



MIDLAND EDGE

Rail Tank Car News, Information & Expert Tips

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\$6 Billion Shale-Oil Projects On Gulf Coast Officially Approved By Chevron Phillips Chemical Co.

PHMSA To Extend Comment Deadline On Safety ANPRM

PHMSA has announced that it will extend the ANPRM comment deadline (original due date was November 5). The official notice is expected to be issued in the Federal Register. DOT feels that a 90-day extension is not warranted, but the agency will extend the deadline by 30 days. The Pipeline and Hazardous Materials Safety Administration (PHMSA) is still considering revisions to the Hazardous Materials Regulations (HMR).

Federal hazmat laws are designed to achieve three goals: (1) To ensure that hazardous materials are packaged and handled safely and securely during transportation; (2) to provide effective communication to transportation workers and emergency responders of the hazards of the materials being transported; and (3) to minimize the consequences of an incident should one occur.

Full story: <http://bit.ly/1ap5UMo>

Upcoming Industry Events

November – December 2013

- **2013 Transcaer Training**
Atlanta (Nov 19-20)

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Petrochemical Giant Launches Projects That Had Been Pending Since 2011

Chevron Phillips Chemical Co. announces that the projects, which are a result of increased petrochemical and shale-resource development in the United States, will produce greater product diversity and also help create jobs in surrounding communities.

The Woodlands, TX-based Chevron Phillips Chemical Co. announced on Oct. 3 that its Board of Directors had approved a series of petrochemical projects along the Gulf Coast that will require \$6 billion in capital spending to complete. This move could spur even more growth in the petrochemical market sectors.

Among other efforts, an ethane cracker will be built at Chevron Phillips Chemical's Cedar Bayou (LA) plant and two polyethylene units will be built at a site in Old Ocean, TX

The state-of-the-art, world-scale polyethylene units will be capable of producing a wide variety of high and linear low density polyethylene products including bimodal and metallocene-based polyethylene polymers. These facilities will incorporate Chevron Phillips Chemical's leading edge metallocene technology and proprietary Advanced Dual Loop bimodal technology.

"We remain in the first-mover position as we take another critical step in executing a project that will benefit our customers, suppliers, local

communities and existing and future employees," said Pete Cella, President and CEO of Chevron Phillips Chemical Co. "We are able to realize this important milestone thanks to continued strong growth in demand for our product."

Site preparation and construction is currently underway, and additional infrastructure expansion is also underway to accommodate the new projects. This new development of refining operations will spur more speaking from a petrochemical point of view.

Construction is slated to begin in early 2014 with completion by 2017. The projects are expected to generate up to about 400 long-term direct jobs, as well as 10,000 engineering, chemical, and construction jobs.

NOTE: This Midland Edge Newsletter from Midland is a quick read on the railcar market as it pertains to opportunities or "need to know" news related to Midland products. If you have news to share, please send an email (with a link) to Darren Wight at [dwight@deanhouston.com](mailto:dwright@deanhouston.com).

Economist: U.S. Jobs Climb With Oil Boom, Led By Shale Growth

America's drilling boom had led to a surge in jobs, putting more workers into the oilfields of North Dakota, Texas and other states, an economist told a Washington, D.C., energy summit on Oct. 3.

Direct oil and gas extraction jobs nearly doubled between 2005 and 2011 to 800,000 nationwide, according to Andrew Lyon, a Principal in PwC's National Economics and Statistics Group, who was speaking at the U.S. Energy Association's 6th Annual Energy Supply Forum.

However, some states saw explosive growth, notably in areas where the oil and gas industry is using hydraulic fracturing and horizontal drilling technologies to unlock newly recoverable resources.

Full story: <http://bit.ly/1766ddS>
SOURCE: *Fuel Fix*

BNSF Starts Logistics Center In Texas; Opens Office in Montana

The \$28 million project calls for upgrading a yard in Sweetwater and bolstering mainline infrastructure in the area. To open in summer 2014, the logistics center is designed to meet the growing supply needs of a strong energy corridor across Texas for energy-related commodities.

Full Story: <http://bit.ly/Hbht3B>
SOURCE: *Progressive Railroad*

IEA: September OPEC Crude Supplies Below 30 Million B/D

Due to lower output from Iraq and Libya, crude oil supplies from the Organization of Petroleum Exporting Countries in September fell by 645,000 barrels per day (b/d) to 29.99 million b/d, below the 30 million b/d threshold for the first time in almost two years, according to the International Energy Agency's most recent *Oil Market Report*.

Full story: <http://bit.ly/1gfMOll>
SOURCE: *Oil & Gas Journal*

Cellulosic Ethanol Project Attracts Canadian Government Investment

The Canadian government has announced it will invest \$734,500 in a cellulosic ethanol project under development by Vanerco, a joint venture of Enerkem and GreenField.

The funding will be awarded through Sustainable Development Technology Canada's Next Gen Biofuels Fund. According to information released by Natural Resources Canada, SDTC's funding could reach \$39.8 million. Construction should begin next year.

Full story: <http://bit.ly/15IDkdt>
SOURCE: *Ethanol Producer*

EPA: Despite Strong Tank-Car Demand, Car Orders Weakened

Rail-car orders eased again in the third quarter after a less-than-stellar second quarter and extremely robust first quarter, according to Economic Planning Associates Inc.'s (EPA) latest "Rail Car Overview" report.

Despite a "marked acceleration" in the assemblies of tank cars, small-cube covered hoppers and Class F cars (primarily auto racks), the car backlog as of Sept. 30 remained at 73,800 units, "a relatively high level from an historical perspective," EPA officials said. Tank-car backlogs represent almost eight quarters of production at current rates, and EPA officials expect further strong growth in crude-oil demand.

Full story: <http://bit.ly/HJCfYs>
SOURCE: *Progressive Railroad*

Iowa Approves \$3 Million For Railway Infrastructure Projects

On Oct. 10, the Iowa Transportation Commission approved more than \$3 million in funding for six rail-infrastructure and related rail-development projects under the Railroad Revolving Loan and Grant Program. The rail projects are expected to spur local development.

Full story: <http://bit.ly/19PpZRZ>
SOURCE: *Rail Resource*

CN To Start Serving Alberta Frac Sand Terminal In November

Canadian National announced plans to begin serving a new state-of-the-art frac sand terminal north of Grande Prairie, Alberta, in November.

The new 20-acre facility is being built by Di-Corp. and will feature three tracks designed to hold 44 rail cars for unloading. The terminal is projected to produce 550,000 tons of frac sand annually.

The facility will help accommodate existing and expected growth in frac sand demand in the Western Canadian Sedimentary Basin, said Trevor Derksen, Di-Corp's vice president of marketing, in a press release. The railroad will help Di-Corp move more frac sand to energy markets via the terminal.

Full story: <http://bit.ly/127kRAe>
SOURCE: *Progressive Railroad*

U.S. Gas Demand Expected To Grow Steadily Over Next Decade

United States natural gas demand is expected to grow steadily in every sector over the next 10 years. Power generators will continue to be the largest users of gas because coal use is expected to decline in the face of current and future regulations. U.S. gas is also attracting foreign interest in production on U.S. soil.

Full story: <http://bit.ly/175Bspn>
SOURCE: *Platts*

FRA Seeks Applicants For Disaster Assistance Program

The Federal Railroad Administration (FRA) has announced that \$1.87 million in disaster assistance funding is available through the Railroad Rehabilitation and Repair Grant Program to rehabilitate or repair regional and short-line infrastructure damaged by hurricanes, floods and other natural occurrences.

Full story: <http://bit.ly/1iP7AUD>
SOURCE: *Progressive Railroad*