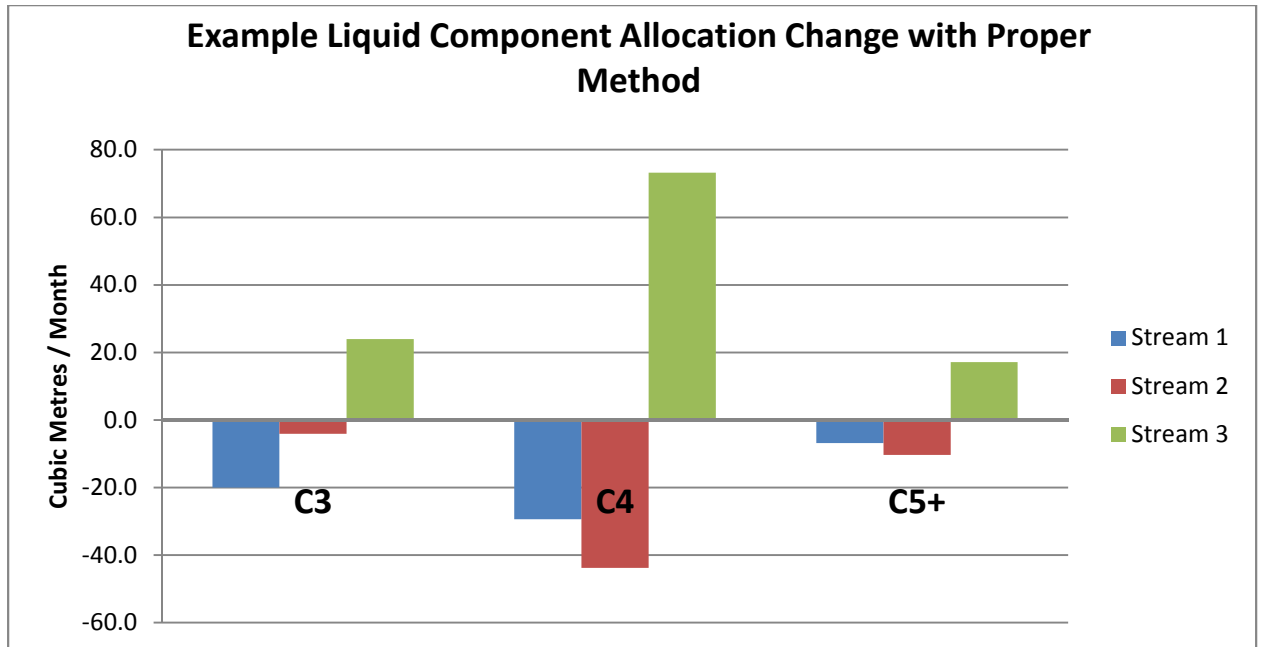


Inequitable Allocation of Natural Gas Liquids: The Solution

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- The basic Production Accounting (PA) method used to allocate Natural Gas Liquids (NGL) production from gas processing facilities back to source production streams does not reflect the contribution of the streams correctly.
- These methods assign liquids components from processing in proportion to the individual stream rate and compositional content. While this inlet ratio method appears to be the only and correct way to allocate, it is neither.
- Inequities result from streams that provide little (or sometimes negative) contributions to liquid component yields receiving allocations at the expense of streams that contribute more.
- A patent pending technique has been developed that allows allocation of natural gas liquids to be equitable.
- The technique patent has a firm theoretical basis that has been encoded in a program that in turn employs the VMGSim process simulator.
- The basic principles describing proper allocation are:
 - 1) An individual inlet stream's contribution to the liquids yield is as part of a total inlet stream
 - 2) The incremental volume of a produced liquids component due to an increment in an individual stream volume reflects the contribution of the inlet stream for that component.
- Using the patent pending differential technique, the program uses an inlet stream described by the aggregate of individual production streams and runs the process simulator multiple times to arrive at the proper liquids associated with each individual production stream (for a monthly allocation - example below).
- The technique is being prepared for marketing to industry by Recoup Resources Ltd. in cooperation with Virtual Materials Group (VMGSim Process Simulator vendor).



- Examples of potential interested parties:
 - Natural Gas Processors
 - Producers of liquids-rich gas
 - Government Regulatory Bodies
 - Royalty owners

For more information on the DANGL allocation technique contact:

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