



Career change made as oil prices drop

By Ralph Schaefer TB&LN correspondent

Wednesday, September 30, 2015

Terry D. Ragsdale knew he had to make a career change in the 1980s as energy prices plummeted. It didn't look like the industry could or would rebound. Nor did he think that after the recent high prices that he would see a similar decline experienced three decades ago.

He traded his petroleum engineering career for one in law, earning his Juris Doctorate from Southern Methodist University in 1992. Ragsdale joined the GableGotwals law firm's Tulsa energy law section that year and some colleagues describe him today as the firm's "go-to guy" in oil and gas law.

"I worked for Amerada Hess for five years, from 1984 to 1989, after earning my petroleum engineering degree from the University of Tulsa," he said. "During that time I saw oil prices drop from a high of \$32 to \$24 per barrel of oil. Prices declined further, to \$8 per barrel after I entered law school." Ragsdale, a shareholder at GableGotwals, admits he was wrong in his prediction that the energy industry wouldn't rebound.

GableGotwals drew on Ragsdale's petroleum background to further enhance the firm's energy law practice.

Twenty three years later Ragsdale admits he guessed wrong in the 1980s when it appeared the U.S. industry would crater and be a fragment of its former self. People were saying the nation's oil reserves were nearly depleted.

Companies were downsizing and scrapping projects.

Higher energy prices in the 1990s reversed the oil companies downward slide. Oil prices increased, hitting \$100 per barrel and higher, and domestic exploration started anew.

“Ancient” (60-year-old) fracking technology made it possible to tap previously unknown reserves. Ancient in this instance, goes back to a Kansas well site in the 1940s when the first well was tracked. It has been used at various locations since that time and more extensively in horizontally drilled wells because of technological improvements.

Fracking technology is safe, he said, but oil companies are being challenged to educate the public about its use. With few exceptions, in perhaps less than two percent of the wells drilled, there is no impact outside the immediate well site.

Micro-seismic incidents are getting the attention and concern of the public, Ragsdale continued. At one time it was thought the hydraulic fracking was the cause. Now the focus is on deep disposal injection wells.

“I use the micro-seismic term rather than earthquake because I associate those in California, not Oklahoma,” he said.

Ragsdale represents clients in court and has a great respect for jurors, citizens who step away from their jobs to hear a case and make a decision, either for the plaintiff or defendant.

Information is technical and judges allow both sides to present expert testimony so the jury can make an informed decision to the best of their ability, he said. Sometimes the cases are presented before the Oklahoma Corporation Commission. He says they have an excellent technical staff that understands the issues and related testimony.

Ragsdale does not downplay the tremors in Oklahoma and says the state’s energy industry has stepped up to work with the Oklahoma Corporation Commission, providing tightly guarded geological data that indicated where faults might exist if the disposal wells were placed in that area. This data is expensive to collect and used to determine where future oil and gas exploration might occur.

The Oklahoma Geological Survey also is involved in the study as a new geological map is prepared.

Dana Murphy, a corporation commission member, is leading the effort to get accurate data prepared. The industry has a website where people can learn about any chemicals used in the well fracking work. They also are directed to the Material Safety Data Sheets (MSDS) that outline any dangers these chemicals might have on the area or environment. Water makes up about 98 percent of what is injected into the well.

Despite the downturn that is beginning to duplicate the 1980s crash, the industry is hopeful that it won't last as long, Ragsdale said. Companies are doing as much as possible to keep the qualified, highly skilled people employed. Previous experience has shown that once these people are gone, they won't get them back.

Corporations are made up of people that are coworkers, friends and neighbors, he said. Higher oil prices is good for the people, the community and the state.

Ragsdale studies the various state energy laws so he can properly advise clients and be current on the regulations when speaking at symposiums. "I do as much homework as I can to understand energy laws in Oklahoma, Texas, Kansas, Pennsylvania and other areas where there is oil and gas activity," he said.

Oklahoma has a very collegial bar association and it is possible to visit with other energy lawyers about cases and decisions that have been rendered. That free flow of information is useful and might be applied to future cases. Some attorneys involved in the discussions are those who are or were former opponents in cases.

But all attorneys are very careful not to divulge anything about the litigation they are working on.

Ragsdale is excited about his role and service to the energy industry. "Every day is challenging and I can't wait to get to work," he said. "My work as a petroleum engineer was interesting, but I found that after five years in the industry, I was doing the same thing over and over again. "Legal work is exciting and something new is happening almost every day." Ragsdale, like those in the energy industry, doesn't know when oil prices might turn around, but he will be happy to be with it when it does.