



# Natural Gas Pipeline Development and Regulation in Texas

Presented to UTCLE Gas and Power Institute

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## Presentation Overview

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- Permian Basin production: pricing and flaring
- Major Permian Basin pipeline takeaway solutions
- LNG and Mexican Demand
- Texas regulatory issues for pipeline development
  - NGPA Section 311 approval at the Railroad Commission
  - Flaring permits and extensions
  - Route approval and challenges
  - Discrimination
  - Regulation of rural gathering lines

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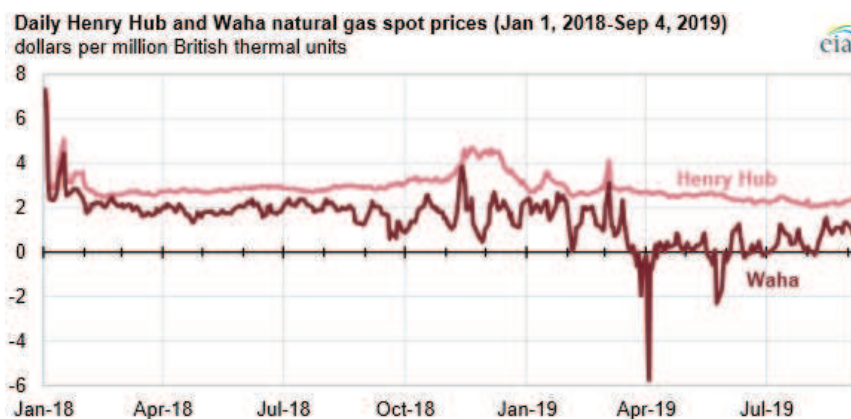
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# Permian Basin Pricing

- Permian focus
  - Production of associated gas
  - 9.5 - 10 Bcf/d
  - Severe transportation constraints
- Pricing at Waha
  - From \$0/MMBtu to -\$5/MMBtu in 2019
  - \$8/MMBtu discount to Henry Hub
  - Some price stability from curtailed production
  - New stability from imminent takeaway capacity (GCX)
    - From \$8 delta to Henry Hub to \$0.59 in September (averaging \$2 - \$3)

# Permian Basin Pricing



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"Texas Natural Gas Pipeline Development and Regulation"