

San Antonio's Southton transload facility is tailored for Eagle Ford Shale

By *Angela Cotey, Senior Associate Editor*

The North American fracking boom figures to remain strong for years to come, and that has some logistics firms looking at ways to more efficiently transport goods to and from shale plays throughout the United States. Case in point: Earlier this month, the new [Southton Rail Yard Industrial Terminal](#) opened near San Antonio, Texas, to handle products moving to and from the Eagle Ford Shale. The transload facility was developed by a group of business partners, led by Southton Rail Yard Managing Partner Kevin Bowen, who also serves as chief executive officer for Picayune, Miss.-based Shale Support Services, a sand lifecycle support firm. Southton officials believed there was a need for a transload facility built on a large, greenfield site designed to cater to the consumable energy market. Most transload facilities that serve shales today are rehabilitated rail yards that aren't designed to handle the products needed for hydraulic fracturing, such as frac sand, says Bowen. About 65 percent of the cost of frac sand is spent on logistics, he adds. "Sand is readily available right now. What's not readily available is a way to efficiently and effectively transport that sand and deliver it to the wellhead at a low cost," says Bowen. "Logistics is going to play a much larger role." The 300-acre Southton site was ideal for the transload facility, and not just because of its large size. The yard can be served by both [Union Pacific Railroad](#) and [BNSF Railway Co.](#), which will help create a competitive environment and lower transportation costs, says Bowen. In addition, the location — just south of San Antonio — provided the partners with a large metropolitan area from which to draw workers, while remaining within a two-hour drive from the Eagle Ford wellheads. The firm has hired 27 people to date, and expects to add another 25 employees in the coming months. In the meantime, the partners have contracted material transportation logistics firm Arrow Material Services to operate Southton Rail Yard. Construction

on the \$50 million transload facility began in August 2013. The site features a 1.5-mile loop track on which unit trains can be unloaded, as well as 3.5 miles of manifest spots for rail-car storage and unloading. “It’s a huge competitive advantage to our customers, being able to bring unit trains in, but then we also have plenty of room for manifest cars so we can provide direct rail car-to-truck transportation for products not suited for unit trains,” says Bowen. The manifest yard opened in early January to begin serving Southton Rail Yard’s first — and, so far, only — customer: Chesterland, Ohio-based Fairmount Minerals, which owns the United States’ largest sand producer, [Santrol](#), says Bowen. With the Southton terminal, Santrol now owns seven terminals serving the Eagle Ford Shale. “They have such customer demand in the Eagle Ford that we needed to get this yard up and running for them as quickly as possible,” says Bowen. Southton Rail Yard features four sand silos built for Santrol that will be operational in March. Another four are in the process of being built. Southton Rail Yard officials also are building an underpass for easier access to the property in the middle of the yard. The underpass is scheduled to be completed March 1. “It was important for us to provide a facility that not only enabled us to transport consumables going out, but crude coming back,” says Bowen. “So we have 300 acres we can maneuver within, truck drivers can get in and out efficiently, and they can get to the wellhead and back pretty quickly.” The Southton Rail Yard partners are in negotiations with other potential customers, says Bowen, adding that they would like to diversify their customer base. “We’ve got a foothold in the sand business, so we’re looking at other products to bring in, such as chemicals,” he says.