

Lewis Energy to tap S.A. labor pool to fuel South Texas expansion

Premium content from San Antonio Business Journal by Sanford Nowlin,

Reporter

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San Antonio-based **Lewis Energy Group**, led by wildcatter [Rod Lewis](#), is expanding both its staff and its South Texas campus as it drills in the Eagle Ford Shale and other nearby petroleum plays.

The company will add 350 employees in South Texas by yearend — 50 of them in the Alamo City. To keep up with its growing payroll, it's also spending \$30 million to expand its corporate campus in Encinal, two hours south of the Alamo City.

Late last year, Lewis Energy broadened its relationship with petroleum giant **BP**, which has held a 50 percent interest in 100,000 acres of the company's South Texas acreage since 2009. U.K.-based BP now has an average 42.5 percent stake in 300,000 additional Lewis Energy acres.

The new investment allowed Lewis Energy to shed virtually all of its debt, says Lewis, its CEO.

"We've been down here 30 years and we couldn't ask for a better partner," he says. "This expansion has helped people understand we're a long-term player. We're not just moving trailer houses in."

Lewis Energy will complete 50,000 square feet of new buildings on its Encinal campus by yearend, adding to 140,000 square feet it's constructed over the past 18 months. In addition to office, workshop and warehouse facilities, the project includes a fitness center and a cafeteria/meeting hall.

The 125-acre compound has expanded from a 5-acre property Lewis purchased in the 1990s during a pipeline project. Laredo-based Leyendecker Construction Inc. is general contractor for the planned project.

"It's basically a self-contained campus in the middle of nowhere," Lewis says. "There's nothing like it in South Texas."

The second phase of the development, slated for completion in 2013, will include 180 residential units, including four-plexes, duplexes and single-family homes for company workers.

Good citizen

Housing has been in short supply across the Eagle Ford as oilfield workers have flooded into the largely rural area. And Lewis says he would rather his staff, including managers, live close to the action.

"We feel like those guys need to be living down there, not commuting in from Houston, San Antonio, Dallas or whatever," he adds.

La Salle County Judge [Joel Rodriguez](#) says Lewis Energy's housing development is a positive step since area rental prices have doubled or tripled in Encinal and surrounding towns during the shale boom.

“It’s been difficult for the poor residents,” he says. “Landlords would prefer to rent to an oil company that’s willing to pay more.”

Although the Lewis Energy is a relatively quiet corporate citizen, it has enjoyed good relations with the community, Rodriguez adds. During a 2008 wildfire that ravaged 50,000 acres nearby, company crews delivered numerous shipments of water to fight the blaze.

“They brought in tanker after tanker, non-stop,” Rodriguez says. “Never sent us a bill.”

Lewis Energy is currently hiring both in Encinal and San Antonio, and Lewis adds that it will need both field and corporate staff as it grows.

The company currently has 200 job openings, ranging from geophysicists to truck drivers. Some of those positions are in San Antonio.

Lewis Energy drilled its first horizontal well in the booming Eagle Ford eight years ago, making industry giants such as **ConocoPhillips** comparative newcomers. Its acreage also extends beyond the Eagle Ford into the nearby gas-rich Escondido and Olmos formations.

Lewis wouldn’t reveal the privately held company’s revenues. However, Forbes’ annual billionaire list estimates his individual net worth at \$2.8 billion.

While development in the Eagle Ford has brought a rush of recent investment, Lewis says his company is in South Texas for the long haul.

Warm weather and a supply glut have forced down natural gas prices, but Lewis says the market for the area’s natural gas liquids remains strong.

Indeed, the current weakness in gas prices, Lewis adds, could lead some of his rivals to unload their acreage and pursue other opportunities. If that’s the case, the company is ready to pounce.

“We’re in a position to expand,” he says. “We’re working on some deals right now to expand our acreage.”