

CARRIZO SPRINGS - It's lunchtime at Lee's Steakhouse, and the restaurant has few empty seats.

At a nearby convenience store, there are long lines at the two registers, and there's a wait to fill up at the gas pumps. Roads are clogged as tankers barrel through to deliver equipment to remote oil rigs.

Welcome to a county that's at the heart of the Eagle Ford shale, which some have called the most promising oil play in the nation.

Just two year ago, no one would have suspected that Dimmit County, pegged by the U.S. census as the 19th-poorest county in the United States, would be at the heart of a boom. There were few wells being drilled in the region, and local businesses were begging for customers.

But drilling in the Eagle Ford, a 400-mile-long formation stretching from East Texas to Webb County, has touched off a hiring frenzy in South Texas that is generating thousands of jobs. Now, drilling is moving so swiftly that the scramble for workers has caught some short. Drug-testing companies don't have enough employees to administer tests. The Texas Railroad Commission, the industry regulator, has openings because oil and gas companies have hired away longtime veterans from its field offices.

Not all of the jobs are in the oil patch. Oil companies have quickly opened field offices to supervise drilling in San Antonio and nearby cities. A Canadian oil-services company is now the biggest employer in Cibolo, and oil field service companies are bidding top dollar for space in Pleasanton's once- moribund industrial park.

The job explosion is expected to continue.

Last year, the Eagle Ford shale generated 6,800 full-time jobs and paid \$311 million in salaries and benefits, according to a study completed in February by the University of Texas at San Antonio's Center for Community and Business Research.

When spinoff jobs are included — from wholesalers to waiters - the study found the development in the shale play supported 12,600 jobs and paid \$512 million in salaries.

Because development is just beginning, the UTSA study estimates that by 2020, 5,000 new wells will be drilled, and the Eagle Ford will support almost 68,000 full-time jobs, account for almost \$21.5 billion in total annual economic output, and add almost \$1.2 billion to Texas' revenues.

There's buzz that drilling in the Eagle Ford shale could continue for 20 or even 30 years.

"The only thing I can compare this to is the drilling boom in the 1940s and '50s," said South Texas educator Glynis Holm Strause, whose father was a tool pusher, or rig supervisor, during Texas' post-World War II boom. "But those years were nothing like this. This is exponentially larger. It's just so very big."

How big is it?

Some are predicting that development of the Eagle Ford shale will be another Spindletop for Texas.

Railroad Commissioner David Porter wrote in a recent opinion piece that development of the Eagle Ford shale "has the potential to be the single most significant economic development in our state's history."

"The extent of the oil play is quite large, more than 6 million acres of potential development," said Manuj Nikhanj, vice president of the Ross Smith Energy Group in Calgary, Alberta.

"You could eventually see 20,000 to 30,000 wells drilled in the play. You could have more than 10 billion barrels of oil through time. And the oil economics just keep getting better, so companies want to expand in this region."

Last year, permits in the Eagle Ford shale soared to 1,010, up from 94 permits in 2009, according to Railroad Commission data.

Oil extracted from the shale increased tenfold from 2009 to 2010 to more than 3 million barrels, and natural gas production jumped from 17 billion cubic feet to 79 billion cubic feet, the Railroad Commission said.

Add to that the untold millions that energy companies have paid to landowners for mineral rights, along with royalties from producing wells, and Eagle Ford development is transforming parts of South Texas that haven't seen job growth in decades.

"A lot of the employers are telling us that their operations are just starting, so we think the job orders are going to increase significantly," said Leodoro Martinez Jr., executive director of the Middle Rio Grande Development Council in Carrizo Springs.

The council, along with local organizations and educational institutions, has formed the Middle Rio Grande Workforce Consortium. The consortium plans to launch a nonprofit foundation that would match workers with jobs.

Workers in demand

Competition for experienced workers is so intense, a few companies are even willing to take on neophytes.

Dustin Tallant, U.S. recruiting supervisor for Sanjel (USA), said it expects to train about half the drivers it hires for its Cibolo center.

Entry-level floor hands on a Chesapeake Energy rig can make \$22 to \$25 an hour, and they can boost their pay to as much as \$80,000 a year if they work extra days, drilling superintendent Shane Wilkerson said. The tool pusher on the rig, an experienced hand who is in charge of the rig's crew, can earn from \$114,000 to as much as \$140,000 a year.

"They earn every single penny of it," Wilkerson said. "You get covered in drilling mud, and you work whether it's 105 degrees or freezing. There are lots of pressures and hazards, and sometimes you'll go three days with no sleep."

A motorman, who's one step up from a floor hand, can make \$24 to \$26 an hour, while a derrick man makes about \$28 an hour. Pay for the driller, who answers to the tool pusher, is almost \$30 an hour.

Most of the drilling jobs require work in remote areas, and employee work seven days on and seven off.

Truck drivers

Workforce experts say the workers most in demand are experienced truck drivers who hold a commercial driver's license, or CDL, and are certified to transport hazardous materials and who also are certified to drive commercial tank vehicles.

Average pay for drivers of heavy trucks and tractor-trailers averages \$16.30 an hour, while pay for more experienced drivers approaches \$20 an hour, said Strause, dean of institutional advancement at Coastal Bend College, a community college with locations in Alice, Beeville, Kingsville and Pleasanton.

"If you have a CDL, that's your ticket in," Strause said, because so many companies need drivers for hydraulic-fracturing trucks, saltwater disposal trucks, drilling-mud trucks, equipment trucks and "just anything that goes on a rig pad."

So many drivers are needed that "we've had drug-testing companies contact us because they need more qualified people to do drug tests to hire CDL drivers," said Eva Esquivel, communications manager for Workforce Solutions Alamo.

"There is a vast array of opportunities related to this, and it's not just field work," Esquivel added. Workforce Solutions Alamo is working with 22 employers in Atascosa, Frio, Medina, and Karnes counties that seek laborers, office clerks, inventory controllers, dispatchers and field-service technicians.

Field office field day

So many drilling companies and oil field services companies are opening offices in South Texas that "I'd be willing to say that there's not an empty building from George West to Three Rivers," Strause said.

Joan Dunlap, a spokeswoman for Houston-based Petrohawk Energy Corp., one of the largest operators in the Eagle Ford shale, said: "We landed down in South Texas early on, and it looked like a moonscape. Now, a year and a half into it, it's not just oil and gas jobs. People can make a living locally, and that's important."

Petrohawk has scores of open positions. The company is adding jobs in small towns, including Cuero and Tilden, that rarely see new positions added for skilled workers.

As drilling ramps up, other companies are moving into South Texas. Oil field services giant Halliburton Co. will hold a job fair June 7 in Floresville to hire about 100 employees for jobs in Alice, Laredo, Pleasanton and Caldwell, a spokeswoman said.

And Cisco-based Frac Tech Services, which engages in hydraulic fracturing and well stimulation services, invested in a 113-acre site in Pleasanton, where it has 350 employees and is looking to hire more.

Cities near the Eagle Ford shale are benefiting, too, as support jobs are added. San Antonio, as the biggest city near the Eagle Ford shale, is poised to become a mini-hub for energy, as companies open offices to supervise drilling to the south.

Chesapeake Energy and EOG Resources already have opened offices in San Antonio, while Sanjel has opened an office in Cibolo and is now the city's biggest employer.

Keith Phillips, senior economist at the San Antonio branch of the Federal Reserve Bank of Dallas, said while he's still working on his analysis, he believes San Antonio may add 4,200 jobs as a result of the shale development, and that the city's job growth may exceed that of Texas as a whole by half a percentage point.

"San Antonio is a pretty big economy," Phillips said, "But 4,200 jobs? That's a nice kick."

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