

Flying Wildcatter: South Texas risk-taker builds successful energy company from scratch

By **TRICIA CORTEZ**
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Editor's note: This is the first of a two-part profile of wildcatter Rodney R. "Rod" Lewis, who started as a gauger, overseeing the maintenance and production of natural gas wells. He's now an international player in the energy industry.

ENCINAL — In the modern-day world of South Texas wildcatting, perhaps one of the most well-known figures — at least among those familiar with the complex, competitive and guarded world of natural gas exploration — is Rodney R. "Rod" Lewis.

His is an amazing story of a gambling risk-taker who started from scratch and became the 800-pound gorilla in an area once regarded as no man's land — successfully drilling into the largely ignored natural gas fields of northern Webb County, and La Salle and Dimmit counties.

Lewis, 52, is a private individual whose philanthropy is anonymous and prefers to shun media attention and inquiries.

"I don't like competition," said Lewis, giving his reason for staying low-key.

The president and managing director of Lewis Energy Group has spent nearly 25 years finding deposits of sweet gas in shallow formations and sour gas in deeper formations. The sour gas is much harder to extract.

His company has mastered the art of horizontal and multilateral drilling in the Olmos, Edwards, Wilcox and Escondido formations, and in the last three years, has expanded into Latin America.

Lewis is now drilling natural gas for Pemex on the Texas-Mexico border, and he also has drills at work in Colombia for his Bogotá-based oil and gas company.

Family roots

Based in San Antonio for the last 12 years, Lewis' family roots lie in Laredo and Encinal.

His father, Duane, was a pilot from Iowa. He served in Korea during the Vietnam era, and was stationed at the former Laredo Air Force Base when he met Marceline Sanchez, who would become his wife.

Duane and Marceline Lewis now live in Encinal — where Sanchez's family dates back to Spanish land-grant days. The two have four children: Rod and his three younger sisters.

Like his father, Rod Lewis is an aviation fanatic. He has collected about 15 restored World War II airplanes — his "warbirds" — all of which he flies.

“Some people golf; I fly,” he said in a recent interview at his Encinal ranch.

Lewis is relatively quiet and soft-spoken, with an easy manner and a disarming smile.

He opts for the casual shirt-and-jeans look. However, underneath, he is driven and a bona fide workaholic with days that start at 4:30 a.m. and end at midnight.

He is constantly on his Blackberry or his computer, reviewing production reports, gas well logs, company financials, bank statements and legal documents. When he’s not online, he’s flying one of his helicopters or airplanes to various meetings and work sites.

With his grueling schedule, Lewis isn’t the typical energy company president.

Atypical president

Lewis is a “field” guy who takes a hands-on approach to his business.

For decades, he gauged his own wells, and lived weeks and even months at a time in a work trailer at drilling sites. He still helps out crews on occasion at various sites.

“I like working,” Lewis said. “It’s not work to me when you enjoy what you are doing. I like building things and always have a project going.” Lewis said he still learns something new every day.

As for the major successes he has achieved drilling — production is currently at 65 million cubic feet a day — and finding ways to get “stranded gas” to market by laying down hundreds of miles of pipeline in a network called Cerrito Gathering that he would later sell for \$325 million — Lewis credits luck and hard work.

“I was at the right place at the right time. But, again, you have to have perseverance, dedication and focus,” he said. “You have to keep your eyes and ears open in this business, and pay attention to the technological changes.”

Curve ball

Three years ago, however, life threw Lewis a dramatic curve ball.

He was diagnosed with advanced throat cancer, and for nearly six months was forced to step away from his company and live with a feeding tube in his throat.

Unsure whether he would live or die, Lewis went back to Encinal and let his body heal at the ranch.

“It was a life-changing event, and you find out that you aren’t going to live forever,” Lewis said, sipping regularly from bottles of water to compensate for the loss of his salivary glands that were destroyed by heavy doses of radiation.

“I thought I would slow down because stress is a big trigger for cancer, and I’m always under a huge amount of stress,” he said.

“I thought I’d kick back and hang out at the house, but then I started to go to the office a couple of hours a day, then three, then five, then eight, then 10,” he said with a smile.

Now cancer-free, he has regained the reins of his company and is taking it through a renewal process — rearranging management, taking a new focus with projects and trimming his staff from 500 to 350.

The early years

Born in St. Louis on July 13, 1954, Lewis spent his childhood in Laredo.

His family moved a dozen times, following Duane’s military postings. But Lewis spent summers at his mother’s family ranch in Encinal, and returned to Laredo for his senior year. He graduated from United High School in 1972.

Four years later, he earned a bachelor’s degree in criminal justice from Texas A&I University in Laredo, eager to pursue a career with the FBI.

Denied entry into the agency because of his eyesight, Lewis took a job with the Webb County District Attorney’s office, then headed by Charles Borchers.

After a nine-month internship, as required by his college program, Lewis left law enforcement and began working on the family ranch, earning \$300 a month.

“That was all I had,” he said.

In 1978, he married Kim Spicer of Houston, who was rooming with his cousin at Southwest Texas State University in San Marcos. He had guided the two women on an outing to Nuevo Laredo and after a six-month courtship, Rod and Kim were married.

The two moved into a trailer home on the ranch and couldn’t afford heat or air-conditioning. He knew he needed a better job.

“We had some pretty lean times,” Lewis said.

He took a job as a gauger with Stampede Energy, driving around and checking their wells.

“I didn’t even know what a gas well was,” he said.

By the time he was laid off from a second company, R.L. Burns, in 1981, Lewis decided to become a contract gauger and went from earning \$1,500 a month to \$10,000 a month.

Kim, who was studying how to integrate gas charts, would help her husband get his company off the ground.

She ran the accounting side of the firm until the mid-1990s, when she left after giving birth to their youngest child. They have three grown daughters and one teenage son.

Lewis, meanwhile, began looking for opportunities to have his own gas wells. And in 1982, one finally

opened up: the Williams and Williams 1A behind the Callaghan Ranch.

Coming Monday: The making of a successful energy company.

(Tricia Cortez may be reached at 728-2568 or by e-mail at tricia@lmtonline.com.)

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