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Are Marcellus Shale jobs 'booming'?



Lawrence Pierce

Charleston accounting firm Woomer, Nistendirk & Associates PLLC, a partnership created 17 years ago by Stephen Woomer, left, and Robert Nistendirk, right, recently hired Danny Simms, an oil and gas industry expert, center, to cater to the increasing interest from natural gas-interested clients.

By [Megan Workman](#)

CHARLESTON, W.Va. -- Danny Simms, a self-proclaimed oil and gas industry expert, recently joined a larger Charleston accounting firm because he said it's time for him to "share the fun" of the industry.

For nearly 30 years, Simms' accounting firm offered assistance in the oil and gas industry, among other services, but the small firm sometimes struggled. Simms only had about five people working at one time, which prevented the firm from handling "big jobs" and growing, he said.

That changed when he joined Woomer, Nistendirk & Associates PLLC, an accounting firm started by Robert Nistendirk and Stephen Woomer 17 years ago. The firm on Capitol Street offers legal, medical, retail, manufacturers, nonprofit, and many other accounting services.

Joining the firm, Simms said, "has offered me something I've been having to fight for years which is staff size. There's a lot of opportunity for us in the oil and gas industry ... we're increasing the capabilities of our firm."

The "strategic partnership" at the accounting firm, Nistendirk said, is a response to the natural gas reserves in the Marcellus Shale formation that extends throughout most of West Virginia in addition to Pennsylvania, Ohio, New York and other eastern states.

Before Simms joined the firm, Nistendirk said he would occasionally ask him questions about the oil and gas industry. Now that Simms is a part of the larger firm, accountants there can refer their

clients directly to Simms.

Nistendirk believes the partnership puts the firm "one step ahead of the explosion," Nistendirk said.

"It's going to be explosive for every other business in the Appalachian [region]," Nistendirk said.

"What this Marcellus is doing ... it makes the businesses associated with it huge compared in the past," Simms said.

Service providers such as lawyers and accountants are beginning to see more work because of the increasing importance of natural gas in the state, according to Steve Roberts, president of the West Virginia Chamber of Commerce.

With so much land being bought and sold because of the Marcellus Shale locations, these kinds of professions are seeing an influx in business, Roberts said.

"It's certainly being felt in the legal community — surveyors are busy, land engineers are busy, law firms and accounting firms are busy. It's just beginning to work its way into having a ripple effect that goes as far as professional firms," Roberts said.

That ripple effect includes restaurants, gas stations and hotels that surround areas where Marcellus Shale drillings are occurring, he said.

"The trickle down is significant particularly to smaller retailers, those who provide things for people who are moving around the state and they would buy," Roberts said.

In 2008, more than 2,200 jobs, through direct, indirect and induced economic activity, were created because of Marcellus Shale drillings in the state, according to a report by the National Energy Technology Laboratory, part of the U.S. Department of Energy's national laboratory system.

Direct impacts are the initial, immediate economic activities (jobs and income) generated by Marcellus Shale drillings. Indirect impacts are the production, employment and income changes occurring in other businesses and industries in the community that supply inputs to the project industry.

Finally, induced impacts are the effects of spending by the households in the local economy as the result of direct and indirect effects from an economic activity. The induced effects arise when employees spend their new income in the community, according to the NETL report.

By 2020, the report projects West Virginia to have an additional 17,000 jobs. But those numbers may be outdated. Last week, federal analysts slashed their estimate of Marcellus Shale from 410 trillion cubic feet of natural gas to 141 trillion cubic feet, citing better information that emerges as drilling operations in the region continue.

Charleston Area Alliance CEO Matthew Ballard agrees with Roberts that restaurants and hotels near Marcellus drilling sites will benefit. Other businesses, including geologists who estimate the distance of the Marcellus and the Petra Chemical Company, are among the many who will be positively affected because of these drillings, Ballard said.

"This is a huge boom for West Virginia. You can already see the impacts throughout the state. Not just the exploration and extraction of the gas but other people benefit as well," Ballard said.

Ted Boettner, executive director of the West Virginia Center on Budget & Policy, said how much the Mountain State benefits from the drillings depends on how well the state prepares for the future.

Without a doubt, law firms are going to do really well with the Marcellus boom, Boettner said, but the boom is by no means something new. The investment of Marcellus has been happening for about four years, he said. In that time, companies that are drilling the wells have been doing as much as they can before it is actually regulated, he said. Thinking ahead is key.

"It all depends on how well we avoid a race to the bottom -- regulation quality of life, adequate taxation, creating a permanent trust fund similar to others in natural resource states -- and how well we benefit from the Marcellus Shale development," Boettner said.

"How we benefit depends on how well we prepare for the future, how well we use this great source of strategic wealth to diversify our economy to enhance higher education and to grow downstream businesses. We do not want to repeat the past [like what happened] with coal. We want to ensure that this booms benefits everybody."

Just about everyone involved in the processing facilities, pipeline companies and construction of Marcellus Shale drilling sites are benefiting, but the issue is where those employers are coming from, said Steve White, director of the Affiliated Construction Trades Foundation. While hotels and campgrounds are full, many of them are not from West Virginia, he said.

Local workers "are willing and able and needing the work all over the state. Frankly it's upsetting to see these job opportunities go to folks from other parts of the country," White said. "Many local businesses are frustrated at being unable to get those bidding opportunities in their own backyard. I represent 20,000 workers, many of them who have the skills that they need.

"While there are some great activity and positives about the potential [of Marcellus drillings], I don't think West Virginia is getting the full opportunities that they could and need."

Reach Megan Workman at megan.work...@wvgazette.com or 304-348-5113.

8 Comments

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Posted By: Leroy Lipship

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Oh Yeah....Here come the Legal Beagles! The Politicians are promising the hottest thing since the California Gold Rush! Crazy things happen when it's an election year! Can the WV Good Ol Boy Network compete with the guys from the progressive states of Ohio and Pennsylvania? WV is always at or near last in every good national Poll..Thanks Mississippi! Where will they actually rank with the Big Boys?

Posted at: January 29, 2012 6:21:40 am

Posted By: jkotcon

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These "indirect and induced" jobs depend directly on how many local workers get hired, and we should be checking the assumptions behind these numbers. The majority of the so-called jobs being claimed are the "indirect and induced". But a motel parking lot full of temporary workers with out-of-state license plates working for fly-by-night drillers does not produce as many local jobs as an established business that hires local workers. Yet the gas industry still uses "indirect and induced" job estimates based on those incorrect assumptions, and the politicians and news reporters keep falling for it.

Posted at: January 29, 2012 7:16:52 am

Posted By: DJ88

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Just another in a long line of empty promises from politicians and the gas industry carnival barkers, which many times in this state are one-in-the-same. Come and get 'em folks!!! Jobs, jobs, jobs! But where are they? How can you include service jobs like fast-food clerks, waitresses, or convenient-store clerks who MIGHT sell a Slurpee to someone who knows someone who knows someone who works for a gas company? That's like claiming the unemployment rate is down because we no longer include those who have given up on finding work! Once again, vulture capitalism heads its ugly rear--money, influence, and economic power for a few, crumbs for the lower and middle class. These "job creators" have mislabeled the process--it's not "trickle down", it's "trickle on". Barnum would love this.

Posted at: January 29, 2012 7:54:10 am

Posted By: SupaFly

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Yes the shale jobs probably are "booming" but the question is, will it boom for WV? The answer is no. Just like the coal industry, out of state interests will swoop in, steal our gas, make billions of dollars, destroy the entire area, then jettison back out of state with all the money, leaving WV in worse shape than when they first started drilling. There's your "boom"

Coal in the south, gas in the north, poverty all around. WV's new slogan.

Posted at: January 29, 2012 9:03:35 am

Posted By: wizard1174

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I work in the Marcellus gas fields and 99.9% of the time I am the only native West Virginian on the job.

Posted at: January 29, 2012 10:12:25 am