"Coloring within the Lines-
Understanding the Regulations from a
Technical Perspective"

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Content

1. Context
2. Reading the Regulations from a Technical Perspective
3. Stabilized Condensate Exports
4. Future Developments
VANTAGE POINT

Information creates in/efficiencies

**Background**
- Global Economic Growth transforming energy demand
- Extended period of Elevated energy prices and a Deployment of Technology in Upstream Development increasing production
- Pricing Volatility and a Structural Shift in Differentials

**Current Challenges**
- Regulatory and Infrastructure bottlenecks
- Exports rebalancing the global trade
- Global competition not conceding its markets without a fight

**Future Development**
- Segregation and a gradual moving away from the “Common Stream Concept”
- Democratization of Energy Markets
- Increasing Volatility in Crude pricing with more frequent Booms and Busts allowing Alternatives energy resources to gain market share and provide competition to the dominance of Crude
EXPORTING CRUDE AND “PRODUCTS”

A non-technical Solution to a Technical Issue

“Better Call Saul”
I CAN MAKE IT LEGAL!

SAUL GOODMAN
ATTORNEY AT LAW
CALL RISK FREE NOW!
“A license is required for the export of crude oil to all destinations, including Canada...“Crude oil” is defined ...which has not been processed through a crude oil distillation tower.”

No Definition of what a crude oil distillation tower is?
DISTILLATION TOWER

Not 5 … Not 7
DISTILLATION TOWER
DISTILLATION TOWER

NUMBER OF ACTUAL PLATES VS REQUIRED THEORETICAL PLATES

Raw Field Condensate → Inlet Heat Exchanger → Vapor Product

Vapor Product → Stabilized Condensate

Liquids
EVOLUTION OF CONDENSATE

Filling up the Buckets

Production Growth / Scale

Margin Compression

Simplistic “Density” Blending ...
“Blend Wall”, EPA Emission limits, Refinery Constraints, and Iran condensate displacement

Compelling Economic Reason to look for New Markets
“What’s in a Name? that which we call a rose
By any other name would smell as sweet” - Shakespeare

BIS Classification and self-Classifying

Multiple tiered pricing: Blend stock, export, and segregation

Chemical Feed vs Refinery Feed

Logistical bottlenecks which lack the capabilities to compete with the historical condensate production regions of the Middle East, Northwest Shelf, North Sea, and Northern Africa

Changing “Midstreamers”/Gatekeepers mindset from simply moving a column of fluid to managing quality and maintaining more than just a “common-stream spec”
“BIS will review other applications to export crude oil on a case-by-case basis ...if BIS determines that the proposed export is consistent with the national interest and the purposes of the Energy Policy and Conservation Act (EPCA) ...in which the applicant can demonstrate that, for compelling economic or technological reasons that are beyond the control of the applicant, the crude oil cannot reasonably be marketed in the United States.”