



Billions Will Be Spent In Valley

Williams Partners plans to invest \$3.84B and create more jobs

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MOUNDSVILLE - Darrell Bull is the latest Oklahoma Sooner to pitch the potential of natural gas and oil production to a room full of West Virginia Mountaineers accustomed to mining and burning coal.

But with plans to invest a total of \$3.84 billion for infrastructure to process and fractionate natural gas in northern West Virginia, Bull found a mostly warm welcome during his speech at the Thursday Marshall County Chamber of Commerce dinner held at the former West Virginia Penitentiary.

"This Marcellus Shale thing is pretty important to us - and to a lot of people in Oklahoma and Texas," said Bull, who serves as general manager of Williams Ohio Valley Midstream, the Moundsville-based division of Tulsa, Okla.-based Williams Partners.

"We know West Virginia is based on coal. But if at some point coal is not going to be competitive, gas is the next progression," added the University of Oklahoma graduate.

Last month, Frank Billings, vice president of Onshore Gathering and Processing Eastern Region for Williams, said the company is committed to creating 100 more permanent jobs in Marshall County. Bull said the company hopes to hire 60 additional employees from the local area by the end of this year.

Williams is taking over part of the building that is home to TeleTech in Moundsville. The large structure near the south end of the city is owned by the Wheeling-based Regional Economic Development Partnership. The reconfigured structure will allow Williams to use its portion without disturbing the TeleTech operations.

In April, Williams paid \$2.5 billion to acquire the Fort Beeler cryogenic processing plant - which can be seen along U.S. 250 between Moundsville and Cameron - and the other Marshall County operations of Caiman Energy. With plans to build \$1.34 billion worth of additional processing capacity, Williams will have spent \$3.84 billion for infrastructure in northern West Virginia.

Companies like Caiman and Williams - along with Dominion Resources and MarkWest Energy - are known in the industry as processors, or "midstreamers." This is because the processing company accepts the wet Marcellus and Utica shale gas that drillers like Gastar Exploration, Chesapeake Energy or CNX Gas Corp. draw out of the ground. This gas contains ethane, propane, butane, pentane and other substances, in addition to the dry methane.

At processing plants, midstreamers separate the methane from the other substances so that the methane can be sold by utility companies, such as Mountaineer Gas or Columbia Gas. The fractionation facilities separate the liquids from each other so the products can be marketed individually.

"If we could get someone to build a cracker around here, an ethane cracker to make ethylene, they would be a natural customer of ours," Bull said in explaining his company would ship the ethane to a cracker.

Earlier this year, Royal Dutch Shell announced plans to build its multi-billion dollar cracker near Monaca, Pa., after examining sites along the Ohio River in both West Virginia and Ohio. However, local issues involving taxation and environmental concerns may delay this cracker project, a fact all too familiar to Bull.

"In that other state (Pennsylvania), you have so many different townships you have to deal with that all have different regulations. Here in West Virginia, the state is much easier to deal with," he said.

Noting his company is also going to accept gas extracted in Ohio, Bull said Williams is in the process of boring a 24-inch pipeline underneath the Ohio River to pump the gas to the Williams plants. He declined to identify the specific location of this pipeline.

Following Bull's speech, he fielded a question from a member of the audience. The questioner, who did not identify himself, said natural gas companies say they are going to be good neighbors, but do not hire enough local workers. Bull answered that his company plans to hire 60 more local employees by the end of the year, adding that he hopes "people work 30 years with us and retire with us."