



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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RESEARCH/TECHNICAL

GPA's first technical bulletin released and available to members

In November 2014, members from Technical Section A - Facilities Design and Technical Section M - Operations & Maintenance formed an ad hoc committee to address recent industry failures in brazed aluminum heat exchangers (BAHX). This workgroup was tasked with researching causes of the failures and to identify recommendations to minimize future failures. Operating companies, engineering firms and BAHX fabricators were all represented on the committee, and the committee recently completed and has released GPA's first technical bulletin (TB), which is available to GPA and GPSA members in the members-only section of the GPA web site. Any member company employee may create a free account on www.GPAglobal.org to access our members-only information. [Learn how to create an account and where to find the members-only information.](#)

GPA seeks candidates for new GPSA Engineering Data Book Training Course development

GPA's initial offering of the GPSA Engineering Data Book (EDB) Training Course was a success, receiving much positive feedback, and we are taking all comments to heart and creating an update to the training course. The next iteration will focus on training students to proficiently use the Data Book to solve problems a less experienced engineer would typically encounter. GPA has created a Request for Proposal document outlining the scope of this project and what is required to submit a formal bid. If you are an individual or firm well versed in the Data Book and interested in submitting a proposal for this project, contact GPA Director of Technical Services [Martin Erne](#) for more information about this opportunity.

GPA chromatography school set for second week of August in Tulsa, Okla.

GPA will host its annual School of Gas Chromatography at the University of Tulsa, August 8 - 12. Registration will open in April for this week-long school, which has proven to be one of the best worldwide despite costing only a fraction of similar training courses.

In a down economy, it is imperative that companies minimize waste and optimize revenues in order to survive, and accurately analyzing well gas purchased and products sold ensures that companies maintain strong control over their product quality issues. The chromatography school's cadre of instructors are veterans of GPA's committee on Analysis and Test Methods, Technical Section B, and subject matter experts on GPA's standards and specifications. Students get hands-on instruction at the school, learning precisely how to perform GPA standards accurately and correctly. The value added to employees who attend this affordable school is realized the day they return. [Learn more about the GPA School of Gas Chromatography.](#)

2016 GPA CONVENTION UPDATES

April 10 - 13
New Orleans, Louisiana

Registration deadline reminder - March 12

With less than 7 weeks to go, nearly 1,400 midstream professionals have registered for the 2016 GPA Convention. Interested in seeing who's registered? Our registration list is updated every Friday and posted on Monday; view the lists by company or by last name available on the [Registration](#) page.

If you haven't yet registered to attend, there's still time to do so at a discount. Please keep in mind that March 12 is the last day to receive the advanced registration discount. Anyone wishing to attend after this date will pay on-site fees.

For those who have already registered, please keep an eye on your inbox for important GPA Convention e-mails, which we'll be sending in March, including information about how to access event information in the GPA app.

For all GPA Convention information, visit www.GPAconvention.org.

FEDERAL GOVERNMENT AFFAIRS UPDATES

GPA challenges EPA statement saying natural gas industry isn't regulated

On Feb. 24, GPA President and CEO Mark Sutton responded to Environmental Protection Agency (EPA) Administrator Gina McCarthy's statement in regards to the natural gas industry at Houston's IHS CERAWEEK energy conference. According to Politico, McCarthy said EPA is "learning this industry right now, because it's not an industry we regulate."

"With all due respect to Administrator McCarthy, I don't understand how in the world she could say that EPA doesn't regulate the natural gas industry. If she truly believes that, then I would

hope she would put a stop to the numerous and onerous regulations EPA has forced on our members," Sutton said. "The natural gas industry is one of the most regulated industries in America. Our members comply with numerous environmental laws that EPA is responsible for administering, including the Clean Air Act and the Clean Water Act.

"As the head of an agency that employs over 15,000 people, I would hope one of her employees working on natural gas issues would inform her that the natural gas industry is already heavily regulated by EPA."

GPA sends odorization letter to House committees

On Dec. 9, 2015, the Senate Commerce Committee marked up and approved S. 2276, the Securing America's Future Energy: Protecting Infrastructure of Pipelines and Enhancing Safety (SAFE PIPES) Act. The SAFE PIPES Act, which would reauthorize the federal pipeline safety program administered by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) through fiscal year 2019, includes a provision mandating the Comptroller General of the United States prepare and submit a pipeline odorization study to the Senate Commerce Committee and the House Transportation and Infrastructure Committee. The purpose of the study is to assess the feasibility of odorizing all combustible gas in transportation, including the impacts on end-users and a consideration of the relative benefits and costs associated with such a requirement when compared to other methods used to mitigate pipeline leaks.

Under the federal safety standards, PHMSA only requires operators to inject odorant in certain kinds of pipelines. Specifically, odorant is required in all gas distribution systems and in gas transmission lines that are located in populated areas. PHMSA does not require operators to inject odorant into other pipelines, including gas gathering and transmission lines located in rural areas or pipelines that are used to transport hazardous liquids. The federal rules for the odorization of gas pipelines have been in place for more than four decades.

GPA raised concerns about conducting the study in a letter to both the House Transportation and Infrastructure Committee and the House Energy and Commerce Committee, with hope that the House committees will ultimately decide not to include it in their respective pipeline safety reauthorization bill.

Pipeline Safety reauthorization efforts

Pipeline Safety reauthorization efforts are starting to move in the House. In December, the Senate Committee on Commerce, Science and Transportation passed out of committee their pipeline safety reauthorization version S. 2276, the SAFE PIPES Act. S. 2276 could see floor action in the Senate within the next couple of months.

The House Transportation and Infrastructure Committee will hold a hearing on Feb. 26 and will most likely hold a mark-up in March.

The House Energy and Commerce Committee will hold a hearing on March 1 on its draft legislative proposal that they plan to soon release. We also expect them to potentially mark up

their bill during March.

STATE GOVERNMENT AFFAIRS UPDATES

LOUISIANA

Taxes on pipelines and processing

The Louisiana legislature extraordinary session started Feb. 14 to address the more than \$2 billion deficit. It will end on March 9, and the regular session will begin March 14. Two bills have been introduced during the extraordinary session that would tax natural gas transported through pipelines and a tax on processing.

HB 67, Rep. Robby Carter (D), would levy a tax of \$0.50 per 1,000 cubic feet upon the use of a transportation facility (pipeline) more than one mile in length for the transportation of natural gas through Louisiana. The proposed bill would change present Louisiana law by removing the prohibition of additional tax or license on gas and specifically authorizes the levy of a tax, fee, license, or permit on natural gas transported in the state. It would define "facilities" as natural gas pipelines used for the transportation of natural gas within the territorial boundaries of Louisiana and define "natural gas" as a mixture of hydrocarbons that existed in natural underground reservoirs and which is gaseous at atmospheric pressure measured at a pressure base of 15.025 psi absolute at a temperature base of 60 degrees Fahrenheit. HB 67 would require the tax levied to be due and payable monthly.

HB 68, also by Rep. Carter, would levy a tax on the use of hydrocarbon processing facilities. The Louisiana constitution currently prohibits the levy of a tax other than severance tax on "oil, gas, or sulphur leases or rights." HB 68 proposes a constitutional amendment that would authorize the levy of a tax on the use of hydrocarbon processing facilities at a rate not to exceed 3 percent of the value of the hydrocarbons (as provided by law) notwithstanding such prohibition. Also, the proposed constitutional amendment would repeal all severance taxes that are levied on oil and gas if such processing tax is levied and the tax is determined to be valid by a final, non-appealable judgment or as otherwise provided by law. The proposed constitutional amendment would also prohibit political subdivisions from levying a tax "on the use of hydrocarbon processing facilities." The law would go into effect Jan. 1, 2017.

NEW MEXICO

Session ends

The New Mexico 30-day budget session ended without any major pieces of legislation impacting the midstream industry. SB 19 passed out of both the House and Senate, which is the bill that added natural gas gathering and processing to the definition of critical infrastructure during emergencies. The bill would allow contractors to skip the licensing process, and they would not be required to pay state income tax should an emergency happen in the state. We expect Governor Susana Martinez (R) will sign the bill by the March 9 deadline.

GPA forms Oklahoma SB 1411 workgroup

GPA has formed a workgroup to push back against the Oklahoma Independent Producers Association's (OIPA) effort to expand the scope of existing law that allows producers to take concerns regarding gas gathering fees and terms and conditions of service to the Oklahoma Corporation Commission to include processing. This measure could destroy the competitive midstream landscape in Oklahoma. GPA successfully pushed back against this effort last year and is determined to do so again this year.

Oklahoma Sen. Bryce Marlatt has introduced Senate Bill 1411 that includes the OIPA language. The bill did not receive a hearing and can still be offered as an amendment during the remainder of session, so GPA will continue to fight this effort. GPA is urging all GPA members with operations in Oklahoma to join the workgroup. Contact [Matthew Hite](#) if you are interested in joining the workgroup.

Update on eminent domain bills

Several eminent domain bills have been introduced this session that would increase costs of building pipelines in Oklahoma. The one of most concern is HB 2276 authored by Rep. Lee Denney (R), House Speaker Pro Tem from Cushing, Okla. Denney filed HB 2276 in response to complaints by several constituents in her district about the condemnation of their property for the construction of new pipeline.

HB 2276 would provide a provision for the landowner to file a request for judicial location exception to the proposed location of the right-of-way. Rep. Denney's constituents want the pipeline(s) to find an alternative route. HB 2276 would require the court to make a judicial determination on:

1. Reasonable alternative location
2. Reasonable obstacles presented by the alternative locations compared to the originally proposed location set forth in the petition
3. Good-faith effort of the plaintiff in negotiating with the property owner regarding the proposed location and any alternative location
4. Topographical or historic aspects of the property
5. Mental anguish of the property owner in the event an alternative location is not reasonably possible, caused by the condemnation
6. Mental anguish of the property owner caused by any action or inaction of the plaintiff in negotiating with the owner regarding the proposed location as set forth in the petition or any alternative location.

Sen. Jim Halligan (R) signed on as the Senate author on Feb. 10. If passed, HB 2276 would delay and increase costs of constructing pipelines in Oklahoma.

HB 2936 by Rep. Mark McCullough (R) provides reimbursement of attorney fees to the landowner when condemnation is abandoned and the judgment of a jury exceeds the award of the court appointed commissioners by at least 5 percent. It also proposes to include in the Oklahoma Landowner's Bill of Rights a provision to demand a jury trial to appeal an assessment of damages, as long as a property owner holds any right, title or interest in the real property subject to condemnation.

HB 3150 by Rep. Jeff Coody (R) is the Eminent Domain Act of 2016 - Shell Bill. The reason for a shell bill is to hold a place in case the other eminent domain bills do not pass. Sources indicate that there could be one omnibus eminent domain bill, and HB 3150 could be the vehicle.

SB 1126 by Sen. Brian Crain (R) provides reimbursement of attorney fees to the landowner when condemnation is abandoned and the judgment exceeds the last offer to settle. SB 1126 has been coauthored by Rep. Dan Kirby (R).

PENNSYLVANIA

Pipeline Infrastructure Task Force final report

Last month, GPA submitted comments to the Pennsylvania Department of Environmental Protection (DEP) on a draft report prepared by the state's Pipeline Infrastructure Task Force. The final PITF report was sent to the governor on Feb. 18, and over the coming months, recommendations that fall within the purview of Commonwealth agencies will be further assessed and evaluated for possible implementation. [View the final report.](#)

TEXAS

Eminent domain interim charge hearing

The Texas Committee on State Affairs will meet on March 29 to discuss eminent domain. The committee will review data on the compensation provided to private property owners for property that has been condemned through eminent domain. The interim committee could result in language for an eminent domain bill for the 2017 session. Input to the committee is important to the process.

GPSA NEWS & RECOGNITION

GPSA Membership Committee success

In 2015, the GPSA board of directors adopted extensive changes to GPSA's membership dues, timing and categories, and we would like to recognize members of the GPSA Membership Committee for their diligence in educating current members and potential members about these changes.

Committee members have successfully focused their initial efforts by retaining members in view of the newly adopted, and in many cases, higher, dues structure. Following this success, they will begin focusing on recruitment of new members. They are working with chapter organizations to let chapter members that are not GPSA members know of the benefits of joining GPSA.

A basic overview of the membership structure changes includes:

- Dividing GPSA membership into three employee-based categories

- Less than 25 employees
- Between 25 and 250 employees
- More than 250 employees
- Maintaining or increasing dues beginning January 1, 2016, to the following amounts:
 - \$500 - Less than 25 employees
 - \$1,250 - Between 25 and 250 employees
 - \$2,500 - More than 250 employees
- Transitioning the GPSA membership billing cycle to be aligned with the fiscal year. Dues will be collected for January - June 2016 and then annually July - June thereafter.
- Dropping the membership initiation fee

We would like to recognize the Membership Committee members for their extensive work to make this effort possible:

Chair: Chris Carter, J-W Power Co.

Jeff Stake, Allied Equipment

Mike Manning, APO Pumps & Compressors

Alan Sudbrock, Gas Technology Corp.

Stephanie Judge, GE Power & Water

Pat Holub, Huntsman

Chris Lindenberg, Western Filter Co.

For more information about GPSA membership, visit <https://gpsa.gpaglobal.org/join-gpsa> or contact [Johnny Dreyer](#).

CHAPTER NEWS

Rocky Mountain GPA

1st quarter luncheon and technical presentation

Denver-area midstream professionals are invited to join the GPA Rocky Mountain Chapter Luncheon and Technical Presentation on March 3. It will be held at the Denver Athletic Club with registration beginning at 10:30 a.m. and lunch at 11:30 a.m.

A presentation, "Oil & Natural Gas Update" by John Harpole, Mercator Energy, will follow. This presentation will touch on the global to regional oil, natural gas liquids and gas market conditions, trends and challenges. Those attending will also learn about the OPEC influence, emerging markets/projects for U.S. LNG export, and which domestic basins in the Rockies are competitive in today's price environment.

[Register for lunch and the presentation.](#)

MidContinent GPA

Regional meeting

The MidContinent GPA Regional Meeting is scheduled for May 5 at the Oklahoma History Center in Oklahoma City. The keynote speaker will be David Le Norman with Le Norman Operating, and several other exciting speakers are scheduled to present at the meeting, including Christopher Guith from the U.S. Chamber of Commerce Institute for 21st Century Energy. He will speak about solutions for securing America's future.

Registration will be available soon on the new www.MCGPA.org web site.

North Texas GPA

Sporting Clays Event

The North Texas GPA East Texas Sporting Clays Event will be held on April 1 at Prairie Creek Sporting Clays, and registration is open. Space is limited, so those planning to attend are encouraged to register early before the event fills.

Event pricing includes a golf cart for every team, 100-target round, door prize chance, awards and meal. Sponsorships are also available. [View more event and sponsor information](#). Contact [Jason Randall](#) with questions.

GPA/GPSA CALENDAR

March

- 3 - Rocky Mountain GPA 1st Quarter Luncheon and Technical Presentation
- 4 - Rocky Mountain GPA 19th Annual Ski Bus
- 23 - Houston GPA Luncheon

[View details on events listed above](#)

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