

# Eagle Ford & Burgos Basin Cross-Border Development Summit

Texas A&M International University  
Office of Global Initiatives

Houston, Texas

November 5-6, 2014





# Eagle Ford & Burgos Basin Cross-Border Development Summit

Economic development organizations have a major role to play when it comes to oil and gas drilling in their communities. In this interactive panel, gain insights from both sides of the border as to the challenges faced by local communities impacted by the boom and how they are being overcome.



# A look at the Texas Communities

See Market Overview under [Laredo Market Data Sources](#).

Economic Output Over \$1 Billion by County		
County	2013*	2023*
Nueces	\$11,830,469,550	\$24,313,461,300
Karnes	\$10,964,709,282	\$16,752,660,184
La Salle	\$9,001,341,991	\$13,574,778,927
Dimmit	\$8,552,982,031	\$12,341,837,612
McMullen	\$8,276,163,149	\$12,518,235,902
Gonzales	\$7,463,132,427	\$11,369,005,382
Live Oak	\$6,954,129,494	\$8,646,546,519
Webb	\$5,008,394,112	\$7,051,104,091
DeWitt	\$4,947,708,860	\$7,288,946,345
Atascosa	\$3,309,321,673	\$5,888,831,097
Bexar	\$3,238,996,650	\$4,400,871,930
Lavaca	\$1,607,274,019	\$2,661,190,775
Wilson	\$1,444,745,649	\$2,109,895,697
<b>Total 21-county area**</b>	<b>\$85,362,339,892</b>	<b>\$135,024,683,61</b>



# Buzzword Strategies

## What strategies are being implemented in the Eagle Ford to meet the demand for housing and an expanding workforce:

### [Eagle Ford Gets More Housing Thanks to Cotton Logistics](#)

- Cotton Logistics Opens New Lodges For 260 Workers in South Texas. In December, Cotton Logistics opened two more private workforce housing sites in South Texas for an oilfield services company operating in the Eagle Ford Shale. Both locations – a 100 bed camp in Cotulla and a 160 bed camp in Karnes City – are [...]
- January 6th, 2013 | Category: [Eagle Ford Housing](#) | [Leave a comment](#)

### [New Eagle Ford Housing Project](#)

- Kenedy, Texas is at the heart of the Eagle Ford oil boom and, like the rest of Eagle Ford, is in great need of additional housing. Fortunately, a 112 bed workforce housing camp just broke ground four miles West of Kenedy, TX on FM 2102 and is expected to be open in September. Frontier Oilfield Solutions will be constructing [...]
- July 31st, 2012 | Category: [Eagle Ford Housing](#) | [One comment](#)

### [Eagle Ford Housing Report From UTSA](#)

- It's no secret..... Housing in the Eagle Ford area is in high demand. Yesterday, UTSA researchers released their long anticipated study on housing in the Eagle Ford area. As predicted, demand will be high for the next decade and beyond and local communities will need to appropriate additional funding to accommodate more schools, public utilities, [...]
- July 12th, 2012 | Category: [Eagle Ford Housing](#) | [Leave a comment](#)



# Buzzword Strategies

## [Eagle Ford Housing and Palm Harbor](#)

- We know South Texas needs housing – please call our sponsor.
- Call Palm Harbor. They can build your hotel
- June 14th, 2012 | Category: [Eagle Ford Housing](#) | [Leave a comment](#)

## [Eagle Ford Housing](#)

- Eagle Ford Housing
- The staff at Eagle Ford News thought long and hard about who we would invite to be our sponsor. After touring the Palm Harbor manufacturing facility in Texas, we knew they we had a winner! No wonder they have [...]
- May 19th, 2012 | Category: [Eagle Ford Housing](#) | [6 comments](#)

## [Manufactured Housing Division \(MHD\) of the Texas Department of Housing and Community Affairs](#)



# Population in Border Cities

Del Rio, Texas	35,543 (2012)
Cd. Acuña, Coah	136,755 (2010)
<b>Total</b>	<b>172,298</b>

Eagle Pass, TX	27,283 (2012)
Piedras Negras, Coah.	152,806 (2010)
<b>Total</b>	<b>180,089</b>

<b>Laredo, Texas</b>	<b>244,731 (2012)</b>
<b>N. Laredo, Tam</b>	<b>384,033 (2010)</b>
<b>Total</b>	<b>628,764</b>

Nva. Cd. Guerrero, Tamp.	4,477 (2010)
<b>Total</b>	<b>4,447</b>

Ciudad Mier, Tamaulipas	4,762 (2010)
<b>Total</b>	<b>4,762</b>

Roma, Texas	9,873 (2012)
M. Alemán, Tam	27,015 (2010)
<b>Total</b>	<b>36,888</b>

Rio Grande, TX	13,939 (2012)
Cd. Camargo, Tam	14,933 (2010)
<b>Total</b>	<b>28,872</b>

Sullivan, Texas	4,098 (2012)
Díaz Ordaz, Tam	15,775 (2010)
<b>Total</b>	<b>19,873</b>

<b>Hidalgo, Texas</b>	<b>11,711 (2012)</b>
<b>McAllen, Texas</b>	<b>134,719 (2012)</b>
<b>Reynosa, Tam</b>	<b>608,891 (2010)</b>
<b>Total</b>	<b>755,321</b>

Donna, Texas	16,204 (2012)
Río Bravo, Tam	118,259 (2010)
<b>Total</b>	<b>134,463</b>

Progreso, Texas	5,715 (2012)
N. Progreso, Tam	10,178 (2010)
<b>Total</b>	<b>15,893</b>

Valle Hermoso, Tam	63,170 (2010)
<b>Total</b>	<b>63,170</b>

<b>Brownsville, Texas</b>	<b>180,097 (2012)</b>
<b>H. Matamoros, Tam</b>	<b>489,193 (2010)</b>
<b>Total</b>	<b>669,290</b>

<b>GRAND TOTAL Border Residents</b>	<b>2,714,130</b>
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*INEGI / United States Census Bureau*



# Eagle Ford Global Activity

- Exports - Laredo's trade with the world grew 5.87 percent to reach a record \$253.15 billion in 2013, which propelled it past Houston and Detroit to the number three ranking in the nation, according to the City of Laredo's 2014 Trade Numbers Report and the number one inland port in the western hemisphere



# Eagle Ford

## Top Ten Laredo Export Commodities\*

Commodity	2013 Value	2012 Value	Chg.
Motor vehicle parts	\$12,545,939,351	\$12,197,689,721	2.86%
<b>Gasoline, other fuels</b>	<b>\$3,033,693,527</b>	<b>\$2,664,574,348</b>	<b>13.85%</b>
Cellular, landline phones, parts	\$2,928,423,572	\$2,891,664,847	1.27%
Motor vehicles for transporting people	\$2,528,810,820	\$2,811,740,882	-10.06%
Internal combustion piston engines, including aircraft	\$2,071,471,663	\$1,585,066,339	30.69%
Plastics	\$1,864,491,790	\$1,656,771,265	12.54%
Electrical supplies, apparatus, less than 1000V	\$1,634,655,931	\$1,351,284,801	20.97%
Engine parts	\$1,444,488,706	\$1,327,926,373	8.78%
Insulated wire, cable	\$1,421,856,196	\$1,262,495,760	12.62%
Computer chips	\$1,414,408,714	\$1,149,099,629	23.09%
<b>Total Exports</b>	<b>\$112,415,410,270</b>	<b>\$105,254,071,432</b>	<b>6.80%</b>





# Eagle Ford Ports

City	Total 2013 Export Value
Laredo	\$83,034,611,281
Hidalgo	\$10,819,541,956
Brownsville	\$9,237,421,810
Eagle Pass	\$7,107,687,282
Del Rio	\$1,869,366,581
Corpus Christi	\$1,231,543,797

*\*ranked by 2013 export dollar value*  
Source: [The City of Laredo](#)  
*Zepel Trade View Port of Corpus Christi*  
*Port Code: 5312*



# Public Opinion

Roads, waste water/water treatment facilities, power plants: what needs to be developed to facilitate growing production?

- County governments take the lead
- Rural City Governments are underdeveloped
- Boom & Bust **Predictions** and Fears



# Public & Infrastructure

- TxDOT estimates that bringing **one** well into production is like driving **8 million passenger vehicles to and from a site**
- Fatalities have increased
- Traffic counts at some intersections in Texas have increased from 3,500 to 20,000 per day
- Road damage from one 18 wheeler is equivalent to 9,600 cars



# Public & Infrastructure

- In Texas, oil and gas revenue goes into rainy day fund (75%) and education (25%)
- Proposition 1 would split 75% evenly between rainy day and transportation (exception is toll roads)
- In 2013, TxDOT asked Legislature for \$1.6 billion for energy related road work and received \$225 million of which only \$157 million went to Eagle Ford counties

*TxDOT*



# Public Projects

## How are current needs for social infrastructure – schools, hospitals, retail, etc. – being met?

- LAREDO - The Laredo International Airport and the City of Laredo have opened a new \$3.9 million, 15,400-sf state-of-the-art Aircraft Rescue and Fire Fighting (ARFF) Station situated on two acres.  
9/10/2014
- COTULLA, LA SALLE COUNTY - Mack Trucks announced a new dealership scheduled to open in late August. The new 40,000-sf Valley Truck Center is located off Exit 67 on I-35, midway between San Antonio and Laredo (7/30/2014)
- ENCINAL, WEBB COUNTY - Construction has begun on a 24-inch, 94-mile long pipeline capable of transporting 300 million cubic feet daily. Called the Webb pipeline, the project will cost \$125 million.  
2/19/2014



# Public Projects

- COTULLA, LA SALLE COUNTY - The \$9 million expansion project at the Cotulla-La Salle County Airport is underway. The project will help the airport expand its runway from 5,000 to 6,000 feet, build a parallel taxiway and double the amount of parking space.  
11/25/2013
- LAREDO - HOLT CAT, the Caterpillar Equipment and Engine dealer for South, Central, North and North East Texas, has opened a new 24,000-sf LEED gold certified facility. Value of construction only was \$5 million. 3/28/2013

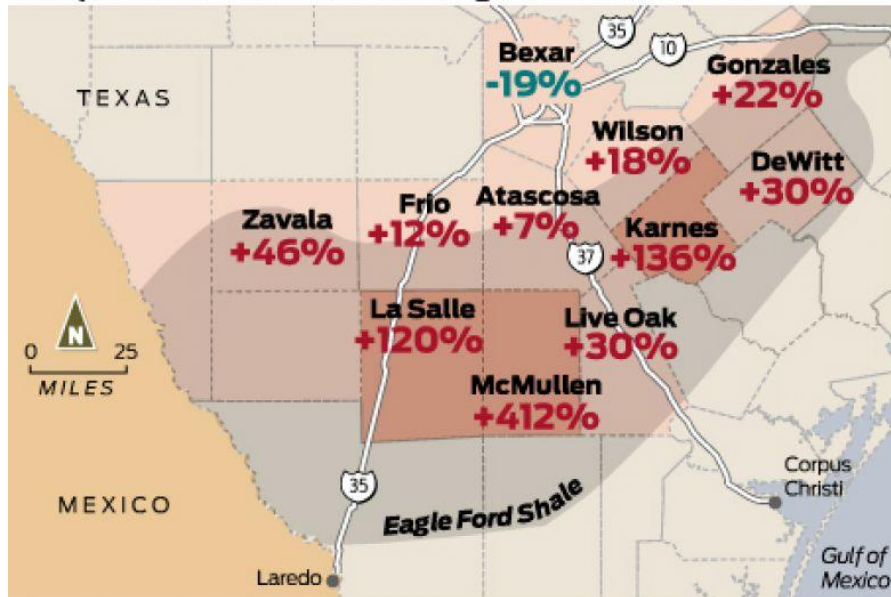
# Public Health

## Traffic accidents in the Eagle Ford area

A study of South Texas' medical needs to be released by Methodist Healthcare Ministries this week shows traffic accidents have risen in many counties, particularly those most affected by Eagle Ford Shale activity.



**A snapshot of how the numbers changed from 2009 to 2011:**

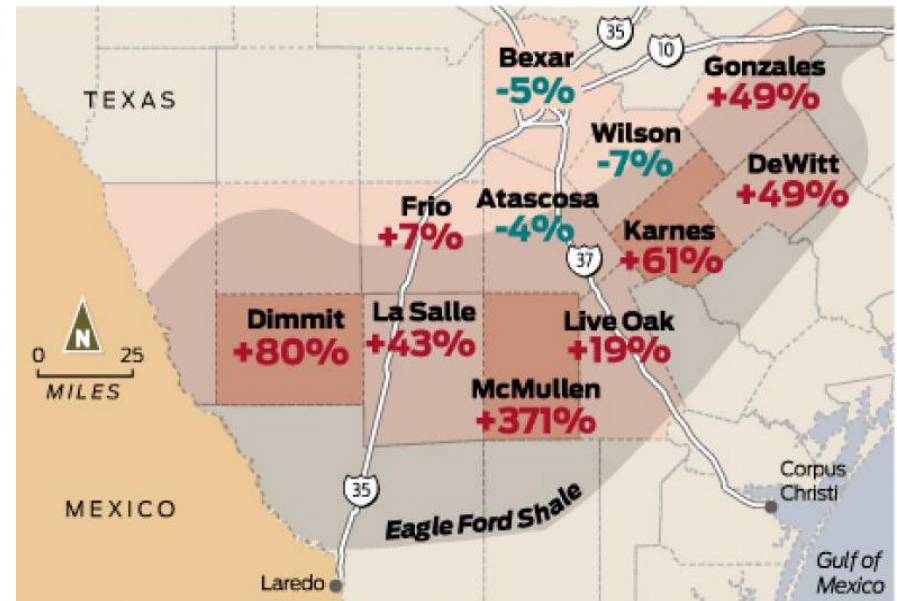


## Work injuries in the Eagle Ford area

Workplace injuries also increased in many South Texas counties, according to the study.



**A snapshot of how the numbers changed from 2010 to 2011:**



Methodist Healthcare Ministries



# Public Health

- Decline of healthcare workers in some counties
- Part-time workforce of 360,000 that is mostly uninsured, emergency rooms at some rural hospitals are feeling the effects
- “Despite the existence of public policy and government-sponsored programs, such as Medicare/Medicaid and affordable insurance, if there is no doctor, there is no care”
- Methodist Healthcare Ministries, which helps fund medical care and other health needs for low-income and uninsured people in South Texas, hopes the study will prompt conversation about the gaps in health services and how to plan for the future, Rebecca Brune said.

*Methodist Healthcare Ministries*





# Education: Texas A&M System

Preparing a workforce- 11 Universities with diverse educational curriculums located through Texas

- Starting with the most difficult to fill, the top 10 most in-demand energy jobs are:

1. Mechanical engineer
2. Field service technician
3. Production operator
4. Maintenance technician
5. Heavy machinery operator
6. Mechanic
7. Petroleum engineer
8. Geologist
9. Quality assurance/quality control inspector
10. Electrical engineer

[http://www.bizjournals.com/houston/blog/drilling-down/2014/09/the-most-difficult-to-fill-energy-jobs-are.html?ana=e\\_hstn\\_nrg&u=GSLGfOIkdkHk204wo+dmNBA0715e8a3&t=14107919](http://www.bizjournals.com/houston/blog/drilling-down/2014/09/the-most-difficult-to-fill-energy-jobs-are.html?ana=e_hstn_nrg&u=GSLGfOIkdkHk204wo+dmNBA0715e8a3&t=14107919)



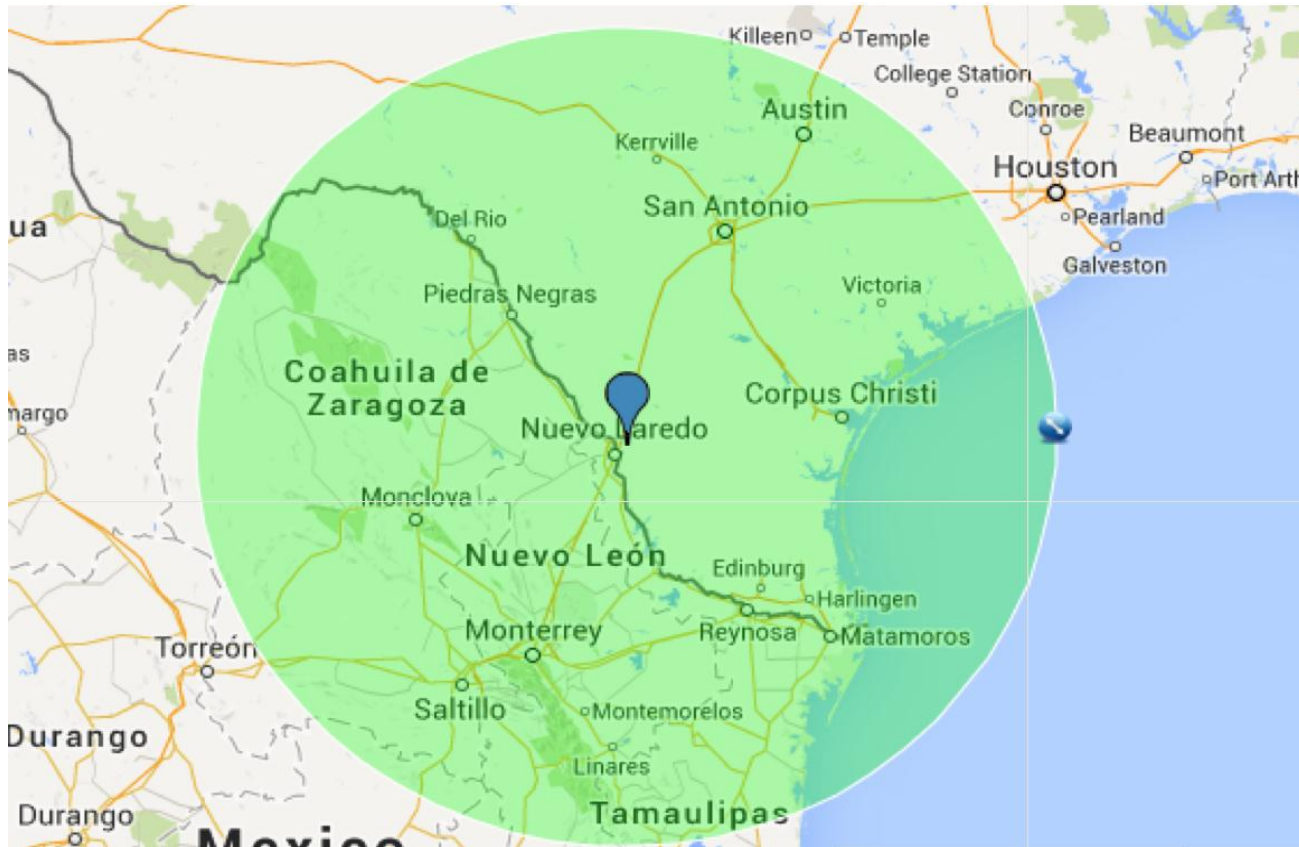
# Centers of Influence-300 miles





# Going South: Education

- Circle of Influence





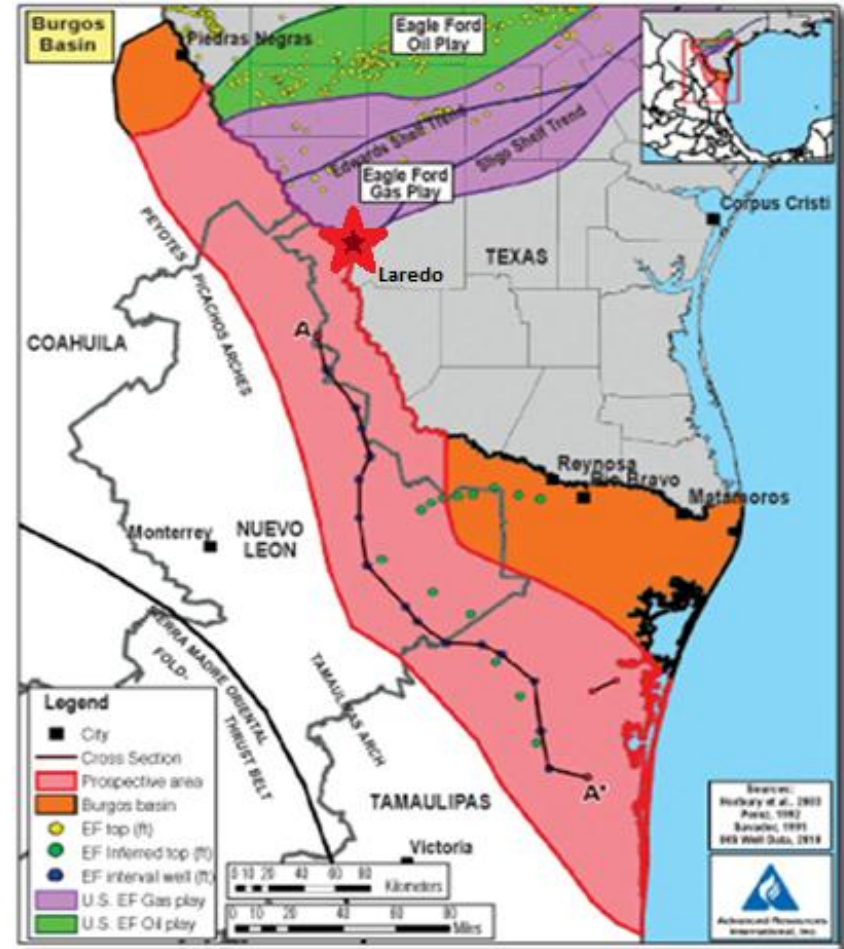
# Education: Texas A&M International

- International Energy Institute
- International dual and joint degrees with Mexico



# South of The Border

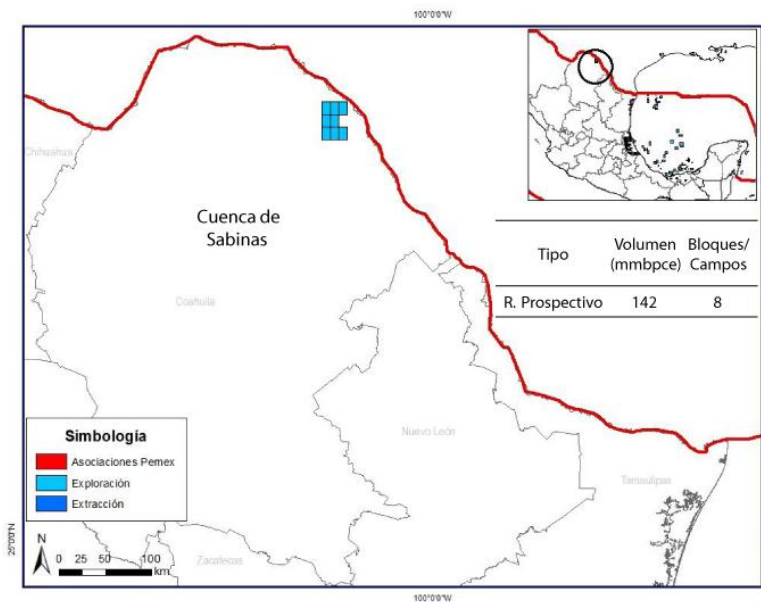
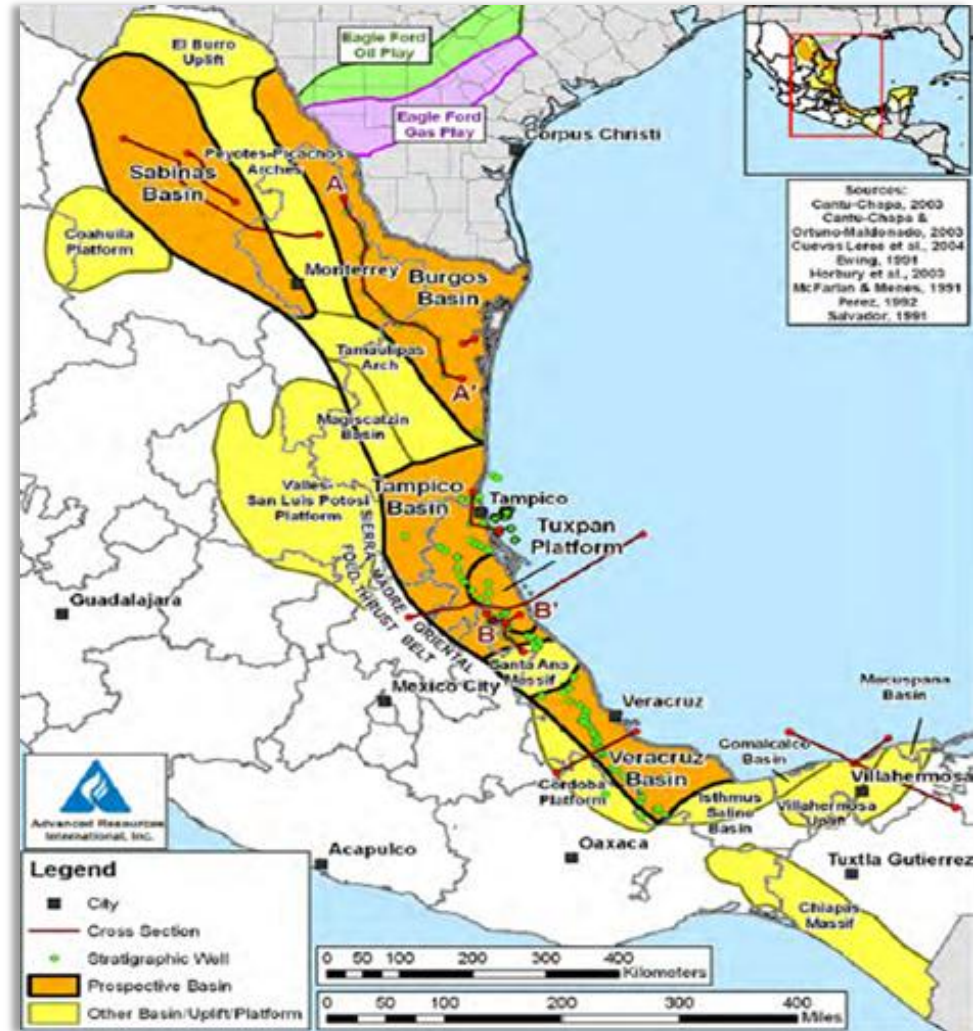
- Are we ready?
- Highways and trains





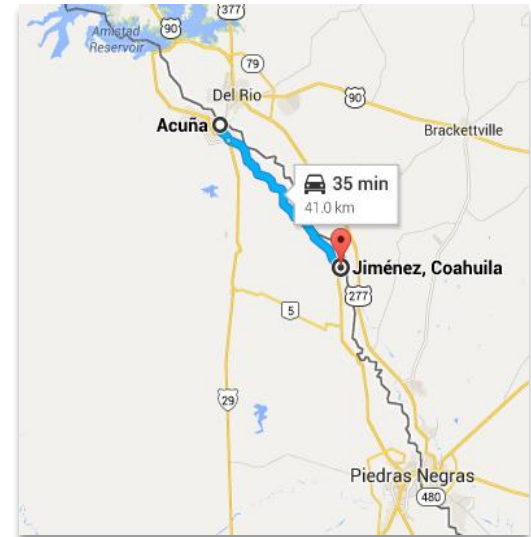
# Numbers and Logistics

- Where will it be?
- Logistics to market?

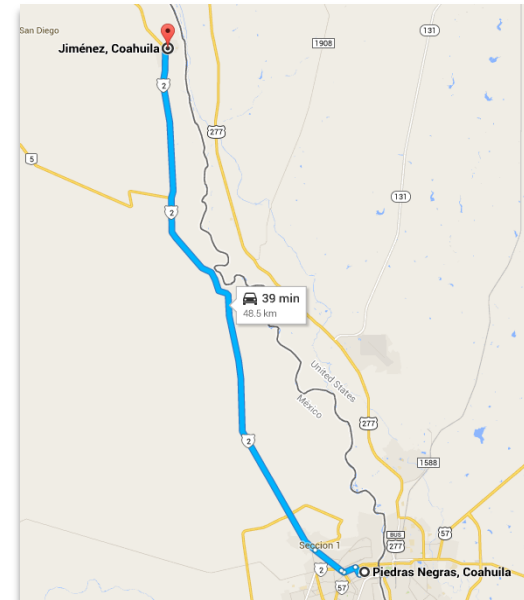




# Logistics



41.0 km to Ciudad Acuña



48.1 km to Piedras Negras



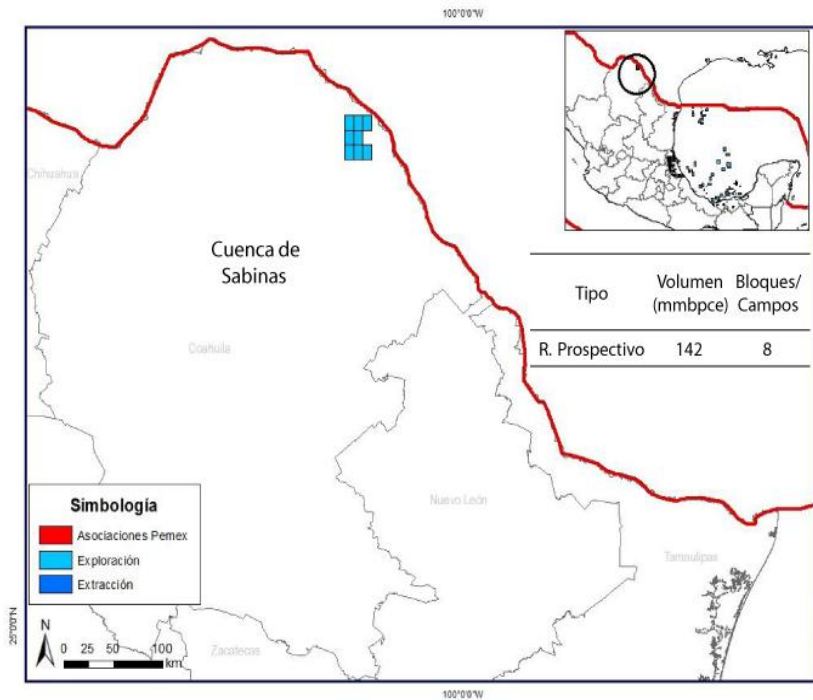


# Social Infrastructure/Demographics

## 2010 Inegi - Census

Jiménez, Coahuila - 9, 935 total population

- Men- 5,041-----24.4% are from ages 15 to 29
- Women- 4,894-----24.9% are from ages 15 to 29
- 10.5% of population are over 60 years old
- Median age is 26







# Public Health

- Jimenez does not have a sister border city as do Ciudad Acuña and Piedras Negras
- (72%) 7,196 residents have healthcare providers/benefits
- Centro de Salud Jimenez is available for emergencies
- Other work sites will have to collaborate with their border sister city for medical care and expansion to meet the needs of their workforce

[www.ineqi.org.mx](http://www.ineqi.org.mx)



# Public Projects

## Lower Rio Grande Valley – Tamaulipas Border Master Plan

- **What are Border Master Plans?**
  - Border master plans (BMPs)—as defined and supported by the U.S./Mexico Joint Working Committee on Transportation Planning and Programming, the Federal Highway Administration, and the U.S. Department of State



# Public Projects

- On the U.S. side, the border counties of Zapata, Starr, Hidalgo, and Cameron.
- On the Mexico side, the Mexican Municipalities of Guerrero, Mier, Miguel Alemán, Camargo, Gustavo Díaz Ordaz, Reynosa, Río Bravo, and Matamoros in the State of Tamaulipas

*TxDOT*

*[http://www.borderplanning.fhwa.dot.gov/documents/LowerRioGrandeBorderMasterPlan/LRGV\\_Brochure.pdf](http://www.borderplanning.fhwa.dot.gov/documents/LowerRioGrandeBorderMasterPlan/LRGV_Brochure.pdf)*



# Public Project

- Mexico's transport and communications authority (SCT) plans to invest \$454m (MXN5.5bn) in the ports of Altamira, Tampico and Matamoros, located in the Gulf of Mexico and in the state of Tamaulipas.



# Public Project

Comisión Federal de Electricidad invests/expands gas pipelines in Chihuahua

- 254 km in from Ojinaga to El Encino, Chihuahua
- 300 km from Waha, USA to Samalayuca, Chihuahua
- From Waha, USA to Ojinaga, Chihuahua



# Texas Highways and Cities that Link to Jimenez, Coahuila, México

- U.S. Route 277
- Farm-to-Market Road 1664
  
- Eagle Pass, Texas
- Quemado, Texas
- Del Rio, Texas

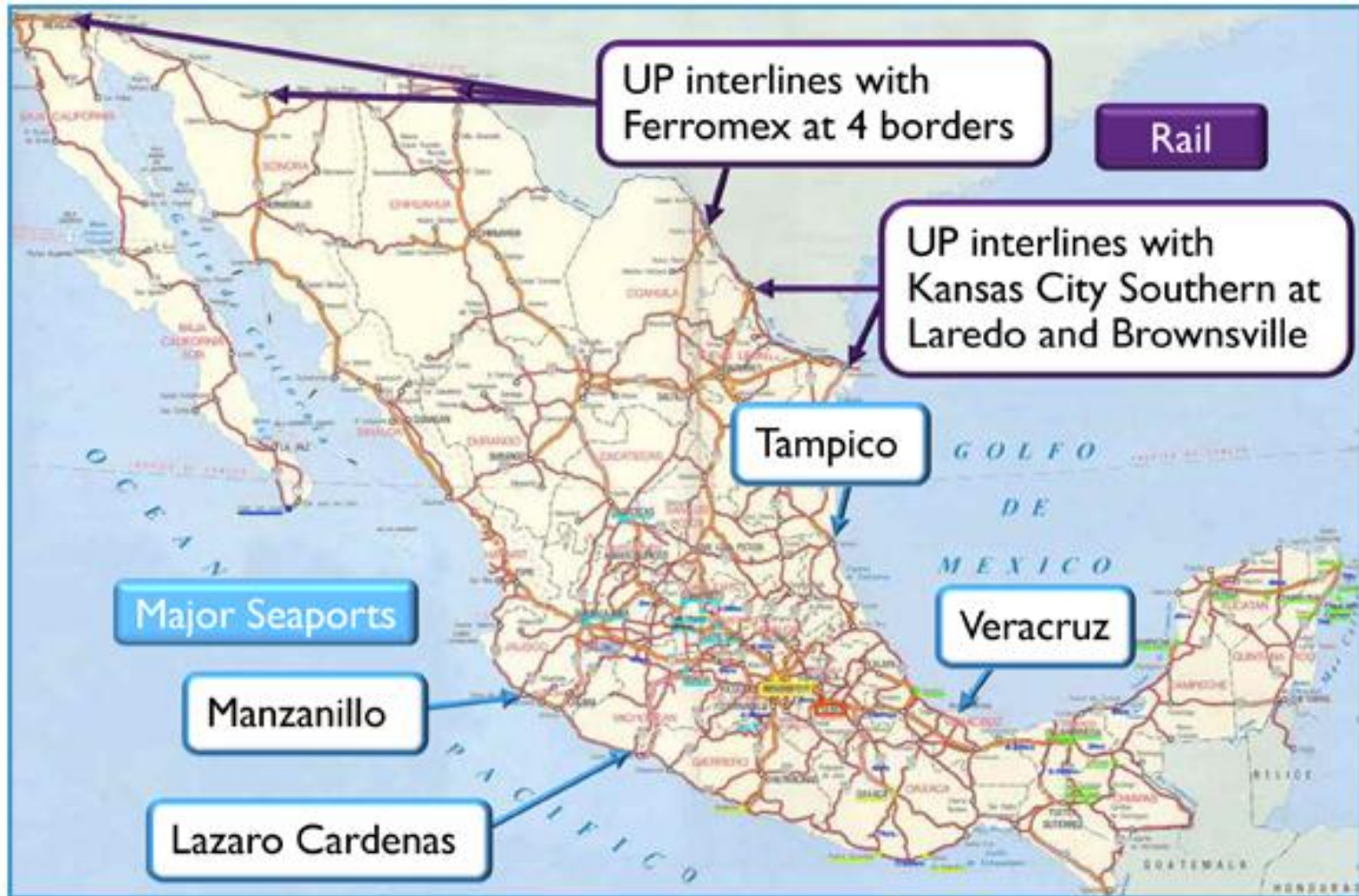


# Railroad





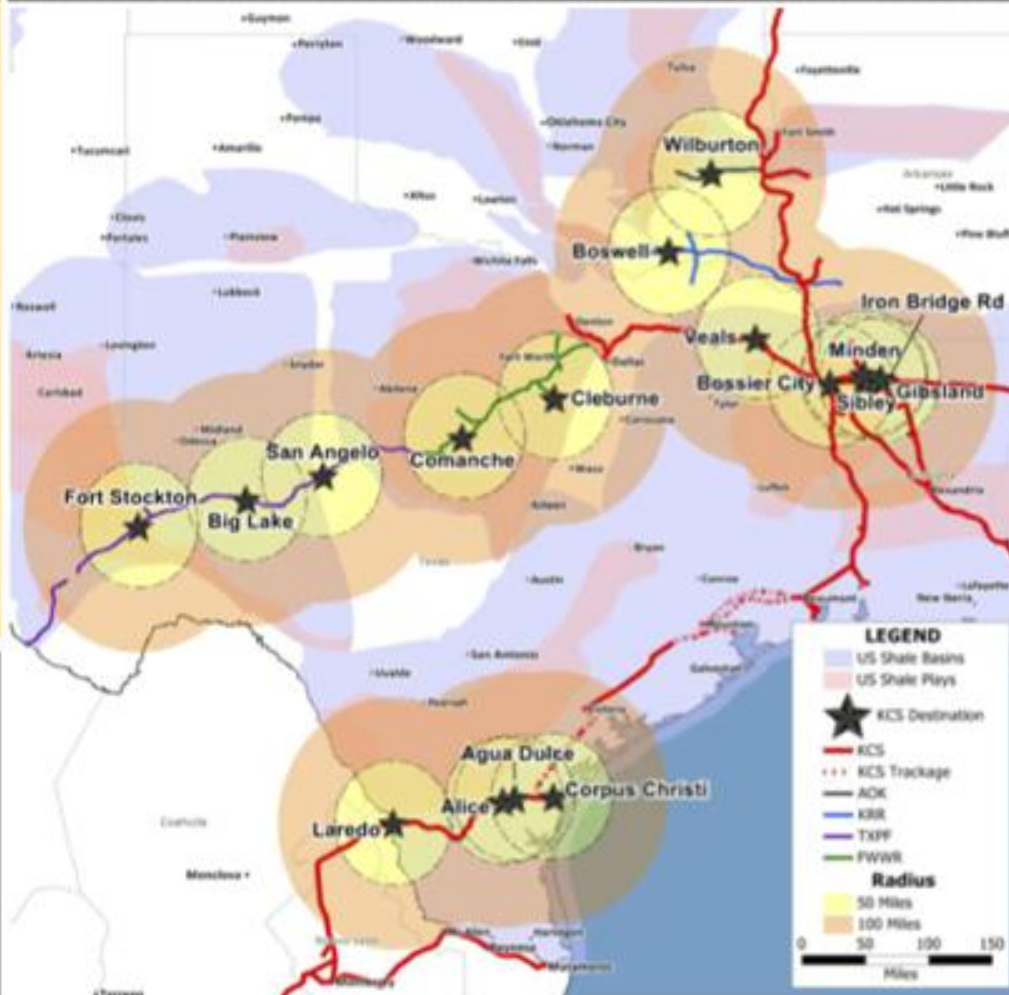
# Union Pacific and Kansas City Southern





# Frac Sand Destinations

## Frac Sand Destinations



### Eagle Ford Shale (Oil/Gas):

- Laredo, TX
- Alice, TX (2 facilities)
- Agua Dulce, TX
- Corpus Christi, TX

### Permian/Cline Basin (Oil):

- Fort Stockton, TX (TXPF)
- Big Lake, TX (TXPF)
- San Angelo, TX (TXPF)

### Barnett/Cline Shale (Oil):

- Comanche, TX (FWWR)
- Cleburne, TX (FWWR)

### Haynesville Shale (Gas):

- Veals, TX (TN)
- Bossier City, LA
- Sibley/Minden, LA (LAS)
- Gibsland, LA (LNW)

### Woodford Shale (Oil/Gas):

- Boswell, OK (KRR)
- Wilburton, OK (AOK)

# Burgos Basin Connects to America

## Crude Oil Basins & Connecting Partners

### Canadian Heavy Oil:

CPRS – Kansas City  
 CN – Jackson  
 CN – Cockrell, IL

### Bakken Region:

BNSF – Kansas City  
 CPRS – Kansas City

### Niobrara Region:

UP – Kansas City  
 BNSF – Kansas City

### Cushing Barrels:

SKOL – Pittsburg, KS

### Permian Basin:

UP – Dallas  
 TXPF/FWWR – Dallas

### Eagle Ford Shale:

KCS Direct



**Key Takeaway:** KCS is uniquely positioned to deliver crude-by-rail from crude oil basins throughout the U.S. and Canada to Gulf Coast refineries





# Additional Sources

- Inegi
- Pemex
- CNH
- CFE
- SENER
- Google Earth
- Maplandia
- Union Pacific
- Kansas City Southern
- Zenteno/Lira/Mora, Abogados MexicoDF



# THANK YOU

**FOR MORE INFORMATION PLEASE CONTACT:**

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