

Southcross Energy expands South Texas Eagle Ford presence

By Mike D. Smith

Originally published 06:48 p.m., February 7, 2012

Updated 07:53 p.m., February 7, 2012

CORPUS CHRISTI — Construction has begun on a second expansion of Southcross Energy's natural gas processing network in South Texas to meet the demands of Eagle Ford Shale production.

The company is building a new fractionator in Bonnie View, between Bayside and Woodsboro in Refugio County, the company announced Tuesday.

A fractionator is a facility where the components of natural gas are separated.

Those components, which include ethane, propane and butane, are delivered in valuable liquid form and can serve industrial and residential uses, said Bruce Glasgow, senior vice president of operations for Southcross.

The Bonnie View fractionator will have initial capacity of 11,500 barrels per day but could be expanded to 15,000 barrels per day, the company's news release states.

The project also includes pipelines to connect the Bonnie View facility with another under construction in Woodsboro and Southcross' existing Gregory plant.

The new facilities will create a total of about 15 jobs, Glasgow said.

The gas Southcross processes is called "wet" or "rich" gas because of the valuable components that can be extracted.

South Texas has been strong in "dry" or "lean" gas, which means most existing pipelines must be converted to handle wet gas and not many are equipped to carry components, Glasgow said.

Without the Woodsboro and Bonnie View facilities, high Eagle Ford production levels would mean the company would have to pipe excess product as far away as the Houston area for processing, Glasgow said.

"So if we're going to process the gas in South Texas, we have to have an outlet for that product," Glasgow said.

Building more infrastructure also helps Southcross sell more product locally in the Coastal Bend, he said.

When construction is finished as early as this summer, Southcross will have the capability to process 335 million cubic feet per day.

"We are providing our customers with much-needed solutions, especially producers operating in the Eagle Ford Shale area who face the challenge of processing and fractionating their liquids-rich gas, and then transporting (natural gas liquid) products and residue gas to attractive markets," Southcross Chairman and CEO David Biegler said in a news release.

The Bonnie View facility's construction comes on the heels of other area Southcross expansion projects that began in 2011.

In the past year, Southcross announced construction of the Woodsboro processing facility. Construction continues on that plant, which will be able to handle 200 million cubic feet of natural gas per day.

The company also made efficiency upgrades to its existing Gregory processing facility, which has a processing capacity of 135 million cubic feet per day and a fractionator that can handle 4,800 barrels per day of liquid gas components.

Also in 2011, Southcross teamed with Swift Energy to build a 26-mile pipeline extension through McMullen County. The pipeline went into operation Sept. 1, Glasgow said.

Southcross is a Dallas-based midstream company, or one that gathers, processes and transports natural gas and its components for its customers. Southcross is active in South Texas, Mississippi and Alabama.



© 2012 Scripps Newspaper Group — Online