



46th Annual E.E. Smith Oil, Gas and Mineral Law Institute and Fundamentals
March 26, 2020

Midstream 101

A Primer on Understanding Midstream Contracts and Identifying Key Issues

Jesse S. Lotay
Jackson Walker LLP
Houston, TX

© 2020 JACKSON WALKER LLP

1

MIDSTREAM 101



What does “midstream” cover?

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

AUSTIN | DALLAS | FORT WORTH | HOUSTON | SAN ANGELO | SAN ANTONIO | TEXARKANA | JW.com

2

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

AUSTIN | DALLAS | FORT WORTH | HOUSTON | SAN ANGELO | SAN ANTONIO | TEXARKANA | JW.com

5

Midstream Agreements / Current Events

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

AUSTIN | DALLAS | FORT WORTH | HOUSTON | SAN ANGELO | SAN ANTONIO | TEXARKANA | JW.com

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Midstream 101: A Primer on Understanding Midstream Contracts and Identifying Key Issues

Also available as part of the eCourse

[Midstream 101: A Primer on Understanding Midstream Contracts and Identifying Key Issues](#)

First appeared as part of the conference materials for the 2020 Fundamentals of Oil, Gas and Mineral Law session

"Midstream 101: A Primer on Understanding Midstream Contracts and Identifying Key Issues"