

MARCELLUS SHALE:

Energy program develops a global reputation as it builds a local workforce

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NEW MILFORD, Pa. -- When Jim Cheek first came to work in the Marcellus Shale, his entire rig crew hailed from Texas, Louisiana and other states more commonly associated with oil and gas production than Pennsylvania, West Virginia and Ohio.

Cheek, a Mississippi resident and a company man for Cabot Oil & Gas Corp., travels roughly 1,000 miles each way to work his two-week "hitches" in Appalachia's natural gas fields. After 14 days, he returns home -- that is, if his wife will have him, he said.

These days, Cheek still makes the long trip up from the South, but an increasingly small percentage of his rig workers have similar commutes. A few years ago, all 12 members of his roughneck crew came from out of state, Cheek said. Now, about half are local.

For companies, the benefits of a local workforce are clear. For its Pennsylvania operations, Texas-based well completion services firm FTS International employs nearly all local laborers, which helps cut costs associated with housing and relocation, said spokeswoman Pam Percival.

"Local employees are already familiar with things such as the landscape, weather, working conditions, local community resources, etc., so there is not as much of an adjustment period," Percival wrote in an email. "Typically, local employees also have a commitment to the community and may have a network of extended family and friends."

Those networks can be invaluable for companies looking to reduce turnover, since employees tend to want to work close to home, she said.

That proximity is a plus for industry, too, said Marcellus Shale Coalition President Dave Spigelmyer. Laborers who live near their work sites tend to care about the long-term fates of those locations, which builds into industry a sense of environmental stewardship.

"We have a vested interest in making sure it gets done correctly," he said.

The shift toward local hiring is made possible in part by schools like Lackawanna College, an institution that runs a satellite oil and gas campus here ([EnergyWire](#), March 13, 2013). Since opening in 2008, Lackawanna's energy program -- two years with a summer internship sandwiched in between -- has been equipping area residents with the skills necessary to pursue work in the Marcellus. Each year, the school churns out about 60 graduates, and more than 90 percent typically find work in the shale fields.

It's a revolution for residents of a region that has been dominated by farming, quarrying and family-run business, said Lackawanna College President Mark Volk.

Before northeastern Pennsylvania's natural gas boom, "there were not many opportunities for kids -- even if they wanted to go to college -- to do something with it" close to home, he said.

'Five-star' job opportunities

Now Pennsylvania is teeming with career possibilities, especially for job seekers with the right education and training.

High school graduates can walk straight into an energy job and earn a \$35,000 salary -- previously unheard of for a job applicant of that skill level in the region, according to Volk -- but many more career options are available to students who have completed a course of study specific to the science of shale drilling.

"[I]f you don't have this basis, if you don't have the knowledge of the engineering and how things work and how pressure works, then there's really not a whole lot you can do," Volk said. "Your promotions are going to be capped at some point, where the higher your level of education -- at least your knowledge base of the industry -- the more opportunities open for you within the industry."

Pennsylvanians who enter the oil and gas business are finding success. In Susquehanna County, home to some of the Keystone State's most productive Marcellus wells, average weekly compensation has risen nearly 50 percent since 2008, according to Bureau of Labor Statistics data. In comparison, Wayne County, located directly to the east, saw a wage increase of just 12 percent.

Entry-level pay for Lackawanna graduates approaches \$50,000 annually, plus overtime, said Rick Marquardt, executive director of the Lackawanna College School of Petroleum & Natural Gas.

"And the benefits are all five-star because you're talking about Shell and Exxon and Chesapeake and Williams Energy" as employers, he added.

Like championship banners in a high school auditorium, the logos of those and other leading Marcellus operators decorate the walls of one Lackawanna classroom. The placards denote which area employers have contributed to the college and serve as a reminder to students of which firms will be lining up to hire them after graduation.

Industry demand for Lackawanna students is one of the college's top indicators that it is doing things right, Marquardt said.

"We always measure ourselves based on the major [exploration and production firms] and your top five-star companies," he said. "They come back every year and rehire. If they stop showing up, then that's a signal that we have a problem."

Student retention

Sometimes companies are a little too eager to hire away students, said Lackawanna student internship coordinator and projects manager Betty Seelenbrandt.

"I'm telling you," she said. "If I could attach ankle chains to all of them to drag them back to campus after the internship. I'm a real mama bear when it comes to that. Finish school."

Many of the energy executives who work closely with Lackawanna understand the value of completing a degree, Seelenbrandt said, but some service firms that work alongside the major operators are more willing to lure away students before graduation day.

"It happens more often than not," Seelenbrandt said. "But that's the business side of the industry, and a lot of the service companies are struggling to find a workforce. ... Last month, a phone call from Houston, Texas: 'When can we come and interview your students?'"

Lackawanna began attracting nationwide attention following a \$2.5 million donation from Cabot in April. It is the college's largest corporate investment and Cabot's largest gift to a single entity to date.

"I think the question was, 'Why is Cabot so interested in them?'" Seelenbrandt said. "And they took a closer look, and they went, 'You're teaching that? And that? And that? And that?' Yes, we are. Yes. And, yes, that's our field lab. And, yeah, there's our compressor. And here are all our different components.

"But we're teaching them theory, too. We're also teaching them the why. Not just the how, but the why."

Welcoming women

Lackawanna's female students are in especially high demand, and the college hopes to serve as a resource for companies seeking to extend their demographic reach.

By Volk's estimation, the college's oil and gas campus is about 10 to 15 percent women. To cater to that growing population, the school recently started a women's support group that allows female students to confidentially discuss their concerns about entering a male-dominated industry.

Seelenbrandt said the women she's talked to have not encountered any problems in the field, but students who have yet to enter the workforce want to discuss their worries.

"Some of the concerns are probably the inappropriateness that can be the attitude toward women," Seelenbrandt said. "Accepting them on the job sites. Harrassment of different kinds. Some of the things we talk about is the fact that they do get separate facilities. They do get separate changing rooms if that's necessary. They do get a separate porta-potty. That those things are made available to them and that the companies do bend over backwards to make them comfortable on the job site. It seems silly that talking about porta-potties can be such a big initial conversation, but with women, it is a big deal."

For many members of Lackawanna's female population, showing that they stack up against their male co-workers is an exciting challenge. Shelly Alexander, 40, a first-year measurements student at the school, said she likes to flaunt her femininity with a pink hard hat and pink-embroidered coveralls.

"I'm going to do what the men do, and I'm going to do it better," she said.

Alexander used to be a full-time nanny. It was a great job, she said, but it offered no benefits or insurance. Last year, she met a Lackawanna student and had what she calls a "light-bulb moment." Alexander had always been a good student and enjoyed the sciences, and oil and gas was a more promising field than nutrition, a career she was considering pursuing but had held off due to concerns about school debt and low salary expectations.

Energy work "just seems like the smartest move," Alexander said.

International connections

Though Lackawanna is starting to welcome more women, the college still has little racial diversity. That is primarily because of Lackawanna's status as a community-based school in a region with a predominantly white population.

But Lackawanna's programs are starting to draw an audience abroad. Administrators are beginning to field calls from eastern Europe, Azerbaijan, northern Africa and Kyrgyzstan, Volk said.

The college is currently working on a plan to build dorms up the road from its New Milford campus. The three buildings would supply the school with 150 beds for students traveling from afar.

International contacts could also open up new opportunities for local students who want to work in other countries -- or even just a different part of the United States.

Take Kevin Cavanaugh, for example. The 22-year-old second-year Lackawanna student always thought he would work in his family's garage, but as he grew, oil and gas emerged as a more dominant industry with a brighter future, higher salaries and greater mobility, he said.

After he graduates, he could go anywhere.

But he'd like to stay here.

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