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## US face short supply of steel for gas wells

*Tuesday, 19 Aug, 2008*

It is reported that pipes await installation inside a Chesapeake Energy well at Riverside Parkway and State Highway 360 in Grand Prairie. A consolidation of suppliers has led to a shortage of steel pipes, pushing prices up for oil and gas drillers.

Along the way, steel surface casing prevents contamination of fresh water in the ground, steel tubing allows the oil or gas to travel to the surface and steel production casing acts as a protective layer underground. But the steel pipe used in these wells is becoming more expensive and harder to get for oil and gas companies, putting a drag on production and driving up the cost and time it takes to plan the wells.

And the effect on North Texas could be significant, particularly because gas drilling in the Barnett Shale requires the complex rigs that snake into the ground horizontally.

Mr Alex Mills president of Texas Alliance of Energy Producers said that "When you have got something that costs that much money for each well, definitely it's making people think twice before they make the final decision to go ahead and drill. The deeper you go, the more drill pipe you need. Generally, as prices rise, people start going after the riskier stuff."

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