



# SANFORD NOWLIN

Energy/utilities, transportation/aviation and manufacturing

snowlin@bizjournals.com

@SanfordNowlin

(210) 477-3234



## By the Numbers

**\$138 billion** The total value of all exploration and production (upstream) deals worldwide in 2013, the lowest yearly value for such transactions since 2008

**\$8.8 billion** The total value of upstream deals targeting the Eagle Ford Shale last year

**\$6 billion** The value of last year's largest upstream deal, Devon Energy's purchase of GeoSouthern's Eagle Ford holdings.

**1,028** The number of reported upstream deals in 2013

Source: PLS Inc.



# Southton Rail Yard wants to keep the shale moving

San Antonio's Southton Rail Yard, a newly developed 300-acre industrial facility serving the Eagle Ford Shale, has opened for business after pulling in an anchor tenant.

The \$54 million rail transloading operation — one of the largest of its kind in South Texas — recently landed Sugar Land-based Sandtrol's seventh Eagle Ford sand-distribution site.

Sandtrol will store up to 20,000 tons of sand in four silos at Southton's site, located at Loop 410 South and Interstate 37.

Southton CEO Kevin Bowen and other investors developed the new terminal to bring in commodities such as sand, pipe and chemicals by rail and load them onto trucks destined for the booming Eagle Ford oil-and-gas play.

"Most of the other transload sites are rehabs of old facilities," says Bowen, also president of Custom Surface, a Louisiana-based flooring products supplier. "Since we built this from the ground up, we've got room for other tenants."

The yard has 25,000 linear feet of rail and dual trackage rights with Union Pacific and BNSF Railway — the two Class I railroads serving San Antonio.

Southton now employs 27 people with plans to double that amount as it adds tenants. It's already in talks with other

companies that supply South Texas oil-and-gas operations, Bowen adds.

Rail transloading facilities such as Southton have proliferated across South Texas in recent months to handle cargo headed for the sprawling, largely rural Eagle Ford.

San Antonio's Howard Energy Partners recently cut the ribbon on a 260-acre rail facility near Three Rivers, and Lewis Energy, also based in San Antonio, developed a \$11 million rail park in Encinal, Texas.

"Clearly, people wouldn't be building these things if the demand wasn't there," Bexar County Economic Development Director David Marquez says.

Southton's dual-trackage rights and quick highway access give it a competitive advantage, Bowen says. The facility is near Interstate 37, Interstate 35 and U.S. Highway 281, all key access points to the shale.

"Trucks can pick up here and within two hours be at any wellhead in the Eagle Ford," he says.

What's more, Bowen says his company has adequate trackage to handle



Southton CEO Kevin Bowen says the new rail yard's highway access gives it a competitive advantage.

unit trains, or trains in which all cars are headed to the same destination. Many facilities, he adds, can't accommodate or quickly unload such shipments.

The yard also has 160 direct rail-to-truck car locations and is equipped with a "belly dumper," which allows trains to unload sand directly into storage with minimal park time.

"We're determined to get all of our customers' trucks into our facilities and off the roads in a short amount of time," Bowen says. ■



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-Jeanie Wyatt, CEO, CIO, CFA