

Oil boom draws Buckeye Brine

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COSHOCTON -- Buckeye Brine LLC is setting up shop in Coshocton to get ahead of the projected Utica Shale oil boom.

Work began this past week to setup two disposal wells on about 12 acres of land near of U.S. 36 and Airport Road. The wells will deposit oil field waste fluids, predominantly salt water, back into the ground.

Buckeye Brine President Steve Mobley, said the project is estimated to cost \$2 million, with facilities to be completed by the second quarter of 2012. Buckeye Brine will employ five full-time workers on site, but Mobley said dozens of truck driving jobs could be created locally, as well, for transport purposes.

Additionally, he said his company is committed to using area businesses for equipment, supplies and services. Mobley, a veteran of the Texas oil industry, said locals have yet to realize the economic effect oil drilling can have on the area through direct and indirect business ties.

"Coshocton has a lot of services and products we need. To some extent, it's natural that we do business here. As company policy, we're committed to doing business with local people whenever we can," he said.

Along with the two wells with the capacity to process 4,000 to 5,000 barrels of waste fluids a day, the facility also will feature an office with four truck unloading bays and storage for 5,000 barrels.

The land is being leased from Rodney and Kay Adams, of Coshocton. Rodney, owner of R&K Industrial Supply, will serve as local operations manager. Rodney has been involved with the oil and gas industry locally since 1968, he said.

"The more I've got involved with Mr. Mobley, I've seen (Coshocton) is going to be the hub (of drilling). I think we're going to be in the middle of it," Rodney said. "This is going to be the biggest thing Ohio has ever seen. The economic impact is going to be huge."

Mobley said Coshocton was ideal for the project because of its location. Coshocton is thought to be in the heart of expanding oil drilling and the ground is better for injection of the waste fluid as opposed to harder ground to the east and south.

He also said U.S. 36 is suitable for projected truck traffic. Two other disposal wells are in Coshocton now but, Mobley said, more will be needed for the estimated increase in oil drilling.

"You can't frack a well without a place to go with the water. The sooner we're here, the sooner that water can start finding a disposal home without a lot of impact on truck traffic and undue cost to the operator for hauling it a long way off," he said. "We're on the very leading edge of people developing new disposal capacity aimed at large volume shale operations."

Mobley describes the disposal wells as "oil wells in reverse." Mobley said it's not a finite space and he doesn't have a timeline on how long the local disposal wells can operate, but he said the average is 20 to 25 years, depending on volume processed.

"We're not going into a jug, we're not cracking rock to make room for it. It's going into a rock sponge. It might look concrete or something, but there's really a void in it. There's a lot of room for water and there already is a lot of water down there," he said. "We're just pushing the existing water aside to make room for what we're putting in there."

The wells are constructed using a series of three pipes and two layers of cement to isolate the waste fluids from fresh water, which is located much further above the surface than where the waste fluids will be injected.

The fluids include about 95 percent land-based waste with the remainder being trace amounts of chemicals part of oil drilling flowback. No materials going through the wells are deemed hazardous or toxic.

Such operations are regulated under the Safe Drinking Water Act and monitored by the Environmental Protection

Agency. Mobley said Buckeye Brine has all of the needed proper permits and any safety concerns to fresh water are minimal.

"It can be, and often is, many, many times the volume of the oil being produced," Mobley said of the waste liquid. "It's got to be returned to the sub-surface where it came from and put into a similar geologic formation, because it's really not much else you can do with salt water. You can treat a lot of things out of wastewater, but salt is the hardest and most expensive."

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Abstract (Document Summary)

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