

Chief Oil and Gas wants to be part of community

By DAVID THOMPSON
dthompson@sun-gazette.com

When Dallas-based Chief Oil and Gas came to this area almost three years ago, it held a public meeting to get acquainted with area residents. The company promised it would be an asset for a long time and wanted to be a part of the community.

Looking back at that first meeting, Kristi Gittins, Chief vice president of communications, said the company "did what we said we were going to do."

"We set up shop and became part of the community," she said.

The company drilled the first Marcellus Shale well in Lycoming County in 2007, Gittins said. It opened a field office on Fairfield Road in July 2008.

Chief is a rarity among companies working in the Marcellus Shale region because it is privately owned, Gittins said.

"We're unique to the Marcellus Shale because it is so capital intensive," she said. "Only one or two (companies in the shale region) are privately owned."

The company was founded in 1994 by Trevor Rees-Jones, who was an attorney who worked with the gas industry in Texas.

Rees-Jones started with "just a handful" of gas wells in the Barnett Shale region of Texas, Gittins said. At the time, developing the gas resources in the Barnett Shale "wasn't a sure thing."

The company found success and gained valuable experience in devel-

oping gas resources in the Barnett Shale, she said.

In 2005, the company sold a majority of its acreage in the Barnett Shale. Rees-Jones wanted to use proceeds from the sale to seek and develop new opportunities, Gittins said.

That opportunity came in 2006 when the company bought its first package of leases in the Marcellus Shale, she said. The company now leases 560,000 acres in the Marcellus Shale, including 60,000 acres in Lycoming County.

The company initially drilled four test wells and liked the results of what those wells showed.

"We now have 16 wells drilled in Lycoming County, and nine of those are online and selling gas," Gittins said.

All told, the company has drilled 50 wells across nine Pennsylvania counties, she said.

The company maintains about 80 miles of pipeline in the county and has two connections to the Transco lines.

Gittins said the company's plans for 2010 in Lycoming County includes drilling 15 new wells. The company has five drilling rigs under contract and plans to have seven rigs under contract by this summer, she said.

About 30 people, most of them local hires, work at the company's field office in Montoursville.

Since the company has been doing business in the region, it has made a point to be a part of the community, not only by hiring locally but by con-

tributing to worthy organizations, Gittins said.

"In many places we operate, we make donations for education," she said. "We've set up scholarships just about every place we've been."

"Giving back is important, not just by writing a check but being involved personally," she said.

The company emphasis on giving back to the community starts with Rees-Jones.

"That's his personality," she said. "Being a community partner is a Chief trademark. It starts at the top and spreads through the company."

The company also wants people to know that it intends to develop the Marcellus Shale responsibly and in a way that impacts the area as little as possible.



DAVID THOMPSON/Sun-Gazette

Texas-based Chief Oil and Gas drilled the first Marcellus Shale well in Lycoming County. In the photo above, gas drilling bits displayed by the company during an open house at the company field office in Montoursville.



Texas-based Chief Oil and Gas drilled the first Marcellus Shale well in Lycoming County. In the left photo the company displays steel and cement casing used to protect groundwater from drilling fluids. The above photo is a compressor station built by the company.

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