



The Condensate Act

S. 1224 standardizes the federal definition of and policy related to condensate, which is a very light form of petroleum.

Background

Many federal agencies have conflicting definitions of what qualifies as “condensate” and how it differs from “crude oil.” In common parlance, one man’s “heavy condensate” is another man’s “light crude.” In July 2014, Committee Staff published a report on these definitions across the federal government, surveying the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, the U.S. Geological Survey, the Office of Natural Resources Revenue, the Bureau of Indian Affairs, the Bureau of Land Management, and the Department of Commerce.¹

Key Provisions

- Directs the Department of Energy (DOE) to create a standard definition of “condensate.”
- Authorizes DOE and Department of the Interior to assess condensate separately from crude oil.
- Affirms the Commerce Department’s 2014 decision to treat processed condensate as a petroleum product, which may be exported without a license.

¹ http://www.energy.senate.gov/public/index.cfm/files/serve?File_id=e34b882e-d26e-456f-aa27-6b96c0b13a04.