

BY-LINED ARTICLE

New Ethane Pipeline in Marcellus Shale Announced

By David M. DeSalle and Lou Crocco

June 23, 2010

Duane Morris LLP

MarkWest Liberty Midstream & Resources LLC (a partnership of MarkWest Energy Partners LP and The Energy & Minerals Group) and Sunoco Logistics Partners LP announced on June 1 a combined pipeline and marine project to move ethane produced in the Marcellus Shale to the U.S. Gulf Coast. The Marcellus Shale is a sedimentary rock formation that contains largely untapped natural gas reserves.

MarkWest Liberty states the Mariner Project will be able to ship 50,000 barrels per day of ethane to the Gulf Coast as soon as the second quarter of 2012, and could be scaled to transport higher volumes to support additional ethane production in the Marcellus Shale region.

The Mariner Project includes modifications to MarkWest Liberty's processing facilities to recover sufficient ethane to allow the residue gas to meet interstate gas-pipeline specifications and installation of additional facilities at its Houston, Pa., processing and fractionation complex to separate ethane for delivery. MarkWest Liberty will also build a 45-mile pipeline from the Houston complex to an interconnection with an existing Sunoco Logistics pipeline in Delmont, Pa.

MarkWest Liberty will ship the ethane to an existing Delaware River marine port, where Sunoco Logistics will build refrigerated ethane storage facilities from which vessels would load the ethane for shipment to the Gulf Coast. The existing Sunoco Logistics pipeline also crosses many large pipelines transporting gas into the northeastern United States, providing multiple ethane blending options, according to MarkWest Liberty.

MarkWest Liberty says the heavier natural gas liquids (NGLs) will remain in the Northeast United States.

David M. DeSalle is a partner of Duane Morris LLP, practicing in the area of energy law. Mr. DeSalle advises clients on a variety of transactional and regulatory issues and also represents clients before state and federal courts and regulatory agencies.

Lou Crocco is a managing director of Duane Morris Government Affairs LLC. He is a former legislative leadership staffer in the Pennsylvania House of Representatives. He works as a lobbyist-consultant at DMGA, representing clients both in Pennsylvania and Washington, D.C.