

Acquiring Midstream Assets And Gas Agreements: Part 1, Law 360

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In the acquisition of natural gas gathering systems, processing plants and related midstream assets, a primary focus of the legal due diligence process will be the gas gathering and processing (GGP) agreements associated with these assets. These agreements typically have long terms, and much of the value of the target midstream assets is based on the fees to be paid under these agreements for various midstream services.

The services performed under a gas gathering agreement typically include treating the raw gas from the wellhead to remove hydrogen sulfide and carbon dioxide, dehydrating the gas to remove excess water, moving the gas from the wellhead to a processing plant, and compressing the gas. The services under a gas processing agreement typically include separating the dry gas from the natural gas liquid (NGL) mix contained in a wet gas stream, among others. [READ MORE](#)

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