



Oil and Gas Division

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www.dmr.nd.gov/oilgas/

NORTH DAKOTA INDUSTRIAL COMMISSION

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In the matter of a hearing called on a motion of the Commission to amend NDIC Order No. 25417 paragraphs 2(d) and 5 in Case No. 23084 regarding oil conditioning standards for the Bakken, Bakken/Three Forks, Three Forks, and Sanish Pool Field Rules. A full description of the amendments the Commission will consider adopting and the supporting documentation for the proposed amendments can be found at: <https://www.dmr.nd.gov/oilgas/> or by request from the Commission. The Commission will accept and consider written comments on this motion if received no later than 5:00 pm CDT November 9, 2018. Submit written comments to the Oil and Gas Division, 1016 E Calgary Ave, Bismarck, ND 58503-5512 or brkadmas@nd.gov.

Proposed amendments to ICO 25417:

Paragraph (2) (d): Production facilities utilizing gas-liquid separator(s) and/or emulsion heater-treater(s) operating at pressures and temperatures other than those provided in (b) or (c) above shall be allowed only upon the operator demonstrating that the operating pressures and temperatures of the separator(s) and/or emulsion heater-treater(s) are producing crude oil with a Vapor Pressure of Crude Oil (VPCR_x) no greater than 13.7 psi or 1 psi less than the vapor pressure of stabilized crude oil as defined in the latest version of ANSI/API RP3000 whichever is lower. Such test must be performed by a person sufficiently trained to perform the test. All VPCR_x tests shall be performed in accordance with ~~the latest version of ASTM D6377~~ the most current ASTM testing standard and shall be conducted ~~quarterly~~ pursuant to Commission approved oil conditioning policy/guidance. Samples for testing must be collected in accordance with ~~ASTM D3700 or ASTM D5842~~ the most current ASTM or API sampling standard at the point of custody transfer. A Sundry Notice (Form 4) shall be submitted to the Director within 15 days of the test date which includes ~~a screen shot and/or printout of the VPCR_x test conducted and details the operating capacities, pressures, and temperatures of all well site conditioning equipment at the time of the test~~ required information pursuant to Commission approved oil conditioning policy/guidance; or

Paragraph (5) The Commission shall have continuing jurisdiction in this matter and specifically reserves the authority, upon its own motion or the motion of any interested party, to: (a) review such requirements outlined herein; (b) determine whether additional requirements are warranted; (c) issue crude oil conditioning policy/guidance as necessary; and (d) make such further amendments or modifications as the Commission deems appropriate.

Supporting Documentation for Proposed Amendments:

- Case No. 23084 was on a motion of the Commission to consider amending the Bakken, Bakken/Three Forks, Three Forks, and/or Sanish Pool field rules to establish oil conditioning standards and/or impose such provisions as deemed

appropriate to improve the transportation safety and marketability of crude oil.

The Commission's Order No. 25417, issued on December 9, 2014, in Case No. 23084, outlined operating requirements, effective April 1, 2015, which the Commission believed would improve the transportation safety and marketability of crude oil.

- Paragraph 2 (d) of Commission's Order No. 25417 states:

Production facilities utilizing gas-liquid separator(s) and/or emulsion heater-treater(s) operating at pressures and temperatures other than those provided in (b) or (c) above shall be allowed only upon the operator demonstrating that the operating pressures and temperatures of the separator(s) and/or emulsion heater-treater(s) are producing crude oil with a Vapor Pressure of Crude Oil (VPCR_x) no greater than 13.7 psi or 1 psi less than the vapor pressure of stabilized crude oil as defined in the latest version of ANSI/API RP3000 whichever is lower. Such test must be performed by a person sufficiently trained to perform the test. All VPCR_x tests shall be performed in accordance with the latest version of ASTM D6377 and shall be conducted quarterly. Samples for testing must be collected in accordance with ASTM D3700 or ASTM D5842 at the point of custody transfer. A Sundry Notice (Form 4) shall be submitted to the Director within 15 days of the test date which includes a screen shot and/or printout of the VPCR_x test conducted and details the operating capacities, pressures, and temperatures of all well site conditioning equipment at the time of the test; or

The Commission has received nearly 60,000 quarterly VPCR_x tests since April 1, 2015. Commission review of such tests indicate the VPCR_x does not exceed 13.7 psi during many of the warmer months of any given year. The Commission believes production facilities operated during certain months of any given year will produce crude oil with a VPCR_x no greater than 13.7 psi, therefore quarterly VPCR_x tests are unnecessary. The Commission intends to address the necessary testing frequency in an oil conditioning policy/guidance document.

Commission Order No. 25417 requires samples collected for VPCR_x to be in accordance with ASTM D3700 or ASTM D5842, although such standards have been effectively amended by ASTM/API D8009, which was issued as a joint standard by the American Society for Testing and Materials (ASTM) and the American Petroleum Institute (API) in 2015. The Commission believes the sample collection method should be in accordance with the most current ASTM or API sampling standard.

Commission Order No. 25417 requires certain information to accompany a Sundry Notice when reporting the VPCR_x test. The Commission intends to address such information in an oil conditioning policy/guidance document.

- Paragraph 5 of Commission's Order No. 25417 states:

The Commission shall have continuing jurisdiction in this matter and specifically reserves the authority, upon its own motion or the motion of any interested party,

to: (a) review such requirements outlined herein; (b) determine whether additional requirements are warranted; and (c) make such further amendments or modifications as the Commission deems appropriate.

The Commission contemplates it will be necessary to periodically revise its oil conditioning policy/guidance in the future, therefore the Commission intends to modify the paragraph to clarify that the Commission can issue crude oil conditioning policy/guidance as deemed necessary.

- [Historical Vapor Pressure of Crude Oil graph](#) (click link to view)