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Thursday, April 14, 2011

High Oil Prices Generating Major Brush Country Boom

Eagle Ford gas and oil field could be worth billions, create 10,000 jobs

Jim Forsyth

Tweet

Gasoline prices approaching \$4 a gallon are bad news for most Americans, but here in this dusty land of hardscrabble farms and Mesquite trees between San Antonio and the Mexican border, it is money in the bank.

1200 WOAI news reports from Floresville that oil companies, drillers, and oilfield service companies are flocking here to exploit what is called the Eagle Ford, a huge field containing what EOG Resources estimates to be 900 million barrels equivalent of oil and natural gas.

"This is very very big," says Hector Garcia of Weatherford International Ltd, a Geneva-based oilfield services firm which is one of dozens of companies,

- Local Millionaire's Donations Helping Agencies Hit Hard by State Budget Cuts
- Idea of Four Day School Week Gaining Traction in Texas
- High Oil Prices Generating Major Brush Country Boom

big and small, which are flocking to this farming community southeast of San Antonio, making it the unlikely headquarters for what some observers say may be the most productive onshore oil and natural gas field discovered in the United States in decades. "There's lot of people pulling lots of resources to come down here."

Resources in the hundreds of millions of dollars in pipelines, storage tanks, and drilling and transportation equipment, according to Charlie Moke, Director of Business Services for Workforce Solutions Alamo, who works with oil companies to find employees. He says the sheer flurry and the size of deals which are being scratched out on napkins at local restaurants like the White House Saloon and Steakhouse is staggering for an area which has relied for generations on pulling a tenuous living out of farmland plagued with insects and frequent droughts.

"A lot of our communities have kind of been static," he tells 1200 WOAI news. "This is going to bring this area up to a different standard. You are going to see people moving into this area who are into the oil and gas business, and this is going to mean more money for those schools and for these communities."

Petrohawk Energy of Houston discovered the Eagle Ford when it drilled a well in LaSalle County Texas in 2008, just as the nation slid into the recession and the price of oil dropped to levels not seen since the 1970s. But now that oil prices have rebounded, the Texas Railroad Commission, which, despite its name, is the agency which oversees the oil and gas industry in Texas, says major players like Anadarko Petroleum Corporation, Atlas Energy Inc, which is now a unit of Chevron, and Florida-based Lewis Petroleum have opened operations to exploit the Eagle Ford.

John Hummel hopes the discovery helps transform his life. The unemployed oilfield worker was filling out resumes Wednesday at an event designed to find employees for these rapidly expanding operations.

"I'm unemployed right now, I've been a roughneck," he says as he fills out forms while perched on a small stool which appeared to wobble under the weight of his large frame. "I'm just looking for any type of oilfield related

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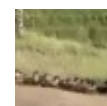
Forklift accident destroys warehouse full of booze

▶ Play



Robber can't get on his ski mask

▶ Play



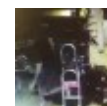
Crazy Duck Stampede

▶ Play



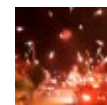
Genius Cow pumps its own water

▶ Play



Wine shelf collapses

▶ Play



Firework Fail

▶ Play



Slam Dunk Fail

▶ Play

job."

Hummel says he has worked oil fields around the country, and he says he has been drawn to south Texas by what he has heard of the Eagle Ford.

"This shale is supposed to be bigger and more vast and be around for quite a while," he says.

Max Mullins hopes Hummel is right. He has come to Floresville to hang out the shingle of his employer, Pinnergy, Ltd, which provides products and services to the drilling industry.

"We're new to this location, we're just coming down here, and we're looking for a few hundred people," he says. "We're looking to open a new work center here."

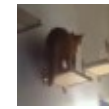
Production of crude oil from the Eagle Ford boomed in 2010 to 2.6 million barrels, up from 307,000 barrels in 2009, according to figures released by the Railroad Commission. Moke says the production will soon be far greater than that, especially with production costs of under \$50 per barrel at a time when oil is selling for more than twice that, but output has been held back by lack of drilling infrastructure and transportation services.

That need has prompted a flurry of deals just in the past few weeks. NuStar Energy and TexStar Midstream Services, both based in nearby San Antonio, announced last week they will begin construction of a 65 mile pipeline to transport 120,000 barrels per day of crude to the port of Corpus Christi, along with storage facilities. SM Energy of Denver and a division of Energy Transfer Partners of Dallas have reached agreement on a new processing plant which will process up to 190 million cubic feet of Eagle Ford Shale natural gas per day for ten years. Energy giant Koch Pipeline Company just this week announced it also plans to build a 250,000 barrel per day pipeline from the Eagle Ford shale area to Corpus Christi. San Antonio based Valero Energy Corp has announced an expansion of a refinery near San Antonio to process an additional 60,000 barrels of Eagle Ford crude oil per day by the end of this year.



Snow Plow Gets Swallowed in Sink Hole

▶ Play



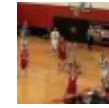
Adventurous Cat Falls

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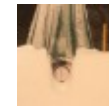
Cars washed away in flash flood

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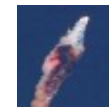
Backwards Half Court Buzzer Beater

▶ Play



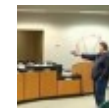
Blizzard 2010 Time Lapse

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Indian Rocket Explodes on launch

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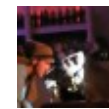
EXCLUSIVE: Interview with Security guard who took down Florida shooter

▶ Play



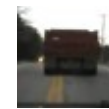
Flash Mob sings to shoppers at OK mall

▶ Play



Camel falls into crowd at Christmas Pageant

▶ Play



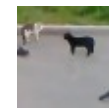
Dump Truck Rampage

▶ Play



Girls gets owned by speedbump

▶ Play



Crows vs Cat vs Cat Street Fight

▶ Play

"They're finding a lot of oil now, and with the price of oil, companies are finding it very beneficial to develop this formation," Garcia says.

The opportunities have attracted Shannon Goff and her company, Pumpco Services. The oil and gas will be mined using a process known as 'fracking,' a process that Pumpco helped develop.

"We go in after they have drilled and push sand and water into the hole at a very high rate of speed to 'frack,' or fracture the ground back to get ready for oil and gas production," she says, adding that Pumpco is among the companies looking to attract workers to the Eagle Ford.

Garcia says new technologies will be employed which will cut down on potential damage to the environment, and even reduce the noise from traditional oilfield operations.

"With the fairly new technology in horizontal drilling, it has made it a lot more economical to drill," he said.

Moke says the Eagle Ford will be a major boost for the country, as well as for south Texas.

"We need to quit depending on other sources," he said. "It just used to not be economical to pull it out of the ground, and now it is. Drilling is safer in the United States, and it is more efficient in the United States than anyplace else."

All this sounds great, but for workers like Hummel, the Eagle Ford provides something even more important than what officials say should be a ten year supply of precious oil and natural gas.

It provides a job, and hope for a more prosperous future both for himself and the weathered small towns which dot the arid region.

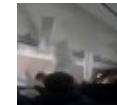
"This will make a lot of folks a lot of money, and help the economy. It'll help the schools, it will help everything."



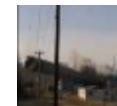
Flying Snake
▶ Play



Train Plow
▶ Play



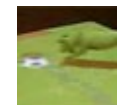
Pillow fight breaks out on plane
▶ Play



Ohio Smokestack Demolition Goes Wrong!
▶ Play



The best trick play ever!
▶ Play



Dog chases imaginary ball
▶ Play



Buffalo trapped in backyard pool
▶ Play



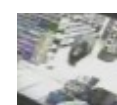
747 Buzzes Golden Gate Bridge
▶ Play



Mom raps about foreclosures
▶ Play



Guy breaks it down to Single Ladies at State Fair
▶ Play



Bear breaks into corner store
▶ Play

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