



KAHUNA VENTURES
MIDSTREAM PROJECT EXECUTION

Update to DOT-PHMSA Regulations

Gas Mega Rule

- “New” regulations released on 11/15/2021 in Federal Register by Pipeline and Hazardous Materials Safety Administration (PHMSA)

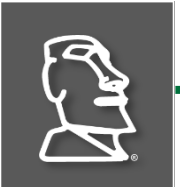
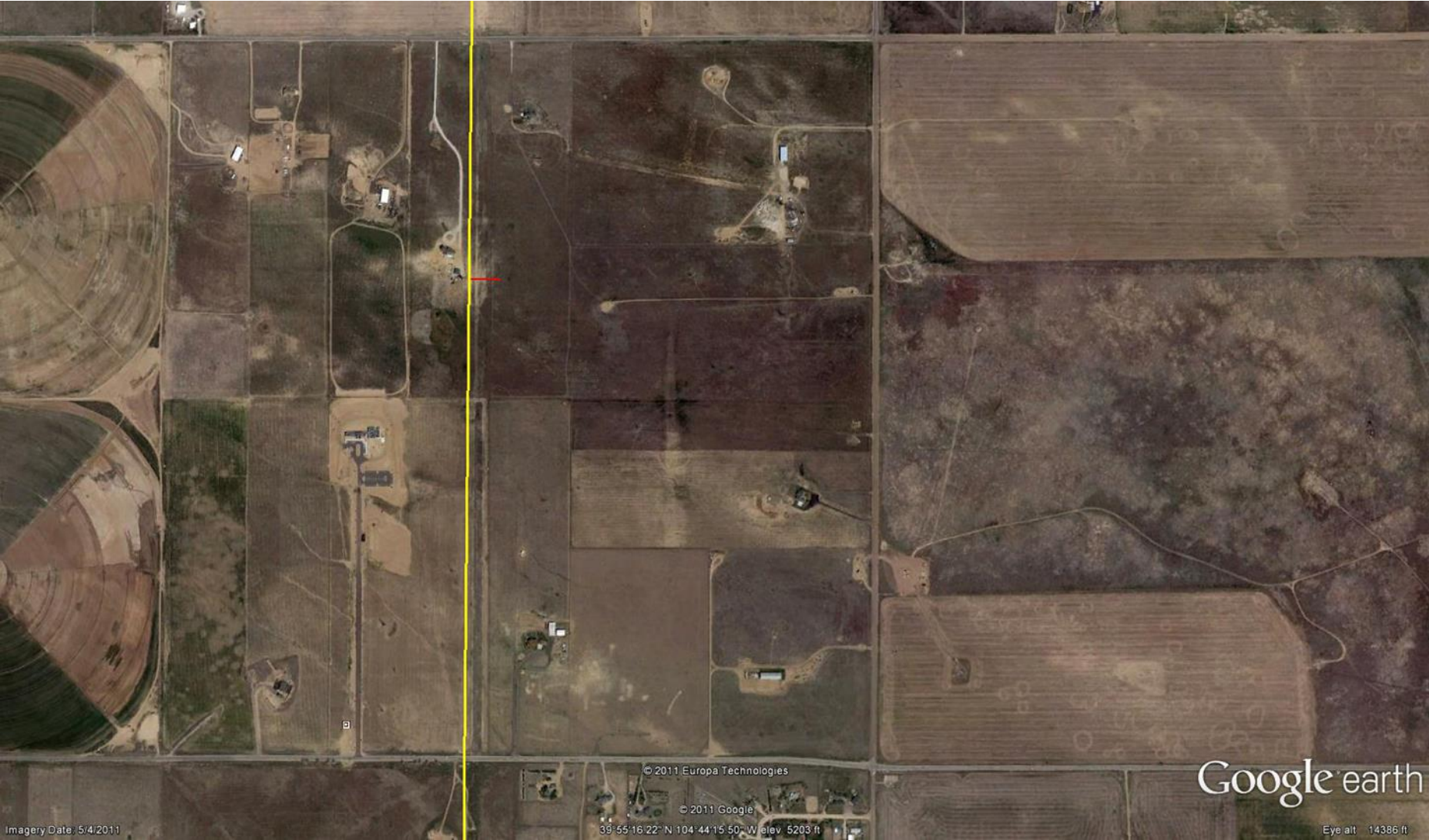


Gas Gathering Pipelines – Gas Mega Rule

- **Establishes regulations for Class 1 gas gathering pipelines effective 5/11/2022**
 - Gathering Pipelines
 - Pipelines used to transport natural gas from a current production facility to a gas processing facility, transmission pipeline or distribution main line (API RP80)
 - Class 1
 - A pipeline that has 10 or fewer buildings intended for human occupancy within the area that extends 220 yards (660 feet) on either side of the centerline of any continuous 1- mile length of the pipeline



Class 1



Class 1 Gas Gathering Pipelines

➤ Existing Regulated Categories

➤ Type A

- Gathering pipelines that are metallic and the maximum allowable operating pressure (MAOP) produces a hoop stress of 20 percent or more of specified minimum yield strength (SMYS) or non-metallic lines with a MAOP > 125 psig and are in Class 2, 3, or 4 locations.

➤ Type B

- Gathering pipelines that are metallic and the MAOP produces a hoop stress of less than 20 percent of SMYS or non-metallic and the MAOP is 125 psig or less and are in Class 2, 3, or 4 locations.



Class 1 Gas Gathering Pipelines

➤ 2 New Categories Established

➤ Type C

- Gathering pipelines with an outside diameter greater than or equal to 8.625 inches and a maximum allowable operating pressure (MAOP) that produces a hoop stress of 20 percent or more of specified minimum yield strength (SMYS) for metallic lines, or more than 125 psig for non-metallic lines or metallic lines if the stress level is unknown.

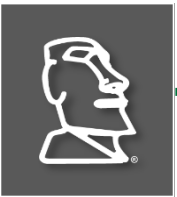
➤ Type R

- Gathering pipelines that do not meet the definition of a Type A, Type B, or Type C line.



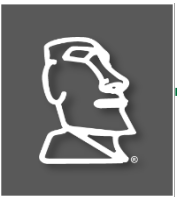
Type C Gas Gathering Pipelines

- **If no buildings intended for human occupancy or other impacted sites are located in Class location, and**
 - **$\geq 8.625''$ to $16''$ OD**
 - Must have OPID, are subject to annual and incident reporting; must have Damage Prevention program; must have an Emergency Response Plan; and for newly constructed lines after 5/16/2022 must follow all design, construction, initial inspection and testing requirements of Type A pipelines.



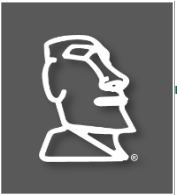
Type C Gas Gathering Pipelines

- **If there is a buildings intended for human occupancy or other impacted sites located in Class location, and**
 - **≥ 8.625" to 12.75" OD**
 - **Must have OPID, are subject to annual and incident reporting; must have Damage Prevention program; must have Corrosion Control measures; must have an Emergency Response Plan; must have line markers in place; must complete leak surveys and repairs; must have a Public Awareness Program; and for newly constructed lines after 5/16/2022 must follow all design, construction, initial inspection and testing requirements of Type A pipelines.**



Type C Gas Gathering Pipelines

- > 16" OD or >12.75 and a building present
 - Must have OPID, are subject to annual and incident reporting; must have Damage Prevention program; must have Corrosion Control measures; must have an Emergency Response Plan; must have line markers in place; must complete leak surveys and repairs; must have a Public Awareness Program; must establish MAOP; and for newly constructed lines after 5/16/2022 must follow all design, construction, initial inspection and testing requirements of Type A pipelines.



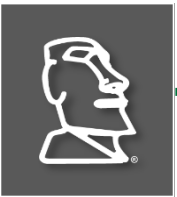
Type R Gas Gathering Pipelines

- Must establish an OPID.
- Must complete annual reporting starting with year 2022 due on or before 3/15/2023
- Must report all incidents per 49CFR191 within 30 days starting on 5/11/2022.



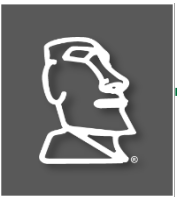
Type C Pipeline Compliance

- Must establish an OPID.
- Must complete annual reporting starting with year 2022 due on or before 3/15/2023
- Must report all incidents per 49CFR191 within 30 days starting on 5/11/2022.
- Prepare or update Operation & Maintenance Plan.
- Prepare/Update Operator Qualification Program.
- Prepare/Update Drug & Alcohol Program.
- Prepare/Update Emergency Response Program
- Prepare/Update Public Awareness Plan on certain pipelines



Operator Program Updates

- Each operator must identify all Type C gathering lines and determine and maintain for the life of the pipeline records documenting the methodology by which it calculated the beginning and end points of each onshore gathering pipeline by 11/16/2022.
- An operator has until 5/16/2023 to bring all Type C gathering lines into compliance.
- An operator has 1 year after a change in Class location occurs to upgrade their programs.



Additional Provisions Included

- Includes compressor stations with regulated pipelines entering and leaving facility into regulations
- Recognizes Composite Materials for Type C
 - Materials used to make pipe or components manufactured with a combination of either steel and/or plastic and with a reinforcing material to maintain its circumferential or longitudinal strength.
- Recognizes Incidental Gathering extending up to 10 miles downstream from a compressor station located after the last point of comingling.



How Can Kahuna Help

- Aide in identifying newly regulated gas gathering pipelines.
- Aide in bringing existing Type C gas gathering pipelines into compliance.
 - Plan preparation
 - MAOP determination
- Design new Type C gathering lines in compliance with regulations.

