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Enbridge greenlights \$1.1B Tennessee gas line expansion

More growth projects are on tap for Enbridge, sanctioned by the company in the last few months. Most recently, it gave the green light to its Tennessee Ridgeline expansion, which will transport natural gas to the Tennessee Valley Authority's new gas-fired generation facilities in Kingston, Tennessee. Enbridge made its FID after the TVA signed a record of decision April 2 for the Kingston Fossil Plant.

Ridgeline will cost \$1.1 billion and will involve installation of 125 miles of 30-inch pipeline looping, construction of an electric-powered compressor station and installation of an 8 MW behind-the-meter solar array. Pending receipt of all necessary permits and FERC approval, construction will begin in 2025 with an in-service target of late 2026.

Enbridge also sanctioned a 2.5 MMbbl storage expansion at the Enbridge Ingleside Energy Center, known as Ingleside Phase VII, for \$100 million. During Q1 it placed into service Ingleside Phase VI, which consists of four 500,000 bbl storage tanks for total capacity of 2.0 MMbbl, and Phase VII is expected online in 2025. Pending a successful open season, a planned 120,000 bo/d expansion of the Gray Oak pipeline would increase oil volumes to the EIEC. [Read more...](#)

Kinetik grows in New Mexico for \$765MM, exits GCX for \$540MM

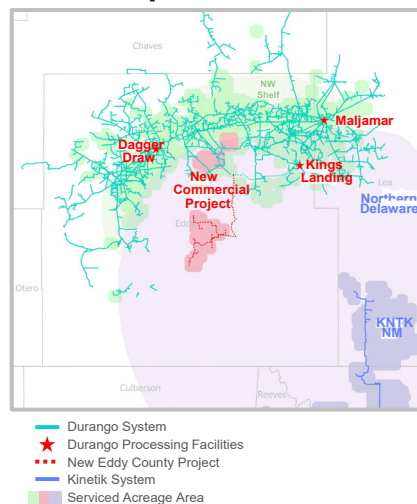
Kinetik Holdings Inc. is refreshing its asset portfolio with an eye on the northern Delaware Basin, acquiring gas gatherer and processor Durango Permian LLC from Morgan Stanley Energy Partners for \$765 million in cash and equity. It is also divesting its 16% stake in Kinder Morgan's Gulf Coast Express, a 530-mile, 2.0 Bcf/d Permian takeaway pipeline, to ArcLight Capital Partners for \$540 million cash. Both transactions are expected to close in Q2.

Durango's assets, serving 830,000 acres across Eddy, Lea and Chaves counties, New Mexico, include 2,400 miles of gas gathering pipelines and 220 MMcf/d of processing capacity. Durango is building a new processing complex in Eddy County; the 200 MMcf/d Kings Landing facility should go online next April.

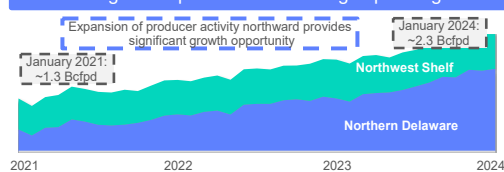
"The ultimate intent here is to think about the potential interconnectivity to create what is a supersystem in the Delaware Basin unlike anybody else," Kinetik CEO Jaime Welch said in a May 9 conference call, noting that its existing Delaware Basin customers were continuing to "march north." The transaction will increase Kinetik's platform in the basin to 4,600 miles of pipelines and 2.4 Bcf/d of processing capacity. [Read more...](#)

CEO: Aim is to build 'a supersystem in the Delaware Basin unlike anybody else.'

Kinetik Expands Into Northern Delaware in Durango Deal



Accelerating development within Durango operating area (2)



Pro forma asset highlights

	Current	Pro Forma
Processing Capacity	~2.0 Bcfpd	Over 2.4 Bcfpd ⁽¹⁾
Processing Complexes	4	7
Operated Pipelines	~2,200 miles	~4,600 miles
Serviced Acres	~830k acres	~1.4mm acres
Customers	~30 customers	~90 customers

Commercial Opportunities Southern Lea County and Texas Full Delaware Basin access Integrated value chain

(1) Pro forma for 200 Mmcfpd Kings Landing Cryo. Estimated completion April 2025.
(2) Source: Enverus. April 24th, 2024. Durango operating area assumes Northern Del.

Source | Kinetik Holdings 05/09/24 presentation via Enverus docFinder

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Pipelines & Projects

Targa to build more processing & fractionation to serve Permian

Targa Resources has sanctioned the new 275 MMcf/d Pembroke II gas processing plant in the Midland Basin and the 150,000 bbl/d Train 11 fractionator at Mont Belvieu. Long-lead items were ordered for both projects in February, and the company said the decision will not require changes to its net growth capex guidance of \$2.3-2.5 billion for 2024 or \$1.4 billion for 2025.

Targa expects that its 275 MMcf/d Greenwood II plant currently under construction in the Midland Basin to be highly utilized when it comes online in Q4, and Pembroke II will provide additional processing when it comes online in 4Q25. One of Targa's existing Midland Basin gas plants, the 275 MMcf/d Greenwood I, experienced a fire in the middle of April, which was put out with no one hurt but resulted in the plant going offline for repairs. It is expected back in service before the end of Q2.

After fire in April, Greenwood I to be returned to service before end of Q2.

"With 19 plants and a broad footprint across the Permian Midland, we are leveraging our operational flexibility to move gas around to handle all existing volumes and planned production growth to continue to be able to provide reliable service to our producer customers while the plant is down," CEO Matthew Meloy said on a May 2 earning call. "We ... do not expect the plant downtime to significantly impact our Midland volumes for the second quarter. We estimate about \$10 million of repairs related to the incident."

In the Delaware Basin, the under-construction, 230 MMcf/d Roadrunner II plant is expected to come into service in June and, like Greenwood II, is expected to be highly utilized. Further capacity is on the way, with the under-construction, 275 MMcf/d Bull Moose expected online in 2Q25. Targa is currently evaluating the need for another Delaware Basin gas plant, Meloy said.

At Mont Belvieu, Targa's 120,000 bbl/d Train 9 fractionator came online in early May. The under-construction Train 10 is expected online in 1Q25 and the newly announced Train 11 in 3Q26. Additionally, Targa's Gulf Coast Fractionator JV is being reactivated this quarter and will have 135,000 bbl/d of capacity, a portion of which Meloy said will be highly utilized at startup.

Growing natural gas demand drives records for TC Energy in Q1

TC Energy's gas transportation business achieved multiple operational records during Q1, highlighting growing demand for hydrocarbons across North America. In the U.S., deliveries to power generators rose 11% YOY to an all-time high quarterly average of 2.9 Bcf/d. The Columbia Gas, Columbia Gulf and Great Lakes Gas transmission systems all achieved delivery records. In the last six months, TC has achieved unprecedented throughput on six of its 13 U.S. pipelines. Throughput on the company's Mexican gas pipelines increased 13% YOY and almost reached 3 Bcf/d, largely thanks to higher volumes on the Sur de Texas and Topolobampo pipelines.

Virginia Electrification and Gillis Access gas projects came online during quarter.

Also in Mexico, construction on TC's Southeast Gateway project reached 70% completion for offshore pipe installation. All three landfall sites have been completed and work continues on onshore facilities. Southeast Gateway is being developed in partnership with Mexico's Comisión Federal de Electricidad. The 715-km marine pipeline originates at Tuxpan, Veracruz, and will transport 1.3 Bcf/d to Coatzacoalcos, Veracruz, and Dos Bocas, Tabasco. The project is forecast to cost \$4.5 billion, with startup targeted in mid-2025.

In February, TC placed into service the \$100 million Virginia Electrification project, a Columbia pipeline system expansion that added 35,000 Dth/d (35 MMcf/d) of capacity to support growing demand in the southeast Virginia market. The following month it brought online the \$300 million, 42-mile Gillis Access project in the Haynesville, enabling the transport of 1.5 Bcf/d of Haynesville production to downstream markets.

Permian residue gas takeaway demand supports Double E

Summit Midstream is coming out of Q1 with a successful open season for its Double E pipeline in the Permian Basin. The company executed an incremental 75 MMcf/d, 10-year take-or-pay commitment with existing customer Pronto Midstream, a subsidiary of Matador Resources, to support the 200 MMcf/d expansion of Pronto's Marlan processing plant in Lea County, New Mexico. That agreement follows a 10-year take-or-pay contract with a large independent producer in 4Q23 that will see Double E connected to EOG Resources' under-construction 300 MMcf/d Janus processing plant in Loving County, Texas.

Signed 10-year take-or-pay contracts to provide egress for EOG & Matador gas plants.

Marlan's first phase has 60 MMcf/d of capacity, and the 200 MMcf/d Marlan II will be integrated with Marlan I's nitrogen rejection unit, with operations to start in 1H25. Janus is also expected online in 1H25. The Pronto agreement amends a previous contract and adds 2.5 years to the duration, with an effective date of May 1, 2024.

In addition to the two 10-year commitments, Summit secured another 150 MMcf/d of non-binding 10-year take-or-pay bids from third parties that desire new plant connections in 2025. And a new max-rate interruptible agreement for up to 150 MMcf/d of incremental volumes was executed with a new customer in New Mexico.

"We're very excited to see the increasing level of demand for residue gas takeaway capacity out of the Delaware Basin materialize, and we continue to believe that Double E is uniquely positioned to meet both the near-term and long-term needs of the market," Summit CEO J. Heath Deneke said on a May 3 earnings call.

During Q1, Double E transported 467 MMcf/d, up 21% sequentially and 77% YOY. The pipeline has capacity to transport 1.35 Bcf/d along a 135-mile route from southeast New Mexico to the Waha hub in West Texas. Summit is considering expanding the line to 2 Bcf/d.

Midstream Pulse

Midstream Pulse provides a comprehensive overview of the global midstream market, including key trends, developments, and forecasts. The report covers a wide range of topics, from infrastructure and operations to M&A activity and capital markets.

The report is structured into several key sections, including: Global Midstream Market Overview, Regional Market Analysis, Key Developments, and Outlook. Each section provides detailed insights and data to support your business decisions.

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