



We are the primary advocates for a sustainable Midstream Industry focused on enhancing the viability of natural gas and natural gas liquids.

eBrief

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GPA COMMITTEE MEMBERS & STAFF NEWS

Honoring the life of Bruce Gillick

GPA is saddened to report the loss of Bruce Gillick, an active GPA Safety Committee member, who passed earlier this month.

For many years, Gillick represented MarkWest on the Safety Committee and led the committee as chair and vice chair through four successful years. He was honored with the GPA Committee Leader of the Year award in 2014. Gillick was highly respected among his fellow committee members and took pride in the work that the Safety Committee accomplished.

We extend our condolences to the Gillick family and offer our sincere appreciation for his contributions to GPA.

GPA staff member renews meeting planner certification

Congratulations to Christine McMorris, GPA's meeting planner, on pursuing and passing her recertification for the Certified Meeting Professional (CMP) designation. The CMP credential is recognized globally as the badge of excellence in the meeting, convention, exhibition and event industry. The qualifications for certification are based on professional experience, education and a rigorous exam. McMorris has successfully met the criteria established by demonstrating her dedication and professional development in the field.

2016 GPA CONVENTION UPDATES - EARLY BIRD DEADLINE NEARS

**April 10 - 13
New Orleans, Louisiana**

Registration Information

Online registration for the 2016 GPA Convention opened earlier this month. Please keep the following registration deadlines in mind:

GPA & GPSA Members

By Feb. 12 - \$615

By March 12 - \$715

After March 12 - \$815

Non-Member Operators and Suppliers

By Feb. 12 - \$995

By March 12 - \$1,095

After March 12 - \$1,195

Before you register, we encourage you to [check your company's membership status](#) because GPA and GPSA members save on registration.

The fastest, easiest way to register is online. Visit our [convention registration page](#) for detailed information about how to register online.

Advertising opportunity

GPA is producing the show newspaper for the 2016 GPA Convention, which will be published Monday, Tuesday and Wednesday (April 11, 12 and 13) and distributed on site at the conference. The issues will also be distributed electronically to GPA's entire database and within the new GPA app available to all registered attendees.

If you are interested in reserving ad space, contact [Crystal Myers](#) for pricing and availability. Advertising space is limited among the 12 pages in each issue, and the materials deadline is March 1.

FEDERAL GOVERNMENT AFFAIRS UPDATES

GPA helps secure victory with Northern Long-Eared Bat final rule

On Jan. 13, the U.S. Fish and Wildlife Service (FWS) issued a final rule on the threatened Northern Long-Eared Bat. GPA on its own and also working with industry coalitions had multiple meetings with FWS, filed regulatory comments, and lobbied congress and the agency on making this rule better for the midstream industry.

A crucial change for GPA members was changing the FWS' focus on which industries could or could not cut down trees near the bats, which are in peril because of white nose syndrome, a fungal infection that affects hibernating bats and has taken a huge toll on the population. Initially the agency's focus was narrow and just allowed an exemption for the forestry industry. The final rule does not limit tree clearing based on the specific industry involved. However, industry is still subject to certain buffers from known occupied hibernacula and roost trees within areas affected by white nose syndrome.

This final rule helps lessen the burdens associated with Endangered Species Act permitting process that would otherwise apply to the Northern Long-Eared Bat's 37-state range. States that

are impacted where GPA members have a large footprint are Arkansas, Kansas, Louisiana, North Dakota, Ohio, Oklahoma, Pennsylvania and Wyoming.

GPA comments on PHMSA's proposed rule on the safety of hazardous liquid pipelines

On January 8, GPA commented on the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposed rule on the safety of hazardous liquid pipelines. GPA's comments specifically highlighted that the proposed rule's estimated cost of \$22 million is grossly underestimated. The actual cost of the proposed rule far exceeds that figure, and it's important to note that the unaccounted-for costs will be put on midstream operators, and ultimately the end user. Moreover, no data or justification has been provided to demonstrate how or why the proposed changes are reasonable or necessary.

The proposed rule further requires that all lines be piggable. This is a problematic requirement of the proposed rule. Requiring systems to be pigged that are physically unable to be pigged is unrealistic. Requiring that the lines be retrofitted is also unrealistic since a majority of the lines do not have minimum flow characteristics to propel the devices through the line.

GPA also addressed PHMSA's effort in regards to high consequence areas. GPA is not opposed to changes but disagrees that the same risks apply everywhere.

PHMSA will be holding a Liquid Pipeline Advisory Committee meeting on Feb. 1 in Arlington, Va., to address this rule.

GPA comments on U.S. President Barack Obama's State of the Union Address

GPA President and CEO Mark Sutton issued the following statement addressing U.S. President Barack Obama's State of the Union Address on Jan. 12.

"My hope tonight was that President Obama would continue to acknowledge the important and crucial role that natural gas plays in our nation's future as he has done in previous State of the Union addresses," Sutton said. "Unfortunately, his message has been diluted by an endless number of regulations from agencies that will impact the midstream sector. We are at a crucial time in history where we need to be supporting and investing in American energy, including natural gas and its midstream industry. The midstream industry is putting people to work by building the infrastructure necessary to ensure that America's energy is readily available for the future.

"GPA members have been subjected to a seemingly endless avalanche of overly burdensome and unnecessary regulations. Regulations like EPA's new ozone standard, new methane rules, and even the Clean Power Plan, which was one of the main pillars of the Paris climate 'commitment,' now favors renewables over natural gas. My hope is that the president will stop this endless and unnecessary barrage of regulations and allow the midstream industry to play its crucial role in meeting America's energy needs."

Bureau of Land Management releases proposed rule to cut gas venting, flaring

The Bureau of Land Management (BLM) released a proposed rule on Jan. 22 to reduce emissions of methane and other gases from oil and natural gas wells on federal and Indian lands.

Interior Department officials said it would reduce the venting, flaring and leaking of emissions of methane and volatile organic compounds from federal and Indian lands by an estimated 50 percent after being phased in during a three-year period.

The BLM proposal will require best practices to minimize venting of gases during oil or gas well development; push companies to swap out older equipment for better, newer equipment; and lead to the use of better leak detection technologies such as infrared cameras.

Janice Schneider, Interior assistant secretary for land and minerals management, said the rule will clarify when royalties can be assessed on flared gas and could generate additional royalties of \$9 million to \$16 million per year.

BLM said 84 percent of oil and gas wells already meet the proposed standards.

The agency will hold public meetings on the proposal in February and March and intends to complete the rule by the end of 2016.

STATE GOVERNMENT AFFAIRS UPDATES

KANSAS

Repeal of pipeline incentives

Kansas Senate Bill 48 and House Bill 2421 are carry-over bills from the 2015 session. The bills concerning property taxation will go through the legislative process again this year to repeal the current 10-year property tax exemption for new qualifying pipeline property that was constructed after Dec. 31, 2014. The bill would also repeal the property tax exemption for any pipeline construction that began before Jan. 1, 2015, where the completion of trenching and installation of at least 50 miles of new pipeline has not occurred. The bill would not affect the property tax exemption that was previously granted to new qualifying pipeline property. In the past, the property tax exemption has been used when making financial decisions for pipeline projects. The elimination of the exemption could discourage new pipeline projects in the state.

Eminent domain

House Bill (HB) 2276 would remove the language in the Kansas Eminent Domain Procedure Act that allows for compensation of at least 200 percent of fair market value to property owners for the lawful condemnation of property. The bill would also make a change regarding the court's allowance of attorney fees in situations where a plaintiff condemner appeals the award of a court-appointed appraiser and the jury's verdict is in favor of the landowner in amount greater than the appraiser's award. Current law makes the court's allowance of attorney fees to the landowner's attorney discretionary. HB 2276 would instead mandate that the court allow as court costs an amount to be paid to the landowner's attorney as attorney fees. The language in this bill is unfavorable to the plaintiff. If the plaintiff appeals the appraised value of condemned property, the appraised value could be upheld by a jury. The plaintiff would then be responsible for paying the

appraised value of the property, as well as the landowner's attorney fees.

NEW MEXICO

Emergency response bill

New Mexico Senate Bill (SB) 19 has been introduced by Albuquerque Senator William Payne to provide for temporary exemptions from state licensure for nonresident emergency/disaster responders. The bill includes "natural gas and natural gas liquids gathering, processing, and storage, transmission and distribution systems" to the definition of "critical infrastructure" for purposes of the exemption. This is an important bill to the midstream industry as it helps to streamline the process for non-resident emergency response contractors brought into the state to deal with a disaster to midstream infrastructure located within New Mexico. A similar bill was passed in Kansas during the 2015 legislative session.

OKLAHOMA

Gas gathering bill

The Oklahoma Independent Producers Association (OIPA) has submitted language to expand gathering to include processing under 52 O.S. 2011, Section 24.4 and 24.5. GPA reported in an earlier eBrief that OIPA was proposing to introduce language during the 2015 session and possibly request an interim study during the summer months. Neither of those events happened. Last week, however, Senator Bryce Marlatt introduced Senate Bill (SB) 1411 that includes the OIPA language. The proposed language defines processing as "any activity occurring beyond the inlet to a natural gas processing facility that changes the natural gas stream's physical or chemical characteristics, enhances the marketability of the stream, or enhances the absorption, adsorption, flashing, refrigeration, cryogenics, sweetening, dehydration within a processing facility, beneficiation, stabilizing, compression (other than compression such as reinjection, wellhead pressure regulation, or the changing of pressures and temperatures in a reservoir) and separation which occurs within a processing facility."

The "spread fee" has been completely eliminated, and the gatherer would be required to deliver to the shipper "at the appropriate product delivery points the products resulting from such processing attributable to such shipper at the facility outlet, less any volumetric deductions for fuel and loss associated with processing."

Language proposed in the complaint section would give the Oklahoma Corporation Commission, upon the filing of a complaint, the authority to require the production of the most recent 25 contracts entered into by the gatherer. This language has been added so producers can see the gathering fees other producers/gatherers have negotiated.

Currently no other state regulates processing. SB 1411 has the potential to create a non-competitive environment for the midstream business in Oklahoma. SB 1411 as proposed would create precedence for other states. GPA will be working this issue at the Capitol during the 2016 legislative session.

[View the bill.](#)

PENNSYLVANIA

Pipeline Infrastructure Task Force comments fil

GPA recently submitted comments to the Pennsylvania Department of Environmental Protection (DEP) on a draft report prepared by the state's Pipeline Infrastructure Task Force (PITF) that is expected to be finalized next month.

The task force was created this past May by Pennsylvania Governor Tom Wolf to address future pipeline infrastructure construction needed to accommodate the transportation of natural gas and related products from the increased production within the state.

GPA's comments addressed the lack of midstream participation on the task force, as well as the need to review current regulation in place before implementing new requirements. GPA is concerned that the PITF is providing recommendations for how all pipelines will be built in Pennsylvania without adequate input from the midstream industry. Such recommendations have the potential to create regulatory uncertainty for midstream operators and could hinder the development of the vast shale gas resources in Pennsylvania.

Pennsylvania Department of Environmental Protection methane strategy

GPA has recently become aware of an effort in Pennsylvania that could have significant impacts on midstream industry operations. The Pennsylvania Department of Environmental Protection (DEP), under direction of Governor Tom Wolf, has developed a strategy to reduce methane emissions in the Commonwealth that is specifically directed at the oil and natural gas industry. GPA is concerned that in addition to existing statutes, regulations and permitting requirements, DEP will be creating a more stringent administrative and costly path forward for the development of oil and gas resources.

The strategy set out by the DEP includes:

1. Developing a general permit to replace the August 2013 Category No. 38 conditional permit exemption criteria issued for oil and gas exploration, development and production facilities including well pads
2. Revising the current general permit for new and modified natural gas compression and/or processing facilities (GP-5)
3. Developing more regulation for consideration by the Environmental Quality Board that establishes stringent requirements for existing sources in the oil and natural gas industry
4. Establishing best management practices, including leak detection and repair (LDAR) programs, to reduce fugitive CH₄ emissions from production, gathering, processing and transmission facilities

GPA members operating in Pennsylvania, as well as in other states, should be concerned about the overreaching strategy the DEP is proposing. It also does not appear that the DEP is considering its proposals as duplicative of the current federal efforts in regard to methane. GPA will submit the plan to the GPA Environmental Committee for review and to determine how to best address the actions of the DEP. For more information on how to participate in GPA's efforts, contact Director of State Government Affairs [Debbie Beaver](#).

TEXAS

Texas Railroad Commission Sunset Review questionnaire

GPA responded to a questionnaire from the Texas Railroad Commission (RRC) supporting the continuation of the commission, which is part of the Sunset Review process to determine whether regulation is serving its purpose and if the regulatory agency is conducting its business with fairness, impartiality and transparency to the public and regulated groups. GPA member companies have a history of working with the RRC and believe it creates a stable and effective regulatory climate to oversee the development of energy resources, ensure the safety of the citizens of Texas and protect the environment. The RRC was last renewed in 2013 for 4 more years. Hearings will be held at the end of 2016 to assess the continuation of the commission.

T-4 electronic filing process

The Texas Railroad Commission is working on the rollout of the T-4 pipeline permitting process and encouraging users to complete the permit online, and GPA has been working with the RRC to provide suggestions to the T-4 permit.

The commission is streamlining its information technology processes and is working to combine the T-4 permit with PS8000A (questionnaire). The revisions began two years ago as a result of a rulemaking process, which included the classification of a pipeline as a common carrier, a gas utility or a private pipeline based upon the information provided in the permit application. The electronic rollout is a continuation of that process.

GPA member companies that anticipate completing the permit online may send questions to RRC Oversight and Safety Director Kari French.

Announcement from Texas Railroad Commission

Texas Railroad Commission Chairman David Porter announced that he will not be running for re-election. Six Republican and three Democratic candidates have filed paperwork to run for the open seat, and the primary election will be held March 1.

RESEARCH/TECHNICAL

Technical Committee ballot underway

Technical Section B - Analysis and Test Methods has voted to approve proposed revisions to GPA 2100 - *Qualitative Determination of Carbonyl Sulfide in Propane Using Length of Stain Tubes* and GPA 2198 - *Selection, Preparation, Validation, Care and Storage of Natural Gas and Natural Gas Liquids Reference Standard Blends*. At the Section B meeting this past fall, the committee reviewed and voted to archive tentative standards GPA 2187 - *Tentative Method for the Determination of Ammonia in Liquid Propane* and GPA 2290 - *Tentative Method for the Determination of Carbonyl Sulfide (COS) in Unodorized Liquid Propane*. Having received unanimous approval from the technical section, the next step in the lifecycle of these standards is Technical Committee concurrence. The ballot to accept the updated changes to GPA 2100 and GPA 2198 and to archive GPA 2187 and 2290 was sent to Technical Committee members on

CHAPTER NEWS

Houston GPA February luncheon

A Houston GPA luncheon is scheduled for Feb. 10 at the Houston Racquet Club (10709 Memorial Dr., Houston, TX 77024). Michael Fullman, DCP Midstream, will speak about the DJ Basin. Visit the [Houston GPA event calendar](#) to learn more and register.

Houston GPA sporting clays event - Feb. 19

The Houston GPA sporting clays event is the chapter's No. 1 fundraiser for scholarships and will be held at the American Shooting Centers facility in Houston on Feb. 19.

Individuals interested in registering to shoot and companies interested in sponsoring the event can find more information here: <http://www.houstongpa.org/calendar.cfm>

Contact Houston GPA Sporting Clays Chair David Mirdadian, Valerus, for more information: dmirdadian@valerus.com or (713) 808-8045.

MidContinent GPA continues partnership with OSUIT

The Midcontinent GPA (MCGPA) chapter has provided long-term support in its partnership with the Oklahoma State University Institute of Technology (OSUIT). MCGPA Scholarship Chair Chris Lindenberg, Western Filter Co., presented Glenn Zannotti, director of development, OSUIT, for the Oklahoma State University Foundation with a \$35,000 donation. OSUIT will place the funds in the following OSUIT accounts at the OSU Foundation:

- \$20,000 GPA Scholarship Fund
- \$10,000 OSUIT Pipeline Integrity Excellence Fund
- \$5,000 GPA Excellence Fund

MCGPA thanks its members and those attending events that fund such donations.

GPA Europe events

GPA Europe is hosting its 2016 Spring Conference in Paris, France, April 20 - 22. The meeting theme is "Making Natural Gas the Sustainable Fuel of the Future." [View more information and learn how to register.](#)

The Joint GPA Europe and GPA Gulf Cooperation Council (GCC) Conference is scheduled for Sept. 21 - 23 in Istanbul. The conference's Call for Papers has opened, and papers on all topics dealing with the natural gas processing industry will be considered. The Call for Papers deadline is

March 1, and a selection committee representing both chapters will select the final slate of papers, which they expect to publish in April.

Visit www.gpaeurope.com for more information.

Rocky Mountain GPA 2016 Membership Drive & 19th Annual Ski Bus

Registration is open for Rocky Mountain GPA's 19th annual Ski Bus. This college scholarship and training fundraiser will be held at Copper Mountain, Colo., and includes a day of skiing, snowboarding, snow games and a number of fun activities for non-skiers too.

Discounted room rates are available for Friday and Saturday nights. To guarantee a spot on the ski lift, payment must be received by Feb. 27. Participation is limited to 180 attendees, so register soon if you plan to attend.

For more information and to register, visit <https://gparmc.org/events>.

GPA/GPSA CALENDAR

February

10 - Houston GPA Luncheon

11 - GPA Europe Young Professionals Training Day

19 - Houston GPA Sporting Clays

[View details on events listed above](#)

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