

## PIPELINES

### Manufacturer breaks ground in Permian Basin, looking to ease infrastructure backlog

Nathaniel Gronewold, E&E reporter

Published: Wednesday, May 9, 2012

HOUSTON -- An international pipeline manufacturer is breaking ground today on a new facility in Odessa, a further sign of the rebound in crude oil production under way in the Permian Basin.

TMK IPSCO is building a 69,000-square-foot pipeline manufacturing plant on the eastern edge of Odessa, near the airport in Midland. Company executives and community economic development leaders are holding a groundbreaking ceremony there this afternoon to celebrate the new development.

The basin, long the center of Texas' oil industry, is booming anew thanks to advanced drilling and fracturing technologies that have also been used in western North Dakota. In both places, companies have been scrambling to keep pace with a rapid expansion of production.

The new TMK IPSCO facility is meant to streamline and expand the company's existing operations in the Permian Basin, now spread out among several facilities. The plant will also contain newer high-technology equipment for pipeline production.

TMK IPSCO Chairman Piotr Galitzine said in a release that the investment in greater manufacturing capacity in Odessa "will enable us to increase our capacity in an extremely busy market."

The Permian Basin has only recently emerged as one of the nation's most promising shale and tight oil basins ([EnergyWire](#), April 3). The expanding glut of crude oil coming out of the ground in the Midland-Odessa region and southeastern New Mexico is causing companies to worry that they may not be able to increase production as fast as they could otherwise.

At an industry conference held in Midland a month ago, officials of companies actively drilling or producing in the Permian Basin complained about a lack of pipeline capacity, forcing firms to truck much of the oil out instead.

Pipeline companies are responding with new capacity, like the TMK IPSCO plant expected to be online by the end of this year, and other investments. For instance, Magellan Midstream Partners LP is reversing and expanding an existing pipeline to enable 225,000 barrels a day to be taken out of the Permian Basin to refineries in Houston.

TMK IPSCO officials did not say how much their new plant would cost to build or how many new jobs would be created there, saying only that "several skilled labor jobs" would be added to an area already experiencing low unemployment rates because of the expansion of drilling activity.

#### Advertisement



**HOT CO<sub>2</sub> MODITY** How do politics & economics link up to avert climate disaster? **Very carefully.**

年8月13日	200	57.00	11400.00
年8月19日	3903	55.00	214665.00
年8月20日	2400	50.00	120000.00
年8月21日	7000	48.00	336000.00