

# Atlas Energy launches \$3 million expansion of Fayette facility

By: JAMES PLETCHER JR. Herald Standard

One local natural gas exploration company has broadened 10-fold in the past several years and is continuing its growth with a \$3 million expansion.

Atlas Energy this month began construction on a 30,000 -square-foot addition to its office in the Fayette Business Park in Smithfield. The addition will include approximately 100 new office spaces, in addition to several large group-meeting rooms.

The additional office space will accommodate many of the new employees that Atlas has hired over the past several years. In 2010, Atlas hired almost 70 new employees in Fayette County alone, "which is a big reason why we needed to expand our office," Jeff Kupfer, Atlas senior vice president, said.

The additional office space is expected to be completed in June.

"We are physically expanding because of our hiring. Since we moved into the Fayette facility we have dramatically expanded our operation in the area. And we have expanded the workforce by a significant amount," Kupfer said.

"When Atlas Energy first opened an office in Fayette County seven years ago, we had less than 25 people working in a small building on the outskirts of Uniontown," said Bob Hirtz, general manager of construction for Atlas Energy. "Today, we have nearly 250 people working in our office in the Fayette Business Park, many of whom are natives of western Pennsylvania and continue to play an important role in the local community."

"We're going to be working in a construction zone for the next few months!" joked Letha Kennison, office manager of Atlas Energy. "But even though it's a little noisy right now, it will all be worth it when we move into our new office space."

Kupfer added Atlas Energy also "is pleased with the relationship we have with Fayette County and Fay-Penn (Economic Development Council)."

"Obviously, this expansion is good news. They actually started talks with us before Chevron took over," said Barry Seneri, Fay-Penn Economic Development Council economic development manager.

Chevron announced in November it is buying Atlas for \$4.3 billion.

"Marcellus gas activities are picking up in the region. We are really happy to have Atlas be the initial company that saw the value of gas exploration here and located in the business park," Seneri said.

"Since then, we have four new businesses that have opened relative to Marcellus shale and we are talking to others," Seneri added.

"When other businesses find out Atlas has its regional headquarters located in our business park, it becomes part of their decision making," Seneri said.

"From our perspective, Atlas has done so much environmentally and have followed the rules of the industry, and lived up to be a responsible exploration company. The other thing with Atlas is they are hiring a lot of local people and they are using a lot of local businesses and suppliers," Seneri said.

Although he couldn't offer a dollar amount on the impact Atlas has had so far in the county, Seneri said that judging by how many jobs and how much money employees spend here, "I would put it at a substantial amount."

Seneri recalled how Atlas spent \$2.3 million on its first facility at the business park and now is spending another \$3 million to expand it.

Some of the expansion, he added, will be built on land Atlas currently uses for outside storage. "They have been talking to us about acquiring some additional acreage," Seneri said.

Fay-Penn, Seneri said, has leased more than 1,000 acres with Atlas for gas rights. "That has been a lifesaver for Fay-Penn during this tough economic situation. The bonus and royalty payments are helping us survive. That's true of many of the landowners that have gone into

leases with Atlas," Seneri said.

Atlas also is community-minded, Seneri added. "They have partnered with the Community Foundation of Fayette County (CFFC) with the Atlas Energy Fund that is supporting workforce development and education."

Atlas Energy Inc. earlier this year presented the CFFC with a \$50,000 donation to create the Atlas Energy Fund and \$5,000 for general grant making.

"We have always been a contributor to Fayette County, averaging about \$35,000 a year," Rich Weber, Atlas Energy Inc. president, said. "But we wanted to partner with someone so we could prioritize our giving in the community," he added.

Atlas Energy's office in the business park in Georges Township near Smithfield is located at the heart of its operations in the Marcellus shale. The company's core operating area consists of Fayette, Greene, Washington and Westmoreland counties.

"Our office in Fayette County is home to employees working in land, construction, permitting, HES, security, inventory, administration and production," a company spokesman said.

Atlas Energy is headquartered in Moon Township, PA and has operated in Pennsylvania for more than 40 years. Atlas also has operations in Ohio, West Virginia, New York, Michigan, Indiana, and Tennessee.

Company-wide, Atlas Energy has hired more than 210 new employees in 2010. Approximately 190 of these employees are based in Pennsylvania. More than 80 percent of the new employees are natives of Pennsylvania.

For every Atlas employee, the company estimates that four to five jobs are created through its contractors.

Company-wide, Atlas Energy employs more than 725 people, and the company expects to hire several hundred more employees in the next few years. The company expects to employ more than 1,000 people by 2015.

Atlas plans to drill nearly 40 wells in Fayette County in 2011, which represents approximately one-third of the total horizontal wells planned for 2011. "We have plans to drill several hundred additional wells across our acreage position in the county in the years ahead," the spokesman said.

Atlas Energy is the largest leaseholder in Fayette County with approximately 130,000 acres under lease.

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