

A MIDSTREAM COMMUNICATION



eBrief



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Headlines

- [Summit Petroleum wins aggregation case](#)
- [RICE MACT settlement agreement update](#)
- [New edition of GPSA Engineering Data Book now available](#)
- [GPA opposes inclusion of Wise County](#)
- [GPA surveys members on natural gas gathering lines Class 1 & 2](#)
- [Interested in presenting at the 2013 GPA Convention?](#)
- [GPA concludes another successful School of Gas Chromatography](#)
- [Reminder: fall Technical Sections to meet in October](#)
- [GPA continues support of LPG Charity Fund](#)
- [GPA remembers Herb Brown and Michael Horvath Jr.](#)
- [GPA/GPSA Calendar](#)

Summit Petroleum wins aggregation case

Industry scored a big victory in the Source Aggregation issue recently when the U.S. Court of Appeals for the Sixth Circuit ruled in favor (2-1) of Summit Petroleum. Environmental Protection Agency (EPA) had determined that Summit's natural gas sweetening plant and sour gas production wells (approx. 43 square miles in area) constituted a "single stationary source." American Petroleum Institute (API) and American Exploration & Production Council had filed amicus briefs in support of Summit Petroleum. In short, the court stated:

"Summit, together with Amici (American Petroleum Institute and American Exploration and Production Counsel), argues that the EPA's determination that the physical requirement of adjacency can be established through mere functional relatedness is unreasonable and contrary to the plain meaning of the term 'adjacent.' We agree. For these and other reasons fully set forth herein, we **VACATE** the EPA's final determination and **REMAND** this case to the EPA to determine whether Summit's sweetening plant and sour gas wells are sufficiently physically proximate to be considered "adjacent" within the ordinary, i.e., physical and geographical, meaning of that requirement."

According to an API attorney's analysis, the court adopted almost every argument made by API and Summit, stating that the term "adjacent" is unambiguous; the dictionary definition of "adjacent" connotes physical proximity; EPA's interpretation of "adjacent" is contrary to the plain meaning; EPA is owed no deference just because its erroneous interpretation is longstanding; and that EPA's interpretation is inconsistent with Title V's regulatory history and guidance documents. Notably, the court discussed the API amicus brief in detail, stating that the court's decision was supported by many arguments raised in the API brief. The court also noted that EPA's aggregation methods are particularly burdensome to our industry and are causing significant regulatory delay.

RICE MACT settlement agreement update

As reported on May 21, GPA and the other industry petitioners (American Petroleum Institute, Interstate Natural Gas Association of America and Exterran) signed a settlement agreement with EPA to resolve our pending challenges to the RICE MACT rule. In keeping with this agreement, EPA published agreed-upon proposed amendments to the RICE MACT on June 7.

GPA's Environmental Committee submitted comments on the proposal on Aug. 9. GPA supported the proposed changes and suggested a number of corrections and clarifications. EPA is required to sign a final rule by Dec. 14.

New edition of GPSA Engineering Data Book now available

Contact Judy London, jlondon@GPAglobal.org with purchasing questions. For technical questions, contact Mark Sutton, msutton@GPAglobal.org.

GPA opposes inclusion of Wise County

On July 20, GPA, led by the expertise of our Environmental Committee, filed a Petition for Review in the D.C. Circuit Court of Appeals of Environmental Protection Agency's (EPA) decision to include Wise County in the Dallas-Fort Worth ozone nonattainment area. On the same day, GPA and the Texas Pipeline Association (TPA) filed with EPA a joint Petition for Administrative Reconsideration of the Wise County decision.

Five other parties, including Devon Energy, Targa Energy, TPA, Texas Commission on Environmental Quality and Wise County, also filed judicial challenges to the Wise County decision. The industry petitioners have conferred and all are interested in trying to negotiate a settlement on this matter with EPA. We intend to ask the court to temporarily delay the case to provide time for discussions with EPA. We hope to set up an initial discussion with EPA in the near future.

GPA surveys members on natural gas gathering lines Class 1 & 2

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is evaluating the regulation of gathering in Class 1 and 2 locations. This review is in response to the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, as well as the development of shale production throughout the United States. As we understand it, PHMSA will propose rules no later than the end of 2013 addressing gathering lines PHMSA considers to be of greater risk. In a proactive manner, and in order to prepare for this rulemaking, GPA Pipeline Safety Committee, led by Alice Ratcliffe, chair, and Kathy DeYoung, vice chair, coordinated with leaders throughout the industry to voluntarily collect and provide the information that PHMSA intends to evaluate.

GPA, Texas Pipeline Association, various state Oil and Gas Associations, American Petroleum Institute and others are uniting in this effort to collect information on gathering lines in Class 1 and 2 locations. Data collection spreadsheets and instructions have been distributed to member companies. The data will be aggregated and provided to PHMSA as a total. Individual member company information will remain confidential throughout this process.

To prevent duplication of data, we are asking all members to return their data to Jeff Applekamp, japplekamp@gpaglobal.org, or Charles Yarbrough, Charles.Yarbrough@atmosenergy.com. Please contact Jeff Applekamp or Alice Ratcliffe, alice_ratcliffe@xtoenergy.com, with questions.

Thank you for helping us be successful in this important effort.

Interested in presenting at the 2013 GPA Convention?

Are you interested in sharing your expertise with midstream industry decision makers? We're looking for speakers for the 2013 GPA Convention, which will be held April 7 – 10 in San Antonio, Texas.

What we're looking for

Midstream topics (gas processing, gas gathering, fractionation, storage and transportation) that are relevant, timely and informative, relating, but not limited, to these activities:

- Alternative energy
- Compliance
- Computer technology
- Environmental
- Facilities design
- Gas and product treating
- Legislative, regulatory & safety
- LNG
- NGL business or market perspective
- Operations & maintenance
- Pipeline safety
- Project economics and finance
- Research
- Technical data development
- Technology developments in gas processing
- Technology to improve operations
- Training
- Unconventional Gas
- Worldwide developments
- Young professionals

GPA's 2012 School of Gas Chromatography concluded earlier this month, hosting students from throughout the United States, as well as Angola and Trinidad. Each participant brought a unique experience and perspective to the table, which generated discussions and conversations about a wide variety of technical issues that just can't be found in an everyday textbook. We'd like to extend a big "thank you" to all the instructors, vendors, sponsors and students for making this class both interesting and beneficial!

Once again, the 2012 school sold out all 100 slots prior to the deadline, so be prepared to register early for the next school, which will be held Aug. 5 – 9, 2013, at the University of Tulsa (Oklahoma) and will be open to a maximum of 100 students. GPA's Analysis and Test Methods Section (Section B) will manage, direct and conduct the school. It is anticipated that registration for this school will open in March 2013.

If you need additional information or have questions, please contact Judy London at the GPA Office.

Reminder: fall Technical Sections to meet in October

Don't forget to make your room reservations for the upcoming fall Technical Sections' Meetings before Sept. 24. Call the Wyndham Dallas Love Field, (214) 357-8500 and mention group code: Gas Processors Association.

Specific meeting dates/times:

Oct. 15 – 8 a.m. – 5 p.m. / Sections B & C

Oct. 16 – 8 a.m. – 5 p.m. / Sections A & H

Oct. 17 – 8 a.m. – 5 p.m. / Section M

GPA continues support of LPG Charity Fund

Please make plans to attend the LPG Charity Fund's 2nd Annual Texas Hold'em Poker Tournament on Sept. 26 at the Hard Rock Casino in Catoosa, Okla. Entry for the poker tournament and lunch is \$100 per person; lunch only is \$25. This year the tournament will be held in the Sky Room, which is on the hotel's 18th floor. Registration will be open at 11 a.m., followed by a lunch buffet from 11:30 a.m. – 1 p.m., and poker will begin at 1 p.m. The LPG Charity Fund has a block of rooms available at the rate of \$109 per night for Sept. 25-26.

Book your room before Sept. 3 by phone, (800) 760-6700 and mention attendee code LPGC092612 or by visiting www.HardRockCasinoTulsa.com. Click "Online Reservations" located on the left side of the page, then click "Group Reservations" at the top of the page and enter attendee code LPGC092612. Enter the remaining information required along with your credit card to guarantee your room.

If you would like to donate items for the raffle prizes, contact: Sandi Bouchard, Sandi.bouchard@williams.com or (918) 688-1099, or Steve Tuttle, sdtuttle@me.com or (918) 605-5362.

GPA remembers Herb Brown and Michael Horvath Jr.

It is with our deepest and sincerest regret that we announce the passing of two individuals that were deeply rooted in the midstream industry.

Herb Brown passed away on May 27 while vacationing in Florida with his family and friends.

Michael Horvath Jr. passed away peacefully at his home in Houston on July 1. Our thoughts are with their families.

GPA/GPSA Calendar

September

- 6 Rocky Mountain GPA Annual Meeting
- 12 GPSA Editorial Review Board Meeting
- 20 Houston GPA Annual Shrimp Boil
- 20 North Texas GPA Annual Shrimp Boil
- 21 MidContinent GPA Fall Clay Shoot