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# Midstream 101

*A Primer on Understanding Midstream Contracts and Identifying Key Issues*

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## MIDSTREAM 101



### *What does “midstream” cover?*

- **Upstream:** Exploration and production
- **Midstream:** Transportation  
Storage  
Processing  
Marketing
- **Downstream:** Finished products  
Marketing and distribution

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## *Oil vs. Gas*

- **Oil:** Produced at the wellhead and aggregated in storage tanks or central tank batteries
- **Gas:** Produced at the wellhead and aggregated via points of interconnection with a larger pipeline network

## *Gathering vs. Transportation*

- **Gathering:** The process of collecting gas from one or more wellheads and its relatively short movement downstream where it is aggregated for further movement
- **Transportation:** Movement of accumulated quantities of oil/gas to one or more downstream points

## *Common Midstream Agreements*

- Gathering Agreements
- Transportation Agreements
- Storage Agreements
- Terminaling Agreements
- Processing Agreements
- Balancing Agreements
- Capacity Release Agreements
- Equipment Lease Agreements
- Facilities Construction Agreements
- Fractionation Agreements
- Gas Lift Agreements
- Operation and Maintenance (O&M) Agreements
- Purchase and Sale Agreements

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## *Midstream Agreements / Current Events*

- Covenants Running with the Land
- Minimum Volume Commitment
- Force Majeure

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