

Obama Approves New US-Canada Fracked Gas Pipeline Used to “Dilute Tar Sands”

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Although TransCanada’s [Keystone XL](#) tar sands pipeline has received the lion’s share of media attention, another key border-crossing pipeline benefitting [tar sands](#) producers was approved on November 19 [by the U.S. State Department](#).

Enter [Cochin, Kinder Morgan’s 1,900-mile proposed pipeline](#) to transport gas produced via the controversial [hydraulic fracturing \(“fracking”\)](#) of the [Eagle Ford Shale basin](#) in Texas north through Kankakee, Illinois, and eventually into Alberta, Canada, the home of the tar sands.

Like Keystone XL, the pipeline proposal requires U.S. State Department approval because it crosses the U.S.-Canada border. Unlike Keystone XL – which would carry diluted tar sands [diluted bitumen \(“dilbit”\)](#) south to the Gulf Coast – Kinder Morgan’s Cochin pipeline would carry the [gas condensate \(diluent\)](#) used to dilute the bitumen north to the tar sands.

“The decision allows Kinder Morgan Cochin LLC to proceed with a \$260 million plan to reverse and expand an existing pipeline to carry an initial 95,000 barrels a day of condensate,” [the Financial Post wrote](#).

“The extra-thick oil is typically cut with 30% condensate so it can move in pipelines. By 2035, producers could require 893,000 barrels a day of the ultra-light oil, with imports making up 786,000 barrels of the total.”

Increased demand for diluent among Alberta’s tar sands producers has created a [growing market for U.S. producers of natural gas liquids, particularly for fracked gas producers](#).

“Total US natural gasoline exports reached a record volume of 179,000 barrels per day in February as Canada’s thirst for oil sand diluent ramped up,” [explained a May 2013 article appearing in Platts](#). “US natural gasoline production is forecast to increase to roughly 450,000 b/d by 2020.”

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