

# Gas Processors Are on the Fast Track

*Crude transport is also under pressure to keep up with production.*

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## **Rushing to fill the void**

Construction for Comanche II is well underway and is ahead of schedule, said Stephen Luskey, chief commercial officer and co-founder of Brazos Midstream. “We are in the process of permitting for Comanche III, which will be nice to have all three plants at the same location.”

The three Comanche processing plants are part of an ambitious program for crude and natural gas gathering in the southern Delaware Basin that Brazos announced in May. The plan also included more than 150 miles of gas-gathering pipelines, 35 miles of crude-gathering pipeline, and two crude storage terminals with a combined capacity of 50,000 bbl. The whole initiative is anchored by long-term acreage dedications from top tier Permian Basin producers.

The gathering system stretches into Ward, Reeves and Pecos counties, Texas. “With multiple productive zones in and around our area of operation, we expect drilling activity and volume growth to remain strong for years to come,” said Brad Iles, CEO of Brazos Midstream, in announcing the expansion program. Brazos is supported by equity commitments from Old Ironsides Energy and a revolving credit facility.

“In mid-August there were 12 rigs running on acreage dedicated to us,” Luskey said. “There always seem to be new opportunities in the Delaware Basin. Over time as rigs continue to ramp up we will add midstream infrastructure to handle this growth.”

One of the challenges in construction, even in such a remote region, is the truck traffic generated by crude haulers. Eventually Brazos is likely to contribute to that because the Comanche complex will have the ability to receive and send condensate by truck, but for now it’s just a matter of coordinating the arrival of components, equipment and personnel on crowded desert roads.

“These plants take 10 months to a year to install, and midstream companies like us are making plans to handle future volume increases,” Luskey said. “As long as the rigs keep running, we will continue to expand our processing complex. That is the reason we exist.”

Given the number of midstream projects across the Permian, it would not be surprising to hear of longer time lines for equipment, especially long-lead process units. Luskey said Brazos has not had any trouble getting goods. “Parts and pieces are readily available. You’ve got to take risks sometimes to be able to compete in this region. For example, some sizes of pipe are difficult to acquire right now if you haven’t done a good job of planning ahead,” he noted.

## **Meeting multiple needs**

The only other constraint the growing midstream operators face is skilled labor. “You can always find people,” Luskey noted dryly, “but you cannot always find good people. It’s important to our success that we retain the best in the business, and fortunately thus far we have been able to do that.” ■