

Shale Directories Asks the Question, “Is There Enough?”

PENN VALLEY, PA, U.S., February 2, 2021 /EINPresswire.com/ -- With Royal Dutch Shell’s \$6 billion ethane cracker complex in Western Pennsylvania rushing toward completion, a big question is being asked:

Can the Appalachian Basin produce enough ethane to supply up to four additional crackers, which studies have found Pennsylvania, Ohio and West Virginia can support.



We are pleased Tim Knobloch will be speaking at our 8th Annual Utica Downstream Conference,”
Joe Barone, President & Founder, Shale Directories

[Shale Directories](#) has reached out to Oil & gas industry consultant Tim [Knobloch](#), who has dug into the data, past and present, and then extrapolated future trends, and his answer is an emphatic “Yes.”

“The Basin currently is producing roughly 31 Bcf/d of natural gas from 15,000 wells into the Marcellus and Utica Shale plays,” according to Knobloch, president of James Knobloch Petroleum Consultants of Marietta, Ohio.

Knobloch will be a featured speaker at the Eight Annual Utica Downstream Conference, set for Feb. 25, at the Holiday Inn Canton (Ohio), produced by the Canton Regional Chamber of Commerce and Shale Directories.

“We are pleased Tim Knobloch will be speaking at our conference. He’ll provide a perspective that demonstrates the Appalachian Basin has the natural gas to support five cracker plants. We hope these resources help the Appalachian Basin become a secondary petrochemical hub for the U.S.” commented Joe Barone, President and Founder, Shale Directories.

Knobloch said that immense volume of production – which was negligible 15 years ago – has been fairly steady, despite sagging prices and demand.

“Each world class cracker consumes 100,000 to 125,000 BPD of ethane, and right now the Basin is producing 270,000 BPD of ethane, so producing sufficient ethane for the first two crackers (Shell’s and the long-discussed PTTGC complex in Dilles Bottom, Ohio) is no problem,” Knobloch said.

Shell first floated the idea of a Basin cracker in 2011, with construction on the plant not beginning until late 2017. The plant today is more than 70% complete.

Knobloch believes each facility will take between five and 10 years from announcement to completion. Even if the PTT plant began this year, it would not be completed until 2026 at the earliest.

Given the long construction timetable, factoring in the 5,000 to 10,000 workers needed to build such an intricate, huge complex, Knobloch said right now, excluding the 270,000 Bpd of ethane produced, another 430,000 Bpd of Y-grade liquids also are being pulled from shale.

“More de-ethnization plants (to process Y-grade) will be built in the Basin, if needed,” according to Knobloch. “If you process 1 Bcf/d of natural gas, you’ll get 25,000 Bpd of ethane.

Should the need for more ethane become apparent, count on Basin producers to rise to the occasion, according to Knobloch. He pointed to the fact that due to ever-increasing efficiency when drilling, along with longer laterals, maintaining current production shouldn’t be a problem.

“It’s amazing what natural gas at \$2/Mcf and moving to \$4/Mcf will have on the business,” Knobloch said.

While ethane is sufficient to handle additional crackers, Knobloch does see at least one potential speed bump and what could be a large wild card impacting the Appalachian Basin’s liquids production going forward.

“Permitting (of new wells) always must continue, with more requirements (for letting permits) being added, but the industry does a great job in meeting requirements, in working with regulators,” Knobloch said.

And the wild card which could impact drilling, production, etc., is the man recently moving into the white House. The 46th President of the U.S., Joe Biden on Day one of his term stopped worked on the Keystone XL oil pipeline and stopped fracking on all government-owned land. “Biden is the wild card in all of this,” Knobloch said.

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