 2017. COGCC may grant additional time to complete the Phase 3 operations, on a case-by-case basis, based on the number of wells or facilities to be re-plumbed and off-location gas flowlines to be removed. (June 7th, 2017)**

30. If excavation to remove unused risers presents operational difficulties, are there any options available to operators other than to fully abandon Flowlines pursuant to Rule 1103 prior to June 30, 2017 as described in FAQ 20?

    On a case-by-case basis, COGCC may approve a delay in the Phase 2, part 2 requirement to cut off inactive risers below grade as required by Rule 1103 **if and only if**: a) the beginning and ends points of all segments of a Flowline are located on a well pad (with one or more wells) or production facility; and b) all such inactive risers are marked with fluorescent paint and locked out / tagged out or blind plug / tagged out by the June 30, 2017 Phase 2 deadline.

    An operator seeking a delay in meeting the June 30, 2017 deadline for co-located inactive risers must submit a request in writing as soon as practicable; the request must include an approximate count of the number of well sites and production facilities for which the delay is being sought, and the reasons why the operator cannot meet the June 30, 2017 deadline.

    Conditions of approval for any such request likely will include the following requirements:

i) Provide a list of all wells or production facilities on which any such inactive risers are located, and a count of inactive risers on each such location;

ii) Certification by the operational manager with state or regional responsibility for health, safety, and welfare (the "HSE Manager") that all such inactive risers have been marked and Locked Out/Tagged Out or Blind Plug/ Tag Out by June 30, 2017;

iii) Acknowledgement by the HSE manager that any inactive riser that is subsequently returned to service will be tested for integrity prior to being placed into service; and

iv) A requirement that the requesting operator will provide a list of each well site or production facility at which any abandoned risers have not been cut off below grade as required by Rule 1103, including GPS locations for the beginning and end points of all such inactive Flowlines, to any person or entity that acquires any such location from the requesting operator.

31. Phase II requires all flowlines within 1,000 feet of a building unit to have a documented integrity test completed after November 1, 2016. In the event parts of an operator's system are not configured to carry out a pressure test at this time due to various operational constraints, are alternative integrity tests acceptable?

    In the event the flowline pressure test cannot be carried out, alternative pipeline integrity tests recognized by PHMSA can be submitted for approval. Operators are to cite the suggested alternative technique and the PHMSA rule in their submissions. As general guidance, offsite flowlines and below-ground flowlines should be pressure-tested whereas above-ground lines and lines co-located with the well (on the same pad) may be more suitable for alternative integrity testing.

32. Are there alternatives to annual pressure testing of Flowlines described in question 17, 24 and 27 (SI Flowlines, TA Flowlines and Flowlines planned for future use)?

    SI Flowlines, TA Flowlines, and Flowlines planned for future use are considered active Flowlines. Active Flowlines must be LO/TO, labeled, and air-gapped at both ends or de-pressurized prior to June 30, 2017, but do not need to be integrity tested until the associated well or production facility commences production or is returned to use integrity test. As an example, locations where the flowlines are installed but no wells have yet been drilled; there is no pressure source. In these situations, LO/TO, labeled, and air-gapped at both