

Preseason opener a chance to scrutinize



QBs Watson, Savage  
SPORTS

# HOUSTON CHRONICLE

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Storms: High 89, Low 76

## Balmorhea, Apache prove oil and water can mix



Michael Ciaglio photos / Houston Chronicle

Balmorhea Grocery opens at 5 a.m. to cater to the needs — including food, water, energy drinks and snuff — of oil workers.

After initial friction, town sees benefits energy firm provides

By David Hunn

BALMORHEA — Nine American-made pickups were parked side-by-side in front of La Cueva de Oso, where the lunchtime rush of oil and gas workers filled the tables.

Off the main dining area, a room was reserved for a team working at Apache Corp.'s recently discovered oil field, Alpine High, a discovery that had split this town.

Thais Zuniga, 18, serving half the tables and earning notice-



Maxwell Ribar, 10, swims in the waters at Balmorhea State Park. The springs were a flash point when Apache began its fracking operations in the area.

ably bigger tips, said she and her friends have since talked a lot about Apache and its plans, and only one of those friends thinks the drilling will ruin the community.

"The rest of us, we're fine," Zuniga said. "As long as they don't mess with our water."

Almost a year since the Houston energy company announced Alpine High, a discovery of 15 billion barrels of oil and gas on 350,000 acres near here, Balmorhea residents worry the drilling and hydraulic fracturing will harm the spring that feeds the pool at Balmorhea State Park, which draws tens of thousands of visitors every summer and

Apache continues on A11

## North Korea vows to keep nukes

Says U.S. will 'pay dearly' for sanctions

By Carol Morello and Anne Gearan  
WASHINGTON POST

MANILA — North Korea spurned harsh new U.N. sanctions Monday and threatened to defend itself with nuclear weapons if necessary, as Secretary of State Rex Tillerson repeated an offer to bargain with the outcast nation under the right circumstances.

There was no sign at a



Secretary of State Rex Tillerson says talks are on the table.

major Asian security conference here that the sanctions hailed by President Donald Trump as a foreign policy achievement would succeed where past efforts have failed in persuading the country to give up its nuclear weapons.

North Korean Foreign Minister Ri Yong Ho told diplomats that his country will never negotiate away what he called a rational "strategic option" against the threat of attack from the United States.

"We will, under no circumstances, put the nukes and ballistic rockets" up for negotiation, Ri said in prepared remarks, adding that the entire United

Tillerson continues on A11

## New allegations emerge as woman faces trial in spouse's killing

Defense claims evidence that could exonerate her instead went missing

By Brian Rogers

The bloody fingerprint on the safe was perhaps the first sign that Sandra Melgar might be telling the truth about her innocence in the death of her husband of nearly 32 years.

The print — spotted by crime scene investigators near the body of Jaime Melgar — was never tested as a latent print or for DNA, and the evidence later disappeared.

But the missing evidence joined a string of

allegations raised in court documents as Sandra Melgar braces for trial this week on a charge that she killed her husband, then tied herself up to stage a home invasion.

The accusations add another dimension to one of the more bizarre murder cases in Houston in recent years. "The defendant has vig-



Sandra Melgar is accused of staging a deadly burglary.

orously asserted her innocence, denied having any involvement in her husband's death, is herself a victim of a home invasion,

and has demanded a jury trial," according to a discovery motion from the defense filed earlier this year.

"Many items were never tested or adequately examined and/or whatever testing or examination which was conducted was itself, incomplete or inadequate."

Melgar, now 57, is charged with murder in the death of her husband,

52, in their northwest Harris County home on Dec. 22, 2012, one day before their 32nd wedding anniversary. She was charged a year after the killing.

Defense attorney Mac Secrest did not return calls for comment Monday, but court filings accuse investigators of failing to test the bloody print and "many" Investigator continues on A11

## Lawyers' use of jet no flight of fancy

Firm exports the cost advantages of Houston to high-priced Silicon Valley

By L.M. Sixel

PALO ALTO, Calif. — In the early light of a Tuesday morning at Sugar Land Regional Airport, a group of lawyers in sport coats and button-down shirts with open collars climbed aboard the idling Gulfstream G200 jet, handed

their bags to the pilots, and settled in to the cabin with polished eye-of-maple paneling, plush leather seats and a well-stocked bar. A signal came from the top partner. Wheels up.

But this was no junket to a private golf course or to a luxury resort, and the gleaming jet was no trophy

from a blockbuster verdict that yielded millions of dollars in fees. Rather, the jet is part of a novel strategy by the intellectual property firm Patterson and Sheridan to expand in Silicon Valley by exporting the cost advantages of Houston to one of the most expensive places in the world to do business.

Instead of plunking down money on astronomically priced real estate and

staffing up an office with some of the highest-price talent, the Houston firm bought a nine-seat corporate jet that each month flies a plane load of lawyers from Sugar Land to California, where they meet clients and try to find new ones. Even with the \$3 million cost of the jet and the \$2,500 an hour it costs to operate it, Patterson and Sheridan says the firm is still able to

Law continues on A12



Steve Gonzales / Houston Chronicle

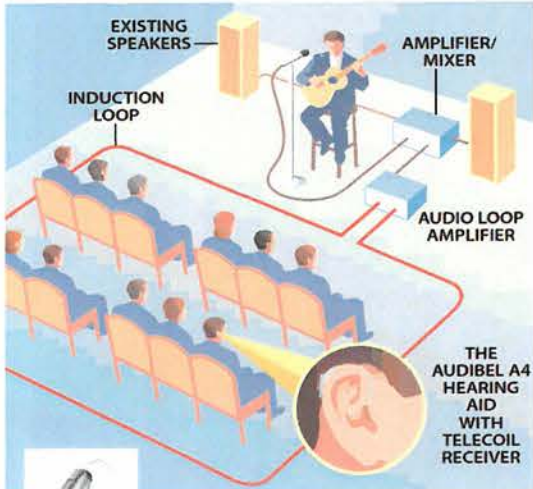
A team from Patterson and Sheridan law firm prepares to depart from the Sugar Land Regional Airport.



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The Audibel A4 contains wireless T-Coil technology, connecting the listener directly to the sound source, greatly improving understanding of dialog and music.

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"This new instrument revolutionizes hearing and understanding in one fell swoop, causing other contenders to go back to the drawing board," said Brian Dobson, senior mechanical engineer. "The level of pride our engineers feel about our accomplishment is very satisfying."

The A4 features a noise-attenuating breakthrough known as the MEMS Microphone with 10 kilohertz bandwidth — the result of a decade of micro-engineering research.

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phones and looped areas such as theaters and public areas, and a micro antenna cast into the spine for Bluetooth connectivity and streaming television, cell phone, and music.

"The A4 is an engineering marvel due to its small size and features previously available only in larger hearing aids," Dobson said. "The design is svelte, with a pronounced push button and a cut-out near the front. The reason we did that is it is a very small receiver-in-canal, and we want patients who have dexterity issues or loss of sensitivity of touch to be able to slide their finger down the Mic cover, land on the push button and be able to activate it." The A4 is now available through NewSound Hearing Clinics in Houston. 1-888-796-4976.

— by James W. Wilson, Technology Writer

FROM THE COVER



Lawyer Mark O'Boyle, from left, summer associate Ahmed Alrikhaimi and Fox employee David Haugen confer at the Fox Factory in Scotts Valley, Calif. Patterson and Sheridan staffs its San Jose office by flying lawyers in from Houston.

## Law firm's private plane not seen as 'luxury item'

Law from page A1

offer companies and inventors lower costs because most of the patent work is done in Houston, where commercial real estate is 43 percent cheaper, salaries 52 percent lower and competition for technical talent far less fierce.

The wager has paid off. The firm has gained several major clients, including Intuit, the financial software maker; Western Digital, a computer data storage company; and Cavendish Kinetics, a maker of radio frequency devices. "In some cases clients pay a little less," said Bruce Patterson, the firm's senior partner. "But we make more doing it."

Fox Factory, a company outside of Santa Cruz, is one of the stops on Patterson and Sheridan's California circuit. Fox makes shock absorbers for motor bikes, snowmobiles and other sports equipment and showcases its inventions in a first-floor museum. General counsel David Haugen said it doesn't matter whether lawyers live in Houston or Silicon Valley as long as they are available when he needs them.

"You can have a firm next door that is inattentive," he said, "and a firm that is 1,500 miles away that is very attentive."

Not for show

It's not unusual for lawyers to own jets, which have become the ultimate status symbol for millionaire personal injury lawyers. But Patterson and Sheridan's Gulfstream, known as "the bus" around the firm, is a workhorse, logging 150,000 miles a year, including occasional trips to visit clients in Seattle, St. Louis; Greensboro, N.C.; and Rochester, Minn.

William Cobb, managing partner of Cobb Consulting in Houston, which advises law firms on compensation and strategy, said Patterson and Sheridan has come up with an unusual, if not unique, expansion model. The only similar example he could think of was that of the San Francisco firm Brobeck, Phleger & Harrison, which avoided some of the skyrocketing costs of Silicon Valley during the dot-com boom of 20 years ago by maintaining a small office in San Jose, which it operated Tuesday through Thursday by rotating lawyers from its headquarters about 50 miles away.

"I can see how it could work," said Cobb of Patterson and Sheridan's strategy. "If you are trying to establish an office and trying to hire, that would push me toward other alternatives."

One of Patterson and Sheridan's competitors is Fish and Richardson, a patent firm with 360 lawyers. Fish and Richardson operates an office in Redwood City, about seven miles from Palo Alto, with about 36 lawyers. Rick Anderson, the chief operating officer who works out of the firm's Minneapolis office, said the firm has done what it has needed to do to practice in Silicon Valley, including



Todd Patterson and Puja Detjen attempt to get work done before departing Tuesday on a flight to Silicon Valley from the Sugar Land Regional Airport.

paying exorbitant rents and paying high salaries to compete for talent, not only with other law firms, but also with high-flying startups and with large tech firms.

But flying in a plane load of lawyers each month? Anderson was surprised to hear about Patterson and Sheridan.

"They found a way that is very interesting and very intriguing," he said.

Flying full

The "bus" pulls out of Sugar Land Airport on the second Tuesday of each month. After a few short safety reminders from the pilot, Jason Branson, and the co-pilot, Mark Allen, the lawyers get immediately to work — laptops open, papers spread across their laps.

It may seem the firm could spend less by buying round-trip tickets on commercial airlines. But other factors make private air travel more cost effective, said Todd Patterson, who founded the firm in 1996 and is now managing partner of the Houston office. He is not related to Bruce Patterson.

It costs roughly \$1,900 per passenger, Todd Patterson estimated, but each hour on the three- to four-hour flight is billable because the lawyers work the entire time. On commercial flights, their work is restricted to protect confidential information because one look from an unknown competitor sitting next to a lawyer working on a patent could undermine the value of an invention.

The private flights also avoid about 36 hours in time spent arriving early for commercial flights, checking bags and going through security. Apply a \$250 per hour average hourly billing rate to the flight and wait times of commercial travel, and it pretty much covers the cost of the trip, Todd Patterson said.

"We fly it full," he said. "It's not a luxury item."

Patterson and Sheridan first hit upon the idea of using a private jet to make regular monthly trips to Silicon Valley in 2010.

The firm had tried teleconferencing, but clients found it unsatisfactory because inventors want to sit down and show their inventions. Lawyers also found they could find more business by being around after work for dinners and drinks.

The firm has made the jet a selling point to recruit young lawyers, promoting the chance to work with top tech companies but live in a city far more affordable than Palo Alto, where the average monthly rent for a two-bedroom apartment is \$3,800 and median home price is \$2.6 million.

It's a good mix for Puja Detjen, a six-year associate at Patterson and Sheridan who enjoys her periodic trips but prefers to live in Houston, where her husband is a chemical engineer for an oil company. While enjoying the lower cost of living, she said, "we're able to live in a place with good career prospects."

'Hold your stuff'

On the way to San Jose, the jet stopped at the airport in Carlsbad, Calif., from where lawyers headed to nearby San Diego to visit clients Taylor Guitars, which makes acoustic and electric guitars, and Qualcomm, the semiconductor company. The jet pulled up to the terminal, shut the engine for refueling and lowered the stairs.

A few feet away, two rental cars waited, trunks open and keys in the ignition. Four lawyers grabbed their bags, threw them in and drove off.

The jet soon after taxied for takeoff. "Hold your stuff," Todd Patterson said loudly, over the din of the twin jet engines. "We're going to take off hard." With that warning, the Gulfstream pulled up sharply, lest it veer onto the golf course just beyond the asphalt runway.

Next stop, San Jose. Over the next two days, the lawyers fanned out to meet with clients, including Fox Factory and Applied Materials. Around noon on Thursday, Bruce Patterson walked through the firm's small Palo Alto office, jerking his thumb in the air. "It's time to go," he said.

In less than an hour, they were at the San Jose International Airport and on board the jet. Laptops opened, and papers came out as lawyers focused intently on their work.

But when the plane entered Texas airspace, the mood lightened. Some of the men unbuttoned their button-down shirts to reveal T-shirts underneath. Whispered conversations grew louder.

And the bar was open.

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