



TARGA

Gas Processing Primer

October 5, 2017

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Upstream, Midstream, & Downstream

Oil & Gas Industry

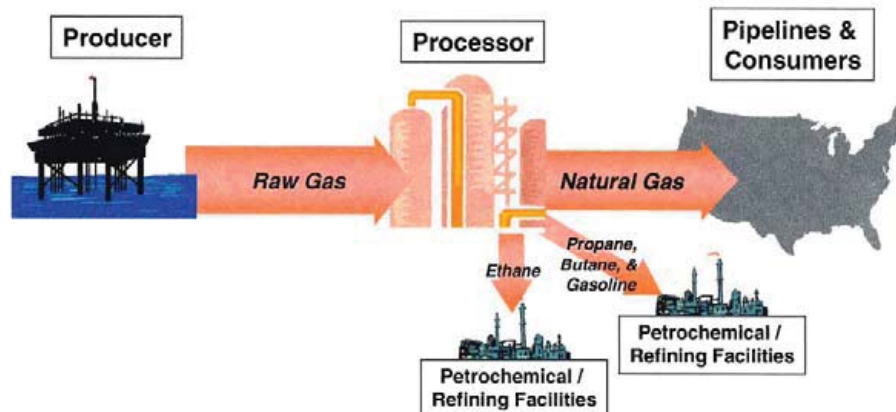
- ◆ **Upstream:** The exploration and production portions of the oil and gas industry
- ◆ **Midstream:** Industry activities that fall between exploration and production (upstream) and refining and marketing (downstream); the term is most often applied to processing and pipeline transportation of crude oil, natural gas, and NGLs
- ◆ **Downstream:** Refineries, chemical plants, and their associated distribution and marketing

Shale Plays in the Lower 48 States

- ◆ Increasing production from shale continues to be a game-changer in the U.S.
- ◆ Producers are currently focused on oil and liquids-rich plays, with increasing volumes from the Permian Basin, Bakken shale and Barnett shale and Barnett combo.



Processing Product Flow

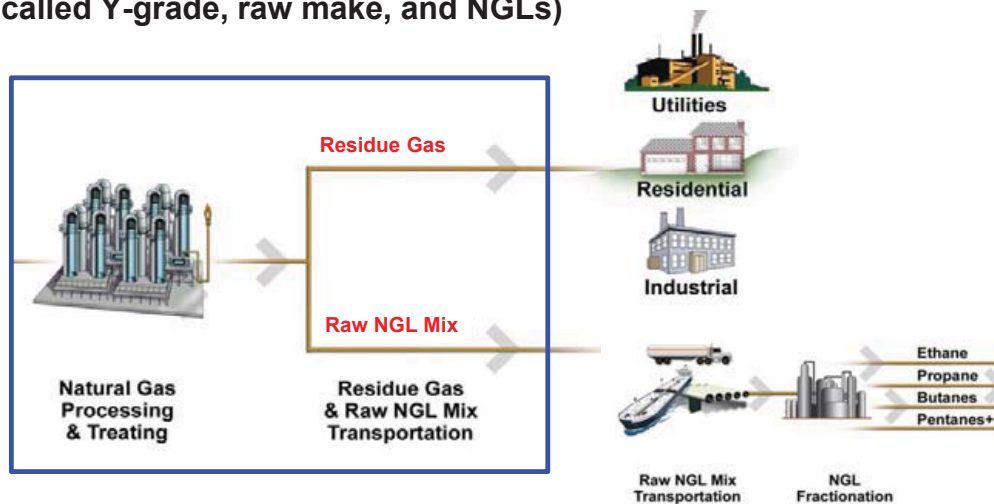


Gas Processing is...

- ◆ The extraction of imbedded NGLs and the removal of water vapor and other contaminants (i.e. sulfur and carbon dioxide) to form (i) a stream of marketable natural gas, commonly referred to as residue gas, and (ii) a stream of mixed NGLs.
- ◆ Once processed, the **residue gas** is transported to markets through pipelines that are owned by either the gatherers and processors or third parties.
- ◆ After being extracted in the field, **mixed NGLs** are typically transported to a centralized facility for fractionation where they are separated into discrete NGL products: ethane, propane, normal butane, iso-butane, and natural gas.

Gas Plants

Separate the residue gas (methane) from the raw NGL mix (also called Y-grade, raw make, and NGLs)



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"Gas Processing Primer"