

Latest Startups Aim To Revolutionize Industry With Advanced Technology

By Colter Cookson

For a new upstream service and supply company to do well, it needs to differentiate itself from the companies its customers already use.

Many of the newest startups say they will achieve that goal by combining exceptional service with products and business models that significantly reduce customers' costs. These products and services include affordable pump components, locally sourced proppants, and tools that enable operators to analyze every completion during field development. Other startups offer leasing software that automates error-prone calculations, advanced chemistries that penetrate far into the formation, remote monitoring affordable enough for stripper wells, and managed pressure drilling equipment that is easy to use and maintain.

The executives behind these startups say they are after more than money.

Permian Basin Sand

Geologist and serial entrepreneur Ben M. "Bud" Brigham, chairman of Brigham Resources LLC, is attacking well completion costs from another angle. In partnership with other seasoned oil and gas producers as well as sand mining experts, he is launching Atlas Sand, a sand mining operation in the Permian Basin.

"Quality fracture sand is integral to

the Permian Basin's success," Brigham says. "Because much of that sand comes from outside the basin, transportation accounts for 60-75 percent of its cost. We formed Atlas to provide local sand, which presents a remarkable opportunity to reduce completed well costs and enhance reliability for all Permian operators. In fact, analysts estimate it could reduce completed well costs by 5 percent."

Local sand is a great fit for modern completions, Brigham assures. "The quality of our finer grades is right up there with Northern White," he says.

Atlas Sand is building sand processing plants at open sand dunes near Kermit, Tx., and Monahans, Tx. According to Brigham, these locations represent the northern and southern ends of the sand fairway.



To reduce Permian Basin operators' proppant costs, Ben M. "Bud" Brigham has launched Atlas Sand, which he says will produce high-quality sand from West Texas sand dunes. The Atlas team includes (from left to right) Chief Financial Officer John Turner, Chief Operating Officer Hunter Wallace, Vice President of Sales and Marketing Matt Stafford, Chairman and Founder Brigham, Plant Manager Brian Vinson, Vice President of Operations Tim Stauffer and Plant Maintenance Manager Cliff Anderson.



“The open dunes have experienced thousands of additional years of Mother Nature’s natural winnowing and processing, which has given the sand top-tier sphericity and premium crush strength,” he adds. “Without any overburden, soil development, organics or associated impurities, our yield and operating costs will be top tier.”

Atlas’ Permian reserves contain both 100 mesh and 40/70 grades, matching up perfectly with what most Permian operators need to optimize well performance, Brigham states. He says the Kermit plant should come on line in the second quarter of 2018, with Monahans following in the third quarter. Each will have an initial capacity of 3 million tons a year, but in 2019, Atlas plans to expand both to 6

million tons. “Our reserves are vast enough that we can add more plants over time as demand grows,” Brigham says.

The company’s plants employ a unique design, he says. “The plants include redundancy that will improve safety and should almost eliminate downtime, so we will be able to produce at our permitted capacity,” he assures.

The plants are situated ideally to deliver sand to Permian customers at a low cost, Brigham continues. “The Kermit plant is bisected by two highways, and the traffic studies we have done suggest we will be able to get trucks in and out even if all the nearby sand mines max out,” he says. “Monahans is in an even better position. It is adjacent to two highways, including

I-20, a major thoroughfare, and near a railroad.

“We are the only organically generated Permian Basin sand mine, built by Permian operators for Permian operators,” Brigham remarks. “Because we are funded by internal capital and strategic investors, we have the freedom to build a company to last.”

Brigham says the company eventually may go public, which means it must exercise extreme diligence in every area, from accounting and reserve audits to environmental stewardship. “We will be aggressively and smartly reclaiming mined lands, avoiding optimal dune sagebrush lizard habitat, and having substantial setbacks,” he details. □