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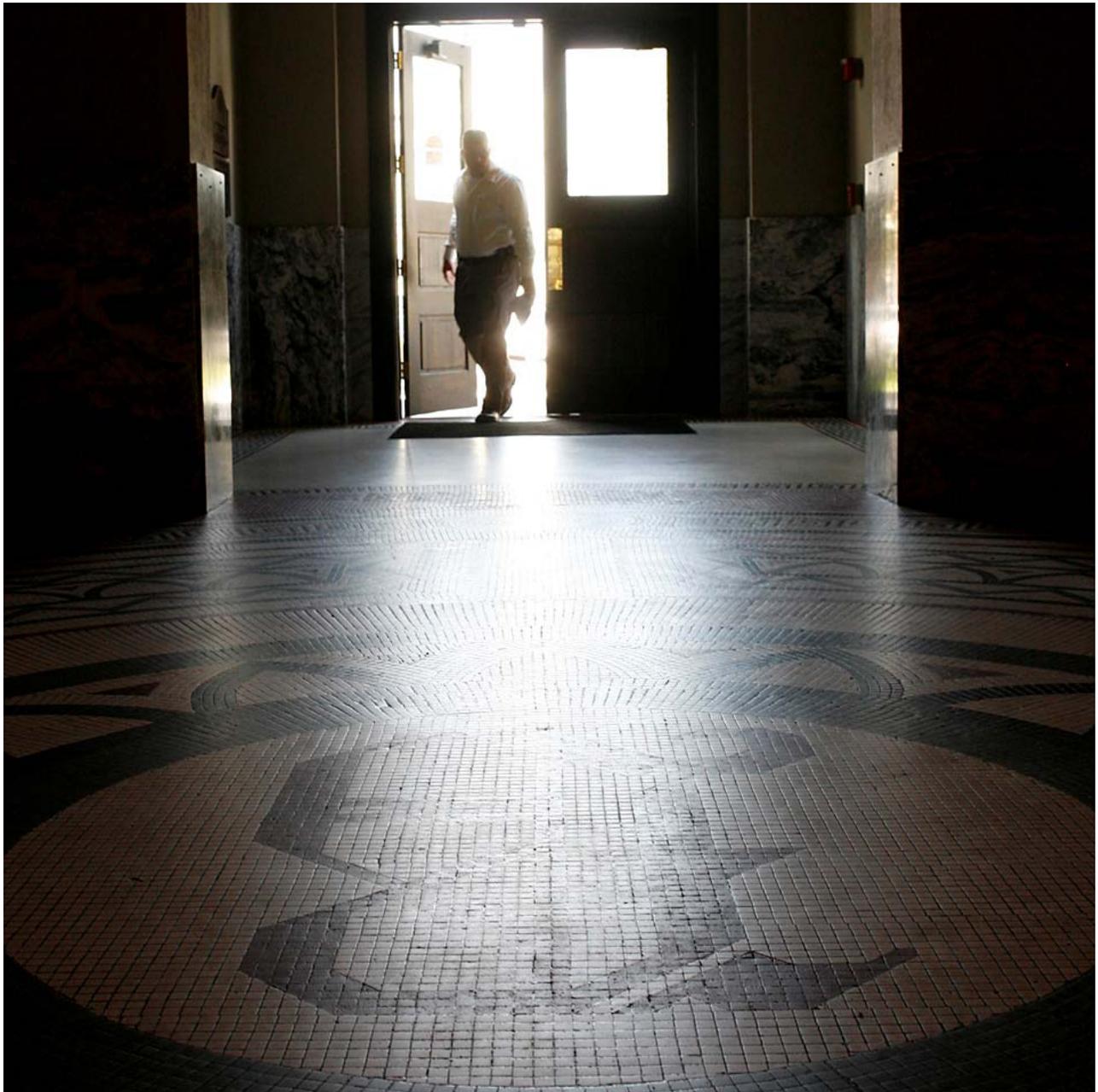
Drop in Natural-Gas Prices Deflates South Texas

By Taylor Umlauf

Last year, oil and gas companies flocked to Beeville, Texas, to seek out energy reserves. But as natural-gas prices have plunged and energy companies have pulled back on drilling, life here has gotten tougher. ([See related article.](#))



A sign on State Highway 59 indicates the Beeville city limit in South Texas. Oil and gas companies who came to check out energy reserves last year gave the local economy a boost, starting with landowners who saw fatter royalty checks and industry workers who found themselves in strong demand. (Eli Meir Kaplan for The Wall Street Journal)



That boost spread through companies that provide services to the industry and the restaurants and stores where the additional money was spent. Above, Chris Bernal entered the the Bee County courthouse Wednesday. The letter B is laid out in the entry hall's tile floor. (Eli Meir Kaplan for The Wall Street Journal)



The county clerk's office was abuzz last year as natural-gas prospectors pored over property records, searching for the next place to sink a well. Above, rows of deed records line the walls of the clerk's office vault. (Eli Meir Kaplan for The Wall Street Journal)



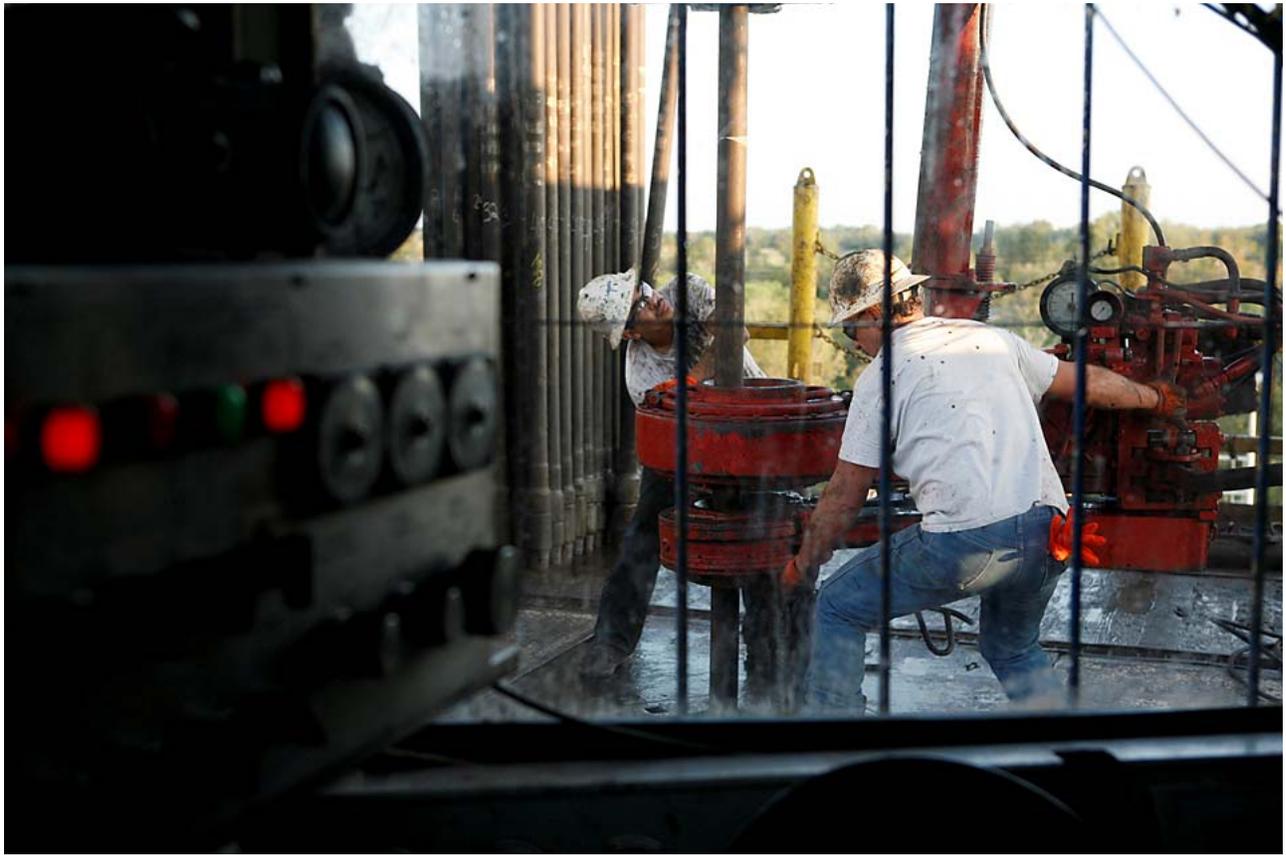
Joe Martin, owner of ABC Lock and Keys, recently repaired the door to the clerk's office vault, which holds deeds and records. (Eli Meir Kaplan for The Wall Street Journal)



Things are much quieter in the domed courthouse now. Gas prices have dropped 65% from their high in July 2008. Above, the clerk's office. (Eli Meir Kaplan for The Wall Street Journal)



While some natural gas drilling continues in South Texas, producers have throttled back on activity as natural gas prices plunged over the last year. Above, Derrick Chaz Rosello, standing at the top of a natural gas rig in Karnes County, prepared to lower rope to his coworkers on Wednesday. The company that manages the rig has an office in Beeville. (Eli Meir Kaplan for The Wall Street Journal)



The number of gas rigs drilling in the U.S. has fallen by more than half in the last year. Floorhand George Valdez, above left, and assistant driller David Alex ran pipe into the well. (Eli Meir Kaplan for The Wall Street Journal)



Syd Hall, president of Rio Entertainment, said fewer people are attending the \$5 evening shows at his six-screen movie theater in Beeville and instead are opting for the lower-price matinees. (Eli Meir Kaplan for The Wall Street Journal)



Mr. Hall posed for a portrait in the seats of Rio 6 Cinemas Wednesday. (Eli Meir Kaplan for The Wall Street Journal)



Joe Henry Alaniz, co-owner of both a Chevrolet dealership and an auto garage in Beeville, said customers have become reluctant to put money into their cars. "It trickles down and everybody gets hurt," said Mr. Alaniz. (Eli Meir Kaplan for The Wall Street Journal)



Mark Perez, a tire technician at Alaniz Perez Garage, filled a tire Wednesday. (Eli Meir Kaplan for The Wall Street Journal)



Bee County, which is more than half Hispanic and has a per-capita income of \$12,000 a year, compared with about \$26,000 nationally, relies

heavily but not solely on oil and gas drilling. Ranching is also a big business here, and dove hunters bring a seasonal boost. A statue of Lady Justice stands on top of the Bee County courthouse. (Eli Meir Kaplan for The Wall Street Journal)



Some Beeville natives, however, refuse to believe the decline here is permanent. Over the years, "people have called for the death of the oil and gas business in South Texas," said Raymond Welder, president of San Antonio-based Welder Exploration & Production Inc. "But it keeps coming back." (Eli Meir Kaplan for The Wall Street Journal)

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