



Message from the President

Chris McGown

McGown Drilling, Inc.

“What happened to the oilfield?!?” he asked incredulously, harkening back to shallow Eastern Kansas rigs running 24 hour tours and Coors beer unavailable east of the Mississippi.

My customer was upset that he had to wait for his job, but with the current labor market we are catching as many jobs as we can with the people we have, we can't waive a magic wand and be everywhere at once. Industries throughout the economy are facing labor shortages, but the oilfield seems to be having a particularly rough time recruiting quality employees.

It might have been a rhetorical question, but our customer wasn't wrong, our industry is different than 10-20-30 years ago, maybe for the better, maybe not, but definitely different. Change is inevitable and certainly knocking on our door. How we respond to those changes will determine our future success.

Personally, I'm glad we're not running rigs all night – it was never fun to answer the landline phone at 03:00 AM, you knew the driller wasn't calling with good news. But I'm also not sure I could staff a rig 24-hour a day if I wanted to, see above. I'm glad we've embraced technology to make some processes simpler. I'm thankful for PDC bit technology. I like nicer trucks and more functional compact construction equipment. I don't like Zoom meetings, vape pens, hyper-politicized everything, 24-hour news cycles, and the lack of societal pressure to have a meaningful job. None of these conveniences or annoyances existed a generation ago – then the oilfield was tooth bits, CB radios, Rand McNally maps, paper log book(s), and a steady supply of potential labor from your local bar.

Many of our day-to-day processes are changing and I'm rethinking how we do things all the time. I'm trying to be as creative as I can to recruit new employees – McDonald's is offering a free iPhone after 6 months of employment, maybe I should consider offering lift kits or tires and rims for trucks?!?

The same goes for our EKOGA operations, we found a great partner in Fuel True to manage us and we will be extending our contract with them to continue our relationship. We are getting steady pressure from the KCC for changes to our members' operations – we are working to mitigate the labor and financial burdens of some of these potential changes. EKOGA is also offering a potential unique solution for the ever vexing problem of health insurance. As more and more problems and potential changes continue to surface, EKOGA will continue to work on behalf of our membership to represent their interests and be the voice of the small independent producer and service provider.

“Those who will not face improvements because they are changes will face changes that are not improvements.” – Charlie Munger. Best of luck to everyone as you navigate this unique business environment.

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