



March 31, 2026

*Submitted Via Federal eRulemaking Portal: <http://www.regulations.gov>*

U.S. Department of the Interior,  
Director (630), Bureau of Land Management  
1849 C St. NW, Room 5646  
Washington, DC 20240  
Attn: 1004-AF38

Re: Requirements for Site Security and Production Handling; Applying for Commingling and Allocation Approval. RIN 1004-AF38. Docket BLM–2025–0070

To Whom It May Concern,

The GPA Midstream Association (“GPA Midstream” or “the Association”) respectfully submits the following comments in response to the Bureau of Land Management’s (BLM) proposed Requirements for Site Security and Production Handling; Applying for Commingling and Allocation Approval (RIN 1004-AF38, Docket BLM–2025–0070).

GPA Midstream is composed of approximately 50 corporate members that directly employ over 57,000 employees, who are engaged in the gathering, transportation, processing, treating, storage, and marketing of natural gas, natural gas liquids (“NGLs”), crude oil, and refined products, commonly referred to in the industry as “midstream activities.” In 2025, GPA Midstream members operated more than 500,000 miles of pipelines, gathered nearly 91 Bcf/d of natural gas, and operated more than 340 natural gas processing facilities. GPA Midstream members are the invisible link between raw natural gas and crude oil produced at the wellhead and the distribution of products to consumers for heating, electricity production, transportation, steelmaking, fertilizer production, plastics, high-tech devices, cosmetics, pharmaceuticals, and much more.

GPA Midstream Association’s members design, maintain, and operate many of the custody transfer points used for royalty calculations. These transfer points are designated as Facility Measurement Points (FMPs) on Federal and Indian lands. They are committed to providing accurate measurement and equitable allocation of the gaseous and liquid hydrocarbons delivered by operators in accordance with the BLM Site Security and Measurement Rules.

We strongly support the policy expressly adopted by Congress in 30 U.S.C. 226(q) of the One Big Beautiful Bill Act (OBBBA) directing BLM to expand the opportunity for commingling beyond the provisions set forth in 43 CFR 3170, 3173, 3174, and 3175 (collectively, the “Rules”). As such, we support BLM’s efforts to implement Congress’s mandate and look forward to working constructively with BLM to affect this change.

However, after careful review by our subject matter experts we remain concerned that BLM’s proposed revisions are vague, unnecessarily burdensome, and, in some cases, even more restrictive than the measurement requirements found within the Rules. Hence, in our view, the proposed rules will not achieve Congress’ intent in the OBBBA to facilitate increased opportunity for commingling. We therefore respectfully submit the following comments and recommendations for the proposed rule.

Please do not hesitate to reach out if you have any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stuart Saulters", with a stylized flourish at the end.

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## **BLM Commingling Rule DRAFT Comments**

GPA Midstream is supportive and appreciative of the BLM, Congress, and the administration's efforts to improve the language within the Site Security and Measurement Rules (43 CFR 3170, 43 CFR 3173, 43 CFR 3174, and 43 CFR 3175) (collectively, the Current Rules) to provide an increased ability for commingling of production from Federal and Indian lands. Commingling of production has been an industry best practice for over 100 years, and has significant environmental, operational, and economic benefits. Because commingling requires less surface equipment, the amount of surface disturbance and potential for emissions is reduced, thus reducing the overall environmental impact. Commingling significantly reduces production costs, which extends the operational life of each well and therefore promotes their maximum ultimate economic recovery. In addition, recent advancements in technology have improved the ability to equitably allocate production from each well within a commingling system. All in all, commingling promotes the goal of ensuring the American people receive the full value for their minerals while minimizing impact to public lands.

However, GPA Midstream's industry leading technical experts believe that the proposed revisions to the commingling sections (§ 3173.1 and § 3173.14) of the Current Rules are vague, overly burdensome, and, in some aspects, more restrictive than the requirements for FMPs. The following are detailed comments regarding our concerns with the proposed rule revisions, along with our recommended changes for improving the proposed rule.

### **Section 1: Definitions and Acronyms**

#### **1. Proposed § 3173.1(a)**

##### **Rule**

The proposed rule adds the new definition "Acceptable Methodology", which is defined as "consistent with 30 U.S.C. 226(q), (1) use of a measurement device for each commingled source, (2) a description of how the applicant will use an allocation method that achieves volume measurement uncertainty levels within 2 percent, or (3) use of an approved periodic well testing methodology."<sup>1</sup>

##### **Concern**

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<sup>1</sup> 91 Fed. Reg. 4052, Jan. 30, 2026.

We are concerned that the new key term “Acceptable Methodology” is vague leaving it open to differing interpretations by both operators and BLM. This ambiguity will not advance the stated goal of the proposed changes to “Increase clarity and predictability for industry operators by codifying uniform approval criteria.”<sup>2</sup>

The definition for “Acceptable Methodology” uses the term “Volume Measurement Uncertainty.” Volume Measurement Uncertainty is defined in § 3174.4 Table 1 as follows:

If the averaging period volume (see definition 43 CFR 3170.3) is:	The overall volume measurement uncertainty must be within:
1. Greater than or equal to 30,000 bbl/month.	±0.50 percent.
2. Less than 30,000 bbl/month.	±1.50 percent.

However, the phrase “volume measurement uncertainty” is not used in the gas measurement rules, subpart 3175. Instead, § 3175 uses the term Flow Rate Measurement Uncertainty. Flow Rate Measurement Uncertainty is defined in § 3175.31 as follows:

Very-High-Volume FMPs	any FMP that measures more than 1,000 Mcf/day over the averaging period.	within ±2 percent.
High-Volume FMPs	Any FMP that measures more than 200 Mcf/day, but less than or equal to 1,000 Mcf/day over the averaging period.	within ±3 percent.
Low-Volume FMPs	Any FMP that measures more than 35 Mcf/day, but less than or equal to 200 Mcf/day, over the averaging period.	N/A
Very-Low-Volume FMPs	any FMP that measures 35 Mcf/day or less over the averaging period.	N/A

The definition for Acceptable Methodology within § 3173.1 of the revised commingling rules states that “the applicant will use an allocation method that achieves volume measurement uncertainty levels within 2 percent or up to five percent if there are appropriate technical and economic justifications,”<sup>3</sup> and, as such, conflicts with § 3173.14 (a)(4)(ii), which states “The proposed commingling allocation methodology

<sup>2</sup> 91 Fed. Reg. at 4046.

<sup>3</sup> 91 Fed. Reg. at 4052.

demonstrates the installation of measurement devices for oil and gas sources that: (1) can reasonably achieve volume measurement uncertainty levels with plus or minus (+2 percent), between the allocation point and FMP (including off lease measurement FMPs, where applicable), during the production phase of the well.”<sup>4</sup>

When installing measurement devices for oil and gas sources, the proposed revisions for commingling are more restrictive than the FMP requirements of the Current Rules. If the proposed rules were to become effective, they would reduce the ability to perform commingling which is contrary to the OBBBA statutory mandate.

The language of the revised § 3173.1 will make the use of measurement device for each commingled source too restrictive and force operators into the singular choice of using a periodic well testing methodology.

The three methodologies identified in 30 U.S.C. 226(q); (1) measurement devices for each source, (2) allocation methodologies meeting defined uncertainty thresholds, and (3) periodic well testing; should not be interpreted as mutually exclusive compliance pathways. In practice, these approaches are complementary components of a unified allocation framework. The proposed rule should explicitly allow operators to utilize one or more of these methodologies in combination to achieve the required uncertainty performance.

In addition, while the proposal provides measurement uncertainty limits, the proposed language lacks guidance for determining that uncertainty. The BLM has a legacy uncertainty calculator for gas sources. However, while the Current Rules cite an uncertainty calculator for oil sources, that calculator has yet to be developed. Hence, there is no uncertainty calculator proposed by the BLM, for the measurement volume uncertainty associated with an allocation system. This creates a great deal of ambiguity for both BLM and operators on what will constitute an Acceptable Methodology.

It is also important to note that the apparent flexibility in the definition of “Acceptable Methodology” conflicts with the establishment of an approved methodology in § 3173.14(a)(4)(ii). The definition is intended to provide the flexibility required by Congress under 30 U.S.C. 226(q), but the way the term is used in the regulatory language of the proposed rule in § 3173.14(a)(4)(ii) returns to a device-based methodology as specified in (1) of the definition for “Acceptable Methodology” and therefore could not be met with periodic well testing which is stipulated by 30 U.S.C. 226(q).

As such, the language of proposed § 3173.14, as written, would effectively constrain operators to a single methodology that would not provide any increased flexibility.

## **Recommended Change**

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<sup>4</sup> 91 Fed. Reg. at 4052.

To remedy these challenges and ensure BLM meets the mandate Congress has provided, we recommend that BLM change the definition for the term “Acceptable Methodology” within § 3173.1 to the following:

*Acceptable methodology means, consistent with 30 U.S.C. 226(q), the use of an allocation methodology that achieves the volume measurement uncertainties levels listed in Table 1.*

- a. *Acceptable methodologies include, but are not limited to, (1) use of a measurement device for each commingled sources, (2) use of an allocation methodology that achieves the volume measurement uncertainty levels listed in Table.1, or (3) use of an approved periodic well testing methodology.*
- b. *Volume measurement uncertainty of the allocation system is calculated using only the uncertainty values for each meter, as defined by the meter manufacturer or determined using robust testing protocols.*
  - i. *For Example: In a periodic well test allocation methodology, the volume measurement uncertainty for the allocation system is calculated using the manufacturer defined uncertainties for only the FMP meters from the bulk separator and the manufacturer defined uncertainties for the meters from the test separator(s).*

*Table 1*

FMP Type	Averaging Period Volume	Allocation Meter Volume Measurement Uncertainty
<b>Oil Source</b>		
N/A	Greater than or equal to 30,000 bbl/month.	within ±2 percent.*
N/A	Greater than or equal to 2,000 bbl/month, but less than 30,000 bbl/month.	within ±5 percent.*
N/A	less than 2,000 bbl/month.	N/A
<b>Gas Source</b>		
Very-High-Volume FMPs	any FMP that measures more than 1,000 Mcf/day over the averaging period.	within ±2 percent.*
High-Volume FMPs	Any FMP that measures more than 200 Mcf/day, but less than or equal to 1,000 Mcf/day over the averaging period.	within ±5 percent.*
Low-Volume FMPs	Any FMP that measures more than 35 Mcf/day, but less than or equal to 200 Mcf/day, over the averaging period.	N/A

Very-Low-Volume FMPs	any FMP that measures 35 Mcf/day or less over the averaging period.	N/A
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\* Nothing prevents the BLM from exercising discretion to authorize higher percentage volume measurement uncertainties if appropriate technical and economic justification has been provided.

In addition, the language in § 3173.14(a)(4)(ii) should then be changed as follows:

*(ii) The proposed commingling allocation methodology demonstrates the installation of measurement devices for oil and gas sources that can reasonably achieve the volume measurement uncertainty levels for the allocation system as listed in Table 1 of § 3173.1 for the volumes anticipated during the production phase of the well or anticipated to be reported on a monthly basis using a twelve-month average.*

- a. Allowable commingling allocation methodologies include, but are not limited to, (1) use of a measurement device for each commingled sources, (2) use of an allocation methodology that achieves the volume measurement uncertainty levels listed in Table.1, or (3) use of an approved periodic well testing methodology.*
  
- b. Uncertainty requirements are based on known or anticipated static volumes at the time of application and shall only be recalculated if the approval is modified to add or remove one or more leases, unit Participating Areas (PA), or communitization agreements (CA) from the allocation system.*

## **Justification**

The revised definition for “Acceptable Methodology” in § 3173.1 and revised language for 3173.14(a)(4)(ii) meets the statutory obligations of 30 U.S.C. 226(q), clearly defines how to meet the uncertainty requirements, and removes the language which made the revised commingling rules more restrictive than the FMP uncertainty requirements within the Current Rules.

This will allow BLM to comply with the OBBBA by providing one unified performance framework with multiple compliant implementation methods. The three statutory pathways are not mutually exclusive methodologies, but rather components of a unified allocation framework, and the recommended changes to the language would allow operators to utilize one or more of these components to meet performance-based uncertainty requirements.

## **2. Proposed § 3173.1(a) - Definitions and Acronyms**

### **Rule**

The proposed rule provides a revised definition for the term “Access”. Section (iii) of the revised definition states, “A written agreement that the BLM officials can enter onto private or State lands for inspection and enforcement actions conducted by the BLM.”<sup>5</sup>

## **Concern**

GPA Midstream has significant concerns with the requirement for a written agreement allowing the BLM officials onto private or State lands. The revised definition does not address the concerns associated with § 3173.23(e). § 3173.23(e) requires that if off-lease facilities are located on non-Federally owned surface, the surface owner(s) must sign documentation allowing the BLM unrestricted access to the off-lease measurement facility and the surface on which it is located. The surface ownership information is difficult to obtain when there are multiple owners. To grant the BLM unrestricted access to facilities on non-Federal surface presents logistical concerns for both the operators and surface owners. Landowners, who often are not the mineral owners, may be apprehensive to allow unrestricted access for Federal officials. Contracts allowing authorized operator representatives and those they escort onto private lands are already in place. Additionally, private property is typically locked and secured. Unrestricted access for BLM personnel would require these facilities to be left unlocked which would leave landowners open to increased trespassing, reduced security, and potential vandalism and theft.

There are also many potential hazards associated with these facilities. Operators require authorized personnel to undergo site specific safety training prior to entering. Providing unrestricted access to BLM poses significant safety concerns for both personnel and the environment, as accidents can occur when an agency or its contractor access a site.

One particularly egregious example: On August 5, 2015, EPA contractors accidentally caused a major contamination event at the Gold King Mine near Silverton, Colorado. While excavating, they punctured a containment area, releasing approximately 3 million gallons of heavy metal-laden, yellow wastewater into the Cement Creek, which flows into the Animas River. But even routine access presents risks that should be managed through appropriate training and supervision.

The addition of section (iii) to the definition of “Access” implies BLM would have the ability to inspect and enforce at allocation measurement facilities. Allocation meters do not have any specified maintenance documentation requirements. As royalties are determined at the FMP, BLM currently has no jurisdiction for inspection or enforcement of allocation measurement facilities. This would add significant burden and expense to both BLM and operators.

## **Recommended Change**

The BLM should change the Section (iii) definition for “Access” to state the following:

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<sup>5</sup> 91 Fed. Reg. at 4052.

“A written agreement with the operator that, upon request, the BLM officials can enter at reasonable times onto private or State lands containing an FMP to conduct an inspection or take an enforcement action within the scope of BLM authority. The BLM officials must be accompanied by an authorized representative designated by the operator.”

Additionally, BLM should revise the language in § 3173.23(e) to remove the requirement allowing BLM unrestricted access to the off-lease measurement facilities and the surface on which they are located.

### **Justification**

BLM personnel will still gain the access required to perform the necessary inspections and enforcement on FMPs while respecting the privacy rights of the surface owner and avoiding safety concerns for BLM personnel and the environment.

## **Section 2: Conditions for Commingling and Allocation Approval**

### **1. Proposed § 3173.14(a)(1)**

#### **Rule**

§ 3173.14(a)(1) requires the operator or operators provide an acceptable methodology to BLM for accurate allocation of production among the properties from which production is to be commingled (including a method for allocating produced water).

#### **Concern**

As detailed in Section 1 of these comments, GPA Midstream submits the term “Acceptable Methodology” is vague and ambiguous. It leaves too much up to interpretation by both BLM and operators.

The Current Rules have specific equipment approval requirements. As it is not specifically addressed, the proposed commingling rules imply that BLM will require the use of only approved orifice meters for natural gas measurement and Coriolis meters for hydrocarbon liquids measurement. If FMP quality measurement is required, allocation measurement will be unreasonably expensive and extremely difficult to achieve.

In addition, the Current Rules address the onshore measurement of oil and gas, not water. Water is outside of the scope of the regulations. The measurement of water would require the development of a new regulation specifying how water was to be measured. Further, water is not a royalty-bearing commodity and therefore should not be required to be included in the allocation methodology provided to BLM.

#### **Recommended Change**

BLM should change the definition for “Acceptable Methodology” and change the language within § 3173.14 as recommended here above.

BLM must remove the requirement to include a method for allocating produced water and all associated requirements within § 3173.

## **Justification**

Our proposed definition of “Acceptable Methodology” for 43 CFR 3173.1 and revised language for § 3173.14(a)(4)(ii) meets the statutory obligations of 30 U.S.C. 226(q), clearly defines how to meet the uncertainty requirements, and would remove the language which made the revised commingling rules more restrictive than the FMP uncertainty requirements within the Current Rules.

## **2. Proposed § 3173.14(a)(4)**

### **Rule**

Proposed § 3173.14(a)(4) states, “Subject to paragraph (c), the BLM will approve a Commingling and Allocation Approval (CAA) in instances where the proposed commingling of production involves production from leases, unit Participating Area (PA), or communitization agreement (CA), even if the Federal interests at issue are disproportionate to one another, including Federal interests that are subject to varying royalty rates, dissimilar fixed royalty rates, or revenue distributions”.<sup>6</sup>

GPA Midstream supports this language and believes it will provide the ability to increase the maximum ultimate economic recovery and resource conservation from each lease.

## **3. Proposed § 3173.14(a)(4)(ii)(1)**

### **Rule**

Proposed § 3173.14 - (a)(4)(ii)(1) would require that the proposed commingling allocation methodology demonstrate the installation of measurement devices for oil and gas sources that “can reasonably achieve volume measurement uncertainty levels with plus or minus (+2 percent), between the allocation point and FMP (including off lease measurement FMPs, where applicable), during the production phase of the well”.<sup>7</sup>

### **Concern**

First, the terminology “between the allocation point and FMP” implies a requirement to perform and submit a balance between the allocation point and the FMP.

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<sup>6</sup> 91 Fed. Reg. at 4052.

<sup>7</sup> 91 Fed. Reg. at 4052.

Second, allocation meters are not designed or operated to the same rigor as FMPs. It is unreasonable for an allocation meter to be expected to meet the same 2% uncertainty requirements as an FMP.

Third, there is also a fundamental legal vulnerability in BLM's proposed rule (beyond technical) where they have failed to meet the "shall approve" requirement of the OBBBA, by reintroducing discretionary barriers into a statutory framework that requires approval when one of three conditions is met.

### **Recommended Change**

The language of proposed § 3173.14 - (a)(4)(ii) should be changed, in accordance with Section 1 of this document, as follows:

*The proposed commingling allocation methodology demonstrates the installation of measurement devices for oil and gas sources that can reasonably achieve the volume measurement uncertainty levels for the allocation system as listed in Table 1 of § 3173.1 for the volumes anticipated during the production phase of the well or anticipated to be reported on a monthly basis using a twelve-month average. Uncertainty requirements are based on known or anticipated static volumes at the time of application and shall only be recalculated if the CAA is modified to add or remove one or more leases, unit Participating Areas (PA), or communitization agreements (CA) from the allocation system.*

### **Justification**

The revised language for 3173.14(a)(4)(ii) meets the statutory obligations of 30 U.S.C. 226(q), clearly defines how to meet the uncertainty requirements, and removes the language which made the revised commingling rules more restrictive than the FMP uncertainty requirements within the Current Rules.

## **4. Proposed § 3173.14(b)(1)**

### **Rule**

Proposed § 3173.14 - (b)(1) states that the BLM may also approve a CAA if the average monthly production over the preceding 12 months for each lease, unit PA, or CA proposed for the CAA on an individual basis is less than 1,000 Mcf of gas per month, or 100 bbl of oil per month.

### **Concern**

1,000 Mcf of gas per month or 100 bbl of oil per month are arbitrary values that may or may not be equivalent in economic value. Further, they are extremely low as 1,000 Mcf of natural gas per month equates to 33 Mcf per day, and 100 barrels of oil per month equates to 3 barrels per day. By arbitrarily establishing these threshold values, the proposed rule is attempting to dictate economic requirements for each operator.

Lastly, the proposed rule states “each lease, unit PA, or CA proposed for the CAA on an individual basis”<sup>8</sup> must be less than 1,000 Mcf of gas per month, or 100 bbl of oil per month. This precludes the opportunity to commingle low performing leases, unit PAs, or CAs with higher producing, more economically viable leases, unit PAs, or CAs – which is in direct conflict with the objective of the OBBBA.

### **Recommended Change**

BLM should strike Proposed § 3173.14 - (b)(1). The revised definition for “Acceptable Methodology” within § 3173.1 and revised language for 3173.14(a)(4)(ii) allow for the commingling of low producing leases, unit PAs, or CAs by setting the appropriate uncertainty requirements as defined in Section 1 of this document. The revisions also allow for the commingling of low producing leases, unit PAs, or CAs with more economically viable leases, unit PAs, or CAs.

### **Justification**

The statutory requirements in 30 U.S.C. 226(q) were designed to facilitate the maximum ultimate economic recovery and resource conservation. The revised definition for “Acceptable Methodology” within § 3173.1 and revised language for 3173.14(a)(4)(ii) will increase the economic viability and incentivize continued production.

## **5. Proposed § 3173.15(c)**

### **Rule**

§ 3173.15(c) states that to apply for a CAA, the operator(s) must submit a proposed allocation agreement with a calculated uncertainty percentage, including an allocation methodology (including allocation of produced water).

### **Concern**

As we have previously stated, water is not a royalty-bearing commodity and therefore should not be required to be included in the allocation methodology provided to BLM. Further, there is no existing BLM regulation or proposed BLM regulation addressing the measurement of water.

Lastly, the current metering technology commonly used for measurement of produced water is not designed to meet the uncertainty requirements of this proposed rule.

### **Recommended Change**

BLM should remove the requirement to include a method for allocating produced water and all associated requirements within § 3173.

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<sup>8</sup> 91 Fed. Reg. at 4053.

## Justification

Water is not a royalty-bearing commodity. The requirement for its inclusion in the allocation methodology adds significant burden and expense for both BLM and operators with no economic justification.

### Section 3: Concerns with Only Revising the Commingling Sections and Not the Entirety of the Current Rules

#### 1. § 3173.14(a)(4)(i)

##### Rule

Proposed § 3173.14(a)(4)(i) would require: “Production from each lease, unit PA, or CA is measured by an FMP that satisfies the requirements under subpart 3174 for oil measurement or subpart 3175 for gas measurement”.<sup>9</sup>

##### Concern

This section of proposed § 3173.14(a)(4)(i) is a clear indication of how this proposed rule is functionally in conflict with itself. This option allows for commingling if each source is measured by an FMP, which is in clear opposition with the definition of an FMP within the Current Rules which states “allocation facilities that are part of a commingling and allocation approval under § 3173.15 or that are part of a commingling and allocation approval approved after July 9, 2013, are not FMPs.”<sup>10</sup>

The Current Rules have significant issues which continue to result in excessive and unnecessary costs to both operators and BLM, as well as uncertainty in compliance timeframes and obligations. We urge BLM to address these issues, which include, but are not limited to the following:

- Numerous sections within 43 CFR Parts 3174 and 3175 require the use of only equipment and software which is listed on the BLM approved equipment list. Equipment must be approved down to the make, model, size, firmware version, etc.
- It is unreasonable to expect BLM to get the necessary personnel and procedures in place for the Production Measurement Team (PMT) to review the potentially thousands of pieces of equipment and software systems that will be required to be submitted for approval. In the nine years since the Current Rules were promulgated, no equipment or software systems have been added to the BLM approved equipment list. Existing mandatory procedures require operators to construct facilities with equipment and software systems which may or may not eventually be

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<sup>9</sup> 91 Fed. Reg. at 4052.

<sup>10</sup> 81 Fed. Reg. 81422, Nov. 17, 2016.

on the BLM approved equipment list. Operators may be apprehensive to invest in new facilities with the potential for costly refits if the equipment installed is not approved.

- Current § 3174.11(c)(1) requires if the operating conditions deviate more than 10% of normal flow rate, 10% of normal absolute operating pressure, 10° F of normal operating temperature, and/or 5° API of the normal operating gravity, a minimum 3 point proving must be performed.
  - No practical procedure exists to alter the temperature or the API gravity of the product in order to perform the minimum three point proving.
    - American Petroleum Institute (API) Manual on Petroleum Measurement (MPMS), Measurement of Liquid Hydrocarbons by Coriolis Meters, does not specify a tolerance range for deviations which would require a multi-point proving. It simply states that meter provings should be performed “If a change in the fluid temperature, pressure, or density occurs beyond user-defined limits as determined from field experience.”<sup>11</sup>
- Current § 3175.104(a)(2) requires that volume, flow time, and integral value or average extension must be reported to at least 5 decimal places and that the average differential pressure, static pressure, and temperature must be reported to at least 3 decimal places.
  - The majority of equipment and reporting software are not capable of reporting to 5 and 3 decimal places, respectively.
  - Increasing reported decimal places does not increase the precision of the device from which the values were derived and therefore the increased decimal places would have no significance. In fact, BLM has suggested that operators simply add zeroes to meet the obligation.
  - It will require significant effort and expense to completely implement this rule for every piece of equipment and software system yet provides zero benefit.
  - BLM representatives have verbally instructed some members to simply “add zeros” to their current data – which reinforces the lack of significance this type of prescribed accuracy provides.
- Current § 3175.112(c)(4) prohibits the use of membranes, screens, or filters at any point in the sample probe.
  - GPA Technical Standard 2166 and API MPMS Ch.14.1, which set the standards for the collection of natural gas samples, allow for the use of membranes, screens, or filters.

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<sup>11</sup> American Petroleum Institute. (2021). *API MPMS Chapter 5.6, Measurement of Liquid Hydrocarbons by Coriolis Meters*. Washington D.C.: American Petroleum Institute.

- Although they are written for dry gas sample streams, they are applied to wet streams because liquids, both hydrocarbon and water, do not flow through the gas stream in a homogeneous manner making the collection of a representative sample of the liquid phase virtually impossible.
  - Industry technical committees within these associations have investigated “wet gas” sampling many times over the years. However, there is currently no technology capable of collecting a representative sample of the liquid phase products within a gas stream.
- The sampling systems, according to the industry technical standards and the BLM rules, are heated to at least 30° F above hydrocarbon dewpoint.
  - This temperature is insufficient to vaporize the collected hydrocarbon liquids. It simply ensures the components which are in the gaseous phase do not condense.
  - Liquids present within the gas stream may contaminate the sampling system, biasing subsequent samples. This will result in increased uncertainty and variability as well as inaccurate composition and energy values, along with potential instrumentation damage.
  - It is important to note that liquids do not go unaccounted for. They are collected and measured downstream, then allocated back to each royalty point based on the gaseous composition.
- Current § 3175.115 states that BLM may change the required sampling frequency for high-volume and very-high-volume FMPs if BLM determines that the required sampling frequency is not sufficient to achieve the heating value uncertainty levels requirements.
  - The proposed rule states increasing sample frequency will aid in achieving uncertainty requirements. If the same sample collection methods, analytical techniques, and calculation methods are utilized for determination of heating values, the uncertainty will be the same regardless of the variability in the resultant value. Techniques and methodology determine uncertainty, not resultant values.
  - High heating value (high dewpoint) samples will vary with ambient temperature, product, and operational conditions, such as artificial lift. High heating value samples will be forced into high frequency sampling due to the inherent variability of products, not the uncertainty. This will increase operating expenses of locations with high frequency sampling with no true decrease in the uncertainty of analytical results.
  - Additionally, heating value uncertainty was to be determined through the Gas Analysis Reporting and Verification System (GARVS) software to be developed by BLM, as specified in § 3175. To date, this software has yet to be developed.

- Current § 3175.119(b) requires that when the concentration of C6+ exceeds 0.5 mole percent, the gas composition must be analyzed to extended fractions.
  - This rule will require significant changes in operations, replacement of equipment, and increased expense of analysis with no benefit to the heating value calculation and therefore no benefit to the royalty valuation
    - Note: One member company performed a study of 2,466 field samples from multiple formations. The samples were analyzed and heating values were compared when calculated using both a Hexanes Plus analysis with a 60/30/10 split, and a Nonanes Plus analysis. Nearly all analytical results were within the analytical deviation of the instrumentation (repeatability specification). Therefore, reporting to extended fraction adds significant expense but makes no statistical difference, and, therefore, does not significantly impact the royalty calculation. (The data was submitted with the comments for the 2020 rule but can be resubmitted upon request.)
  
- Current § 3175.113(d)(5) requires that when taking spot samples using portable gas chromatographs, at least three replicate samples must be collected and analyzed. For high-volume FMPs, samples must be taken and analyzed until the difference between the maximum heating value and minimum heating value calculated from three consecutive analyses is less than or equal to 16 Btu/scf. For very-high-volume FMPs, samples must be taken and analyzed until the difference between the maximum heating value and minimum heating value calculated from three consecutive analyses is less than or equal to 8 Btu/scf.
  - Portable gas chromatographs pull live samples from the flowing natural gas stream. Each sample is a unique sample and not a true replicate. It is therefore not appropriate to mandate that the sample stream be steady state as to provide results within given parameters as that is out of the analyst's control. Additionally, in artificial lift applications, the well may not flow long enough to allow for the collection and analysis of three replicates which meet the specified criteria. Restrictions such as these within the rules make the use of portable gas chromatographs virtually impossible.
  - It is also unclear why a single sample collected into a bottle is sufficient, but a portable gas chromatograph must provide an average of three replicates. If the average value is critical to the accuracy of the results, why would three spot sample bottles not be required from each location? This requirement will create large operational changes for many operators, up to and including the necessity to remove portable gas chromatographs from the field. When operated properly, portable gas chromatographs allow the analyst to ensure they have collected and analyzed a representative sample while still on-site as opposed to sending a sample

off to a laboratory and finding out as much as a month later if the sample was representative.

- In recognition of the concerns associated with § 3175.113(d)(5), BLM issued IM 2018-069 to provide guidance for a variance from this requirement. However, IM 2018-069 expired September 30, 2020 and is no longer valid.

## **Recommended Change and Justification**

GPA Midstream is supportive of revising the Current Rules. Prior to the release of the Current Rules, which were effective January 17, 2017, GPA Midstream, along with numerous other industry associations and individual companies, submitted comprehensive comments on the Current Rules. However, the published rule did not adequately address those comments, and, consequently, is overly burdensome and imposes excessive costs on the companies operating on Federal and Indian lands. The rule has been difficult to implement by both operators and BLM. This is evident by the Instruction Memorandums (IM 2018-069 and IM 2018-077) released by BLM to address certain issues. However, these IMs expired in 2020 and no longer provide relief and clarity for BLM and regulated community.

In recognition of the issues associated with the Current Rules, BLM, under the first Trump administration, reopened them for revision in 2017. GPA Midstream, along with numerous other industry associations and individual companies, once again provided extensive comments and supporting data for changes within the Current Rules. In addition, at the request of industry, BLM held a first of its kind workshop with industry subject matter experts to work through the concerns and determine revisions which provided solutions that eased the unnecessary burdens while still ensuring the American people were properly compensated for their minerals. From those comments and meeting, BLM developed a revised set of rules, commonly referred to as the 2020 Rules. The 2020 Rules were released for comments, the comments were addressed, and the 2020 Rules were sent to the Federal Register for publication. However, the 2020 Rules were never published and therefore never became effective.

One of the items industry addressed in comments to the 2020 rules was commingling. The industry comments included extensive supporting data and recommendations for improvements which would facilitate an increased ability for commingling, including the use of periodic well testing. Periodic well testing is a well-established industry practice and represents a primary allocation methodology in upstream and wet gas applications. The proposed rule allows for periodic well testing, which we support. However, we urge BLM to provide greater clarity on how this methodology will be evaluated or approved, which will ease BLM's implementation of this program. Moreover, without sufficient clarity, operators may be forced toward more costly and less practical measurement-device-based solutions. Regulatory language that provides the necessary clarity was incorporated into the 2020 rules, and we urge BLM to adopt that language here. Indeed, more broadly, the revisions and comments in the unpublished 2020 rules

provide the necessary language for meeting statutory requirements of the OBBBA which instruct BLM to facilitate an increased ability to perform commingling.

The revisions to the commingling rule being proposed by BLM only revises specific definitions within § 3173.1 and requirements within § 3173.14. However, we urge BLM to go further here, as the proposed revisions reference and are intertwined with the requirements within § 3174 and § 3175. To actually ease the ability to perform commingling, it is essential to also make substantial revisions across 43 CFR 3170, 43 CFR 3173, 43 CFR 3174, and 43 CFR 3175.

Therefore, GPA Midstream recommends that BLM revise the entirety of the Current Rules by one of the following options:

### **Preferred Option**

BLM should release the unpublished 2020 Rules for final comments, address the comments as appropriate, and publish them as quickly as possible. This would meet the intent of the OBBBA to facilitate commingling by not only revising the commingling specific section (§ 3174.14) but also revising the other sections which are required for the commingling and allocation of production. As the 2020 Rules are already written, this process could be completed, and the revised Site Security and Measurement Rules could be published as early as Fall of 2026.

### **Alternate Option**

In the alternative, BLM should follow Office of Management and Budget (OMB) Circular A119, which “directs agencies to use standards developed or adopted by voluntary consensus standards bodies rather than governmental-unique standards.”<sup>12</sup> This includes industry associations, which provide extensive data gathering and real-world experience in developing technical standards. Indeed, regulatory agencies frequently rely on or incorporate technical standards developed by industry trade associations as a basis for rulemaking or guidance.

Hence, there are recognized, well-established technical standards, developed by GPA Midstream, American Gas Association (AGA), and API. Therefore, rather than relying on the government’s Current Rules, these established technical standards would provide the necessary guidance for operators to perform measurement and commingling on Federal and Indian lands using industry accepted equipment and techniques and provide results within industry accepted uncertainty tolerances. BLM would simply need to provide frequency guidance for meter verification, proving, calibration, and sample collection.

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<sup>12</sup> Office of Management and Budget. (1998, February 10). Retrieved from whitehouse.gov: <https://www.whitehouse.gov/wp-content/uploads/2017/11/circular-119-1.pdf>

The industry recognized, well-established, technical standards include, but are not limited to, the following:

- GPA 2145 – Table of Physical Properties for Hydrocarbons and Other Compounds of Interest to the Natural Gas and Natural Gas Liquids Industries
- GPA 2166 – Obtaining Natural Gas Samples for Analysis by Gas Chromatography
- GPA 2172 – Calculation of Gross Heating Value, Relative Density Compressibility and Theoretical Hydrocarbon Liquid Content for Natural Gas Mixtures for Custody Transfer
- GPA 2198 – Selection, Preparation, Validation, Care and Storage of Natural Gas and Natural Gas Liquids Reference Standard Blends
- GPA 2261 – Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography
- API MPMS Chapter 4, Section 2 – Displacement Provers
- API MPMS Chapter 5, Section 6 – Measurement of Liquid Hydrocarbons by Coriolis Meters
- API MPMS Chapter 6, Section 1 – Lease Automatic Custody Transfer (LACT) Systems
- API MPMS Chapter 14, Section 3 – Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluid - Concentric, Square-edged Orifice Meters, Part 1, General Equations and Uncertainty Guidelines
- API MPMS Chapter 14, Section 3 – Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluid - Concentric, Square-edged Orifice Meters, Part 2, Specification and Installation Requirements
- API MPMS Chapter 14, Section 3 – Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluid - Concentric, Square-edged Orifice Meters, Part 3, Natural Gas Applications

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GPA Midstream appreciates the opportunity to submit these comments and looks forward to continuing to work with BLM and other stakeholders for the improvement of oil and gas operations on Federal and Indian land and ensuring the American people are properly compensated for their minerals.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Saulters". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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