Marcellus on Main Street
Shale Gas: Economics and Supply Chain 101

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Marcellus Shale Coalition

About Us
• Founded in 2008
• Nearly 300 members strong
• From producers to midstream to suppliers

Our Goal
• Responsible Shale Gas development

Our Focus
• Fact-based dialogue
• Addressing landowner, government and public issues
• Promoting clean-burning, energy resource
• Ensuring energy security
Industry’s Commitment to Sourcing Locally

Historic opportunity for this generation and beyond
Public acknowledgment of the need and benefits to sourcing and hiring locally
Supports economic growth
Makes good business sense
Know the Opportunities / Competition
Know the Fundamentals

Three Industry Segments

**Upstream:** bringing natural gas to the surface (drilling)

**Midstream:** storing and transporting natural gas (pipelines, etc.)

**Downstream:** selling and distributing natural gas (your supplier)

Types of Natural Gas

**Dry Gas:** Home, business heating and fueling

**Wet Gas:** Contains Natural Gas Liquids, or NGLs; Raw material for other products (polymers, paints, plastics, fertilizers, etc.)
Recognize Where Activity is Occurring
“Wet Gas” Region of Marcellus Shale

Sources: Pace Global; Equitable Resources, MarkWest, Atlas Energy, Range Resources, and Caiman Energy.
$5M+ to produce a single horizontal well
400 people/150 occupations to complete and produce 1 well
Shale and manufacturing

- About 1/3 of all of the energy used in the USA consumed by manufacturing
- Lower feedstock and energy costs could reduce energy costs by $11.6 billion annually through 2025


Companies returning to USA:
1. Dow Chemical
2. Formosa Plastics
3. Chevron Phillips Chemical Co
4. Bayer Corp
5. Westlake Chemical
6. Shell Oil; CF Industries
7. Santana Textiles
The Ethane Factor

ETHYLENE CHAIN

Natural Gas → Ethane → Cracker

Intermediate Products
- PVC
- Vinyl Chloride
- Ethylene Glycol
- Styrene
- Polystyrene
- Polyethylene

Pool Liners
Window Siding
Trash Bags
Sealants
Carpet Backing
Insulation
Detergent
Flooring Pipes

Food Packaging
- Bottles
- Cups
- Housewares
- Crates

Footwear
- Clothes
- Diapers
- Stockings
- Toys
- Textiles

Tires
- Sealants
- Paint
- Antifreeze

Adhesives
- Coatings
- Films
- Paper Coatings
- Models
- Instrument Lenses
Kings and queens of shale: Who’s benefitting from Marcellus Shale drilling?
Sunday, July 03, 2011
Janice Crompton, Pittsburgh Post-Gazette

Washington County Businesses

- New Dominion Construction (2009 – 2011)
  - 60 to 78 employees
  - $8.1 million to more than $14.3 million

- Paris Construction (2009 – 2011)
  - 300 to 350 employees
  - $55 million to $67 million

  - Established 2009
  - 8 to 135 security guards
  - $40,000 to $200,000

- Sunnyside Supply (2009 – 2011)
  - 5 to 15 employees
  - $1.5 million to $4 million
Natural Gas Industry Priorities

• **Safety 1st**
  - Federal, State, and Company: mandatory health and safety training and testing for employees
  - Prime Contractors & Subs must be compliant

• Geographically dispersed worksites
  - < 1 year at each site

• **Continuous Operations**
  - 24/7
  - Non-traditional hours
  - Weather exposure
  - Travel required
Law governing small business opportunities

Act 13, §2316 – Small business participation

• Producers shall provide maximum practicable contracting opportunities for diverse small businesses, including minority, women and veteran-owned businesses.

• Producers shall do the following:
  − Maintain a policy prohibiting discrimination in employment and contracting based on gender, race, creed or color
  − Use the Department of General Services’ Internet database to identify certified diverse small businesses
  − Respond to a survey conducted by the Department of General Services
  − Survey shall be sent to all producers within one year to report the producers’ efforts to provide maximum practicable contracting opportunities related to unconventional natural gas extraction for diverse, small business participation
Online Business Directory

www.marcellusonmainstreet.org

A project of the Marcellus Shale Coalition
• Directory grouped by classifications
• Search function – name location
• Receive invitations to vendor education events

Clearfield Revitalization Corporation, (CRC)
225 East Market Street
P.O. Box 75
Clearfield, PA 16830

Phone: 814-765-8000
Fax: 814-765-6948
Website: http://www.discoverclearfield.com
Hours of Operation: 8:30AM - 4:00PM

Services
Clearfield Revitalization Corporation, (CRC) is a 501(c)3 charity that implements the PA State Main Street Program in Downtown Clearfield, PA. The CRC’s mission includes, but is not limited to, promoting the historic preservation, protection, and use of the traditional downtown area of Clearfield, PA and surrounding neighborhoods; helping to eliminate the deterioration of such areas, working to enhance the quality of life of such areas; and aiding, assisting and working with other entities that share a similar purpose.

The CRC provides many services to the greater downtown Clearfield area such as, but not limited to, festivals, special events, retail promotions, storefront improvement funding, walkability improvement programs, educational workshops, trainings, inventory database, property information, vacancy reports, marketing research, volunteer opportunities, and much more.
Thank you!

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