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## **CONSOL** and Noble Energy plan projects

Upshur, Barbour counties to get 37-mile gas pipeline, additional dry gas wells

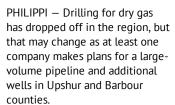
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## Pipeline preparation

CONSOL Energy has already cleared a 37-mile right-of-way in preparation for installation of a large diameter natural gas

Posted: Saturday, May 25, 2013 10:37 pm by Erin Beck, Staff Writer



CONSOL Energy and Noble Energy have a joint partnership for development of the Marcellus shale in northern West Virginia and southwestern Pennsylvania.

CONE Gathering, the gas pipeline arm of the joint venture, will construct a 24-inch dry gas line between Audra Field in southern Barbour County and Century Field in northern Upshur

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pipeline in Barbour and Upshur County. Submitted photo

County.

The 37-mile line could signify increased drilling and economic growth in the two counties, according to Independent Oil and Gas Association of West Virginia Board President Dennis Xander.

"I think this is a great investment for Central West Virginia," he said.

Much of the Marcellus shale activity in the area has concentrated in wet gas areas, including Doddridge and Harrison counties.

"Sooner or later, the value of dry gas is going to come up," Xander said.

But areas with more dry gas, such as Barbour and Upshur counties, lack the infrastructure for natural gas development, according to Xander.

"It's the age-old question: What comes first — the chicken or the egg?" he said. "Do you drill the well, then somebody builds the pipeline? Or do you build the pipeline, then somebody drills the well?"

"CONSOL, because they have so much acreage, they're in the position to do both," Xander said.

CONE Gathering has already cleared the right of way and plans to start construction in six to nine months, according to CONSOL spokeswoman Lynn Seay.

The pipeline should be complete six to nine months after that.

"This is a dry gas line and runs through the heart of the two counties," Seay said.

CONSOL didn't drill any wells in West Virginia during the first guarter of this year.

Currently, the company is working on the six-well Philippi 13 pad in Barbour County, according to Seay.

After drilling the Philippi 13 pad, CONSOL plans to drill one well at Audra Field and one at the Century Field to test the productivity of the company's extensive leasehold between the two points, according to Seay.

CONSOL expects to begin completion work for all eight wells sometime in the third quarter.

"CONSOL Energy continues to evaluate the number of dry gas wells that we drill in light of the commodity price curve and exercise appropriate capital discipline," Seay said.

About 35 oil and gas companies are based in Upshur County, but many have been drilling in other areas, according to county Economic Development Authority Director Steve Foster.

"It has slowed because a lot of the efforts have swung up into the northwest of the state, Pennsylvania and Ohio," Foster said. "That's purely driven by economics. They have access there to the Utica sands production area."

Drilling dropped two to three years ago when the price of natural gas fell significantly, according to Foster.

Companies turned to regions with liquids-rich natural gas because derivatives can be converted into ethylene, the precursor for plastic, he said.

"They're going to produce the Utica first, but the Marcellus will be here long-term," Foster said.

CONSOL announced in January that it planned to spend \$600 million on continuing to develop its extensive Marcellus shale assets, including drilling capital of \$415 million.

The company expects to invest \$74 million in related gathering and compression, according to Seay.

"As a result of the expected gas investment, CONSOL Energy projects its 2013 gas production to be between 170-180 Bcfe, of which 95 percent is expected to be dry gas," she said.

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