

#### SERVING SOUTHEASTERN OHIO & NORTHERN WEST VIRGINIA'S OIL & GAS INDUSTRY

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# Jerry James Speaks About Proposed New Oil and Gas Tax at SOOGA's Spring Membership Meeting

The Spring Membership Meeting was well attended by members and industry experts. Two SOOGA Awards were given out to longtime, deserving members. Deryl Perkins received (posthumously) the Lifetime Achievement Award and it was presented to his family; the Workhorse Award was given to Jerry James. As one of the meeting speakers, Jerry gave a very impor-

tant talk on oil and gas taxes and his comments on this topic are reprinted below .

The following comments were written by Jerry James, President of the Ohio Oil & Gas Association, for the March/April 2012 edition of the OOGA Bulletin.

# OOGA President's comments – April 2012 Title: A Call to Action

"What a man knows hardly matters. It is what he does." - Gene Wolfe

Our industry in Ohio is at a crossroads. As you all know, the time is

ripe to make or break this opportunity that we have to make things happen in Ohio. We have the knowledge to make a difference for the people in our state. And it is imperative that we act now!

This opportunity is important not only for our industry, but for Ohio jobs. Most recently, the Administration has announced its energy policy. Despite the subsidies for other energy producers addressed in the policy, the oil and gas industry proposal included not only tax increases, but regulatory increases! While there are some in the Ohio legislature who want to review the proposals to insure Ohio jobs are not killed, and that Ohio energy costs are not raised, there are others who support the Administration's initiatives. We have seen attack after attack against our industry and this wonderful opportunity for Ohio's citizens.

So what do we know? We know that a severance-tax increase on our industry will make a profound impact that will discourage investment. For example, a 4% severance tax would be, in many instances, equivalent to a 40% income tax. We know that a 4% severance tax would be 16 times higher than the commercial activity tax (CAT) which is already charged to all Ohio businesses. We also know that under Ohio law, the oil and gas industry already pays nearly 2% of gross receipts in combined ad valorem and severance taxes, making it one of the highest-taxed industries in the state! And we all know that capital is mobile and can go anywhere in the world. If the cost of doing business here is too high, oil and gas companies will go elsewhere.

(Continued on page 29)

#### THE CROW'S NEST



Instead of my normal Crow's Nest article in this newsletter, I am going to print a letter from Virginia Kenney, Pleasant City, Ohio. It is a well-written letter to the Citizens of Eastern Ohio, and details the choices citizens have in speaking up about issues that effect our industry. Please read below:

Citizens of Eastern Ohio.

You have a choice! Talk among yourselves about Gov. Kasich wanting to tax the oil and gas companies which will reduce the potential economy in Eastern Ohio.

Or, you can speak up. Send e-mails and letters to your congressmen. You can talk with them and let them hear your opinion.

Southeastern Ohio, as well as Eastern Ohio, has been deprived and overlooked by the Ohio legislature for years. Now that there is an opportunity to make a big change in our economy, let's speak up and fight for it. No new tax on oil.

Use your freedom of speech, speak up and be heard by our Governor and Legislators.

The increase in severance tax will cost royalty receivers an additional 4% off the top.

Virginia Kenney

March 22, 2012

Virginia makes some good points in her letter, and now is the time to take action so that the momentum we have made in the Oil and Gas Industry in Ohio is not stalled out by unneeded legislation and taxes.

President, Jim Javins





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#### 2012 CALENDAR OF EVENTS

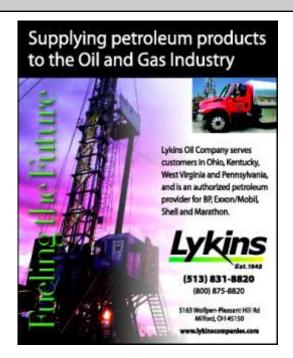
Friday, June 22, 2012 SOOGA Spring Clay Shoot Hilltop Sports, 1530 Offenberger Rd. Whipple, OH 45788

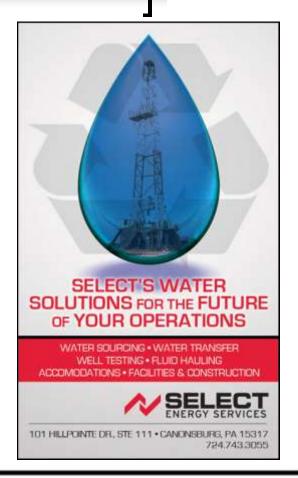
Friday, August 17, 2012 SOOGA Fall Golf Lakeside Golf Course, 18218 State Route 60 Beverly, OH 45715

Wednesday, September 12<sup>th</sup> & Thursday 13<sup>th</sup>
SOOGA 2012 Annual Fall Trade Show
Washington County Fairgrounds
922 Front Street
Marietta, OH 45750

Friday, October 19, 2012 SOOGA Fall Clay Shoot Hilltop Sports 1530 Offenberger Rd. Whipple, OH 45788

November 1st - November 30th, 2012 SOOGA Annual Gun Giveaway









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- **Double Mechanical**
- Mixer/Agitator High Temperature













# Southeastern Ohio Oil and Gas Association Gas Committee Report April, 2012

#### **PRICING**

#### Prices April 9, 2012

One Year NYMEX strip (May, 2012 - April, 2013)	\$2.77
Summer NYMEX strip (May, 2012 - October, 2012)	\$2.33
Winter NYMEX strip (November, 2012 - March, 2013)	\$3.19
TCO Index Posting - April, 2012	\$2.19
DTI Index Posting - April, 2012	\$2.20

The average 2011 Index price for TCO is \$4.14, and the average 2011 price for DTI is \$4.20.

It appears that high storage levels combined with enhanced production capabilities and slow usage growth could keep gas prices from rising dramatically over the next couple of years.

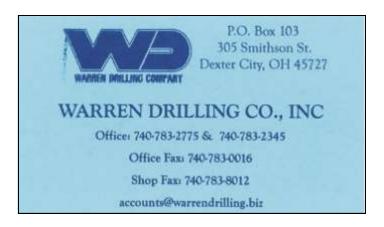
#### Energy Information Administration (EIA) UPDATE - April:

EIA released its March, 2012 Short Term Energy Outlook report, and it showed that they expect the price of WTI crude to average \$106 in 2012. U.S. retail gasoline price is expected to average \$3.92 this summer and average \$3.79 per gallon for 2012 as a whole. Natural Gas at the Henry Hub is expected to average \$3.17 MMBTU in 2012, which is an 83 cent decline from last year's average spot price. On the global front, EIA said oil demand out of China would grow 4.5% this year and 4.6% in 2013, which is down from its last forecast of 5.4% and 6.3% respectively.

EIA also expects natural gas consumption will grow 1.7% in 2012.

Looking forward toward spring, there continues to be a downward pressure and a bearish view on price, as weather demand coupled with storage levels may indicate some sideway trading between a low of \$2.05 and \$2.55 for May. A warm spring is in the forecast, and prices likely will not recover for a while. Early weather forecasts are calling for a normal to below normal summer.

(Continued to page 6)





(Continued from page 5)

#### **GAS RESERVES:**

The EIA came out with their Proved Gas Reserve Report. U.S. natural gas proved reserves, estimated as "wet" gas which includes natural gas plant liquids, increased by 11 percent in 2009 to 284 trillion cubic feet (Tcf), the highest since 1971. Last year's increase demonstrates the importance of shale gas exploration and production technologies per the agency. Louisiana led the nation in additions to natural gas proved reserves with a net increase of 9.2 Tcf (77% increase), and Arkansas (Fayetteville Shale) and Pennsylvania (Marcellus Shale) nearly doubled their reserves.

#### GAS STORAGE AS OF THE April 5, 2012 Report

Working Gas in storage was 2,479 Bcf as of Friday, March 30, 2012. At 2,479 total working gas is **above** the 5 year historical range.

#### Stocks in Billion Cubic Feet (bcf)

#### Historical Comparisons

Region	03/30/12	03/23/12	Change	03/30/11	03/30/11	5 Year Avg.	Change
East	1,085	1,074	11	631	71.9%	660	64.4%
West	349	344	5	220	58.6%	241	44.8%
Producing	1,045	1,019	26	741	41.0%	644	62.3%
TOTAL	2,479	2,437	42	1,592	55.7%	1,545	60.5%

Storage is 63.7% full compared to normal as of this report, with normal total capacity of 3,890 at the start of the withdrawal season.

#### **GATHERCO**

Retainage for January, 2012, is as follows for the Gatherco systems. Treat was 3.0%, Miley was 3.0%, Meigs was 8.91%, York was 3.0%, Grimes was 9.93%, and Elk was 3.0%. February retainage was not available as of the date of this report.

#### **DOMINION EAST OHIO GAS**

<u>Update on 2011 enhancement surcharges:</u>

Per Dominion East Ohio:

Dominion East Ohio's Heat Content Agreement Fee will be:

HEAT CONTENT AGREEMENT FEE

Apr 12 - Mar 13 - Heat Content Agreement Fee = \$0.16/Mcf OOGA Administration Fee = \$0.01/Mcf

Total = \$0.17/Mcf

Polary is the supports for Deminion Fact Objectives you can find

Below is the website for Dominion East Ohio, where you can find notices about interruptions, shut-ins, contacts, maps, and information about current enhancement projects being worked on and considered by the enhancement committee.

http://www.dom.com/about/gp-services/index.jsp

(Continued from page 6)

#### CNR/COLUMBIA GAS TRANSMISSION

There are some shut-ins on Columbia in Ohio, due to the extra Marcellus gas causing some constraints on their systems, and they are allowing only Firm Transport to flow. The Smithfield to Adeline MA 35 constraint has some Ohio, PA, and WV producers shut in as of the date of this report.

For shut in notices on Columbia Gas Transmission, please use the link below.

http://www.ngtsnavigates.com/infopost/index.php?option=com\_content&task=view&id=28&Itemid=105

#### COBRA PIPELINE COMPANY, LLC

Effective February 6, 2008, Cobra Pipeline Company LLC purchased The Churchtown, North Trumbull, and Holmesville systems from Columbia Gas Transmission. Cobra took over the ownership and management of those systems on that date.

Cobra Pipeline Company website: https://www.quicknom.com/cobra/

#### EQUITABLE:

Dec. 8, 2011 - EQT Corporation announced that it intends to file a registration statement with the U.S. Securities and Exchange Commission during the first quarter of 2012 for an IPO of common units of a master limited partnership (MLP) that would own portions of the assets of Equitrans, L.P., and EQT's interstate pipeline subsidiary.

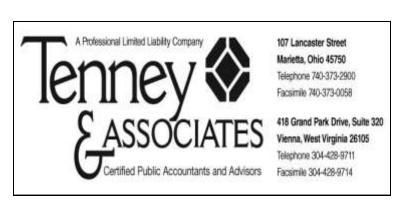
Under the anticipated structure, EQT expects to sell a limited partner interest in the MLP in the IPO, subject to market conditions. At the close of the IPO, EQT would own the general partner of the MLP, which would own the incentive distributions rights, as well as a substantial portion of the MLP's common units. Proceeds of the IPO would be used to fund the further acceleration of EQT's Marcellus development. The MLP would focus on providing gathering and transmission services to producers in the Marcellus Shale, including EQT Production Company.

EQT Corp. said Friday it will stop drilling natural gas wells indefinitely in the Huron shale in Kentucky because of decadelow prices, a move that might signal a major course correction for shale drillers, experts said.

The Downtown-based gas producer announced the decision in a securities filing, but there was no immediate indication that other Huron gas producers might follow suit. EQT has 5,000 producing wells in Kentucky and 3,500 miles of gathering lines, on about 2.7 million acres of reserves. The company will offer 39 employees new positions in Pennsylvania or West Virginia, spokeswoman

Read more: <u>EQT's shift from Kentucky's Huron shale could have ripple effect - Pittsburgh Tribune-Review http://www.pittsburghlive.com/x/pittsburghtrib/news/s\_777737.html?</u>

(Continued to page 8)





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#### DOMINION TRANSMISSION

Dominion has been experiencing some line pressure issues on parts of their system, as well as maintenance. This has resulted in some intermittent shut-ins for producers.

Dominion Reaches lease Deal to Move Marcellus Natural Gas to New York:

Dominion Transmission and Tennessee Gas Pipeline have reached a ten-year lease agreement to move Marcellus shale natural gas from northern Pennsylvania to upstate New York. Dominion Transmission's parent Dominion, announced the agreement with Houston-based Tennessee Monday. Richmond-based Dominion say's the Ellisburg-to-Craigs Project includes construction of additional compression facilities and new regulating facilities. If federal regulators approve the project, construction would begin in March 2012 and operations would begin November 1, 2012. Dominion says it plans to file in December for a certificate from the FERC.

Http://www.dom.com/about/gas-transmission/index.jsp

#### MARCELLUS AND UTICA NEWS:

#### New Pipeline being planned in PA:

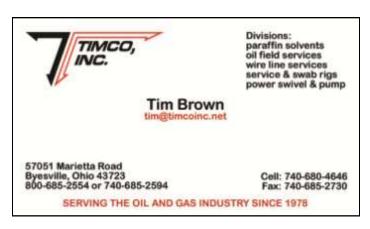
UGI is proposing to build a new 200 mile 30" pipeline with a capacity estimated to be 800,000/day at a cost of one billion dollars that would connect current production facilities in NE Pennsylvania to markets south towards Philadelphia, Baltimore, and Washington.

#### Shell to build Chemical Plant:

Shell Oil Co. has selected a site near Monaca where it could build a new multibillion-dollar chemical plant. Shell Chemical LP signed a land-option agreement with Horsehead Corp. to evaluate the 300 acre site in Potter and Center townships in Beaver County PA. The company's CEO said recently that Shell could be years away from making a final decision on whether or not to build the plant.

#### Enterprise Products Partners has enough support for new pipeline:

Enterprise Products Partners has announced that it has enough support from shippers to build an energy pipeline between Pennsylvania and Texas. The 1,230 mile pipeline will link oil and natural gas fields in the Marcellus and Utica shale regions with ethylene plants on the Gulf Coast. The pipeline will handle up to 190,000 bbls./day, and shipper will pay between \$.145 and \$.155 cents per gallon to use the pipeline. Enterprise said shippers have committed to at least 15 years, indicating the long-term potential for energy development in shale formations in the Appalachian Basin. When completed, the pipeline should go into operation in the first quarter of 2014.





(Continued from page 8)

#### Marcellus Update:

- Range Resources reported 4th. quarter volumes of 625 Mmcfe/day, a record high for Range. Range reported an average of 554 Mmcfe /day for calendar year 2011, a 12% increase over 2010.
- Low natural gas prices are leading to cutbacks in dry gas investment and production at <u>Chesapeake Energy Corp.</u> Chesapeake Energy Corp. Latest from The Business Journals <u>Chesapeake to triple Ohio rigs by 2014More details on Chesapeake's shale pullback More details on Chesapeake's gas announcement Follow this company</u>, including in the Marcellus Shale. That means that Chesapeake will halve its dry gas drilling by the second quarter, bringing to 12 the number of Marcellus Shale dry gas rigs that Chesapeake operates in the region, primarily in northeastern Pennsylvania. It wasn't immediately clear how many the company had operating now but a spokesman said Monday that Marcellus production would continue.
- Chesapeake Energy Corp. (NYSE: CHK) also plans to cut production by at least 0.5 billion cubic feet of gas, representing about 8 percent of its daily production across its holdings, especially in the Haynesville and Barnett shale plays. The reduction could be as much as 1 billion cubic feet per day if market conditions warrant, Chesapeake said.
- Capital expenditures related to dry gas drilling will also be cut by nearly \$1 billion, down about 70 percent from the \$3.1 billion in 2011. The money Chesapeake saves from dry-gas drilling cuts will go to liquids rich shale plays including the Utica, which touch southwestern Pennsylvania but are mostly located in Ohio.

A few other companies, such as Consol Energy, PDC, and XTO are reportedly slowing down drilling as the price of natural gas has dropped into the \$2.00 range for the present month, and the one year strip is around \$2.78 at of the date of this report.

(Continued to page 10)









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#### **Utica News:**

Nisource Midstream Services is proposing to build a 90 mile pipeline to send gas and oil to a new processing plant. This is capable of handling 200,000/day of gas. It will follow an existing Nisource ROW from Columbiana County south to Monroe County, passing through Carroll, Jefferson, Harrison, and Belmont Counties. The processing plant will be built about mid point in the line in Harrison County. The project will include a network of smaller pipelines that will be built to move gas from wells it expects to be drilled in the Utica Shale. Nisource is still negotiating with potential customers, and has not determined how large the line would be yet.

The 2011 production volumes for the current Utica wells that are in production are available on the ODNR website, and a condensed version is set out below.

2011 Otica Offale i Toduction						
Owner Name	Well Name/Well Number	Oil (Barrels) Gas (MCF)		Brine (Barrels)	Days in Production *	
Chesapeake Appalachia LLC	CALVIN MANGUN 8H	12,334	322,435	23,585	206 **	
Chesapeake Appalachia LLC	SHAW 20-14-5 5H	818	0	10,263	11 ***	
Chesapeake Appalachia LLC	BURGETT 7-15-6 8H-RS	654	0	2,010	5 ***	
Chesapeake Appalachia LLC	BUCEY 3H	2,167	137,192	2,403	53	
Chesapeake Appalachia LLC	HARVEY 8H	6,096	183,142	9,102	92	
Chesapeake Appalachia LLC	NEIDER 3H	9,444	395,290	9,519	130	
Chesapeake Appalachia LLC KENNETH BUELL 8H		13,472	1,523,465	8,937	198	
Chesapeake Appalachia LLC	GEATCHES MAH 3H	758	0	8,389	79 ***	

HOSEY POR 6H-X

#### 2011 Utica Shale Production

#### Latest Utica Joint Ventures:

Chesapeake Appalachia LLC

Total SA - Chesapeake Energy announced on Tuesday, December 3, 2012, that it will sell part of its Ohio oil and gas business to French energy company Total SA. Total will pay Chesapeake and Enervest a total of \$2.32 billion for access to Chesapeake's and Enervest's 619,000 acres in Ohio with a 25% ownership interest. Chesapeake will receive \$2.03 billion and Enervest Ltd. will receive \$290 million. Total's president of exploration and production, Yves-Louis Darricarrere, said in a statement the deal is "consistent with our strategy to develop positions in unconventional plays with large potential and, in this case, with value predominantly linked to oil price."

583

0

1,796

20 \*\*\*

The link below is a good one to keep up with the events and concerns surrounding the Marcellus and Utica Play's in the North East.

# http://www.energyindepth.org/

#### Use of Data:

The information contained in this document is compiled and furnished without responsibility for accuracy and is provided to the recipients on the condition that errors or omissions shall not be made the basis for a claim, demand or cause of action. The information contained in this document is obtained from recognized statistical services and other sources believed to be reliable, however we have not verified such information and we do not make any representations as to its accuracy or completeness.

#### Disclaimer:

Neither the information, nor any opinion expressed, shall be construed to be, or constitute, an offer to buy or sell or a solicitation of an offer to buy or sell any futures, options-on-futures, or fixed price natural gas. From time to time, this publication may issue reports on fundamental and technical market indicators. The conclusions of these reports may not be consistent.

# Ohio Oil and Gas Energy Education Program's SPRING/SUMMER 2012 INDUSTRY TRAINING SERIES

ADC Rig Pass with SafeLand USA Training and H2S, Hydrocarbon Monitoring, Condensate, Hot Work Review, and CPR/ First Aid Certification June 12 - 13, 2012

Washington State Community College 710 Colegate Drive, Marietta, Ohio

\*Additional information posted on SOOGA website\*

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THE INSIDER Page 12

# **GAS PRICING**

#### **MARCH 2012**

NYMEX Settlement: \$2.4460 Inside FERC/DTI: \$2.470 (Basis: \$0.024) Inside FERC/TCO: \$2.450 (Basis: \$0.004) NYMEX 3-day Average: \$2.5390

#### **APRIL 2012**

NYMEX Settlement: \$2.1910 Inside FERC/DTI: \$2.200 (Basis: \$0.009) Inside FERC/TCO: \$2.190 (Basis: \$-0.001) NYMEX 3-day Average: \$2.2083

#### OII PRICING 2012

# ERGON PURCHASING WEST VIRGINIA MONTHLY AVERAGE

February Ohio Tier 1: \$102.3786 February Ohio Tier 2: \$99.3786 February Ohio Tier 3: \$96.3786 February West Virginia Tier 1: \$100.8786 February West Virginia Tier 2: \$97.8786 February West Virginia Tier 3: \$94.8786 February Appalachian Light: \$86.7403

March Ohio Tier 1: \$106.3594 March Ohio Tier 2:\$103.3594 March Ohio Tier 3: \$100.3594 March West Virginia Tier 1: \$104.8594 March West Virginia Tier 2: \$101.8594 March West Virginia Tier 3: \$98.8594 March Appalachian Light: \$90.4055 Marcellus-Medium: \$106.3594 Marcellus-Light: \$93.5958

**Tier 1** - 156 + net barrels of crude oil No more than 2% BS&W (if the BS&W is over 2% it will then qualify for Tier 2 pricing)

**Tier 2** - 60-155.99 net barrels of crude oil Two Stops within 5 miles

Tier 3 - 30-59.99 net barrels of crude oil

Tier pricing applies to Appalachian Legacy Crudes (Penn Grade, Corning Grade, Rose Run, etc.) will be purchased based on the monthly average for the following postings:

38.0-47.9 API Gravity—Marcellus/Utica Medium crude oil 48.0-59.9 API Gravity—Marcellus/Utica Light crude oil 60.0+ API Gravity—Marcellus/Utica Condensate (formerly posted as Appalachian Sweet Light-ALS).

Other parameters will be evaluated on a farm by farm basis.

You can now find EOP WVA Crude oil Price Bulletin on the internet at: www.ergon.com

# OIL PRICING 2012

#### AMERICAN REFINING GROUP AVERAGE

2/1 to 2/10 Group 1 OH: \$98.05

Group 2 OH: \$95.05 Group 3 OH: \$92.05

App. Light: \$79.59

2/11 to 2/20 Group 1 OH: \$101.66

Group 2 OH: \$98.66 Group 3 OH: \$95.66

App. Light: \$82.84

2/21 to 2/29 Group 1 OH: \$107.99

Group 2 OH: \$104.99

Group 3 OH: \$101.99 App. Light: \$88.52

3/1 to 3/10 Group 1 OH: \$106.84

Group 2 OH: \$103.84

Group 3 OH: \$100.84

App. Light: \$90.74

3/11 to 3/20 Group 1 OH: \$106.64

Group 2 OH: \$103.64

Group 3 OH: \$100.64 App. Light: \$90.56

3/21 to 3/31 Group 1 OH: 105.67

Group 2 OH: \$102.67 Group 3 OH: \$99.67

App. Light: \$89.75

4/1 to 4/10 Group 1 OH: \$103.55

Group 2 OH: \$100.55 Group 3 OH: \$97.55

App. Light: \$87.94

4/11 to 4/20 Group 1 OH: \$103.55

Group 2 OH: \$100.55 Group 3 OH: \$97.55

App. Light: \$87.94

**Group 1** loads will contain 152 or more barrels from a single location, with a maximum of 2.0% BS&W, priced equivalent to ARG's current base price, plus \$2.00 per barrel.

**Group 2** loads will contain 60 or more net barrels, from one location, or 120 or more net barrels from two locations within 10 driving miles of each other, priced equivalent to ARG's current base price.

**Group 3** loads will contain less than 60 net barrels from a single location, priced equivalent to ARG's current base price, less \$2.00 per barrel.

For daily price postings and additional information concerning ARG's crude oil pricing policies, please reference the Crude Prices tab on the website,

www.amref.com

#### SOUTHEAST GEOLOGY

By: Carl Heinrich (originally published in early 1980's)

# Big Moses - The largest Gas Well In West Virginia

Moving a little closer to home, this month's article will deal with another historic well which is owned by Quaker State Oil Refining Corp. This is the "Big Moses" well, officially known as the Moses V. Spencer #1, which is located in McElroy District of Tyler County, along Indian Creek.

The drilling of this well started on August 3, 1894 as a joint venture of the Victory Oil and Gas Company of Pittsburgh, Pennsylvania; Wilson Brothers of Wellsville, New York; and George Earnest of Sistersville, West Virginia. The drilling contractor was Wilson Brothers and they used their wooden standard rig (cable tool) with an 84 foot derrick.

The wood conductor was set at a depth of 14 feet, the 158 feet of 10-3/4 inch casing. Shortly after ward, 1050 feet of 8-1/4 inch casing was set after drilling through four feet of coal and twenty feet of Cow Run sand. Drilling progressed through the Salt Sands and the Keener until a small flow of gas was found in the top of the Big Injun at 1750 feet on September 3, 1894. Then, the boiler was "moved back." This was a common procedure with the old standard rigs where a steam engine was used for drilling, During the normal drilling operations, the boiler usually set about 10-15 feet back of the engine house out in the open. The boiler was usually fired by coal and light provided insider the rig at night by "yellow dogs." When gas was hit, then the boiler was moved back further to a distance of 30 to 40 feet from the engine house. This provided a safety factor as the boiler fire would be far enough away that it would not be a hazard. At the same time, the forge used to dress bits was also moved to blow them about like straws in the wind. from the derrick floor to the boiler area.

From this point on all drilling would only be done during the daylight hours. The crew had to carry each bit back to the forge for sharpening and then back to the well for use.

It took two days to get the necessary pipe and connections from Sistersville and then make the necessary changes. On September 5, drilling was resumed. The tool pusher was L.C. Wilson and the drillers and tool dressers were George McCutchen, J.G. McElhattan, J.N. Curry and Joseph Smith respectively, Since they did not run at night, the two crews were to split up the daylight hours.

After a few hours of drilling in the top of the big Injun sand, they hit one of the pebble streaks where a stronger flow of gas was also found. The gas flow became stronger and Wilson told the crew to pull the tools out of the hole and stand them back in the derrick to see if the gas would die down, The gas flow increased continually as the well began to "drill itself in." The pebble streaks in the Big Injun of this area are so porous and soft that the gas flow was washing out the bottom of the hole and deepening itself into the "pay zone." At this point, nothing could be seen of the derrick but a cloud of sand and dust. By the morning of September 6th, the gas was so strong that it had picked up the tools hanging in derrick and blown them up through the crown block. In this case, the stem was 38 feet long and 4-1/2 inches in diameter with a rope socket, big-hole jars and a new 8-1/4 inch bit attached. Those of you who have had to "rassle" this size of cable tool can visualize the weight and the force required

(Continued to page 16)

## **OBITUARIES**

### Jackie "Jack" Clift

JANUARY 14, 2012

NEWPORT - Jackie Earl "Jack" Clift, 71, of Newport, passed away at 7:30 a.m. on Friday (Jan. 13, 2012) at The Arbors of Marietta. He was born on Sept. 3, 1940, in Newport, a son of the late Glenn and Minnie Hutchinson Clift.

Jack had retired from Newport Water & Sewer Association. He was a member of Grand Chapter of Royal Arch Masons of Ohio Chapter 1 and a long serving member of the Frontier Local Board of Education. He was associated with Glen Clift Oil Company, Southeastern Ohio Oil and Gas Association, Frontier Local Economic Development and Little Muskingum Watershed. He supported Frontier Local athletics and served as timekeeper for basketball games for many years. He was a great source of information about Wayne National Forest and the oil and gas industry.

Jack is survived by cousins and friends.

Graveside services will be held at a later date. McClure-Schafer-Lankford Funeral Home is assisting with arrangements. Contributions in Jack's memory may be sent to the Hank Morris Scholarship Fund, c/o Greg Morus, Newport Elementary School.



# **Henry Neil Stultz**

Age 64, of Upper St. Clair, PA, passed away on March 8, 2012. Beloved husband of Judy (Philpot) Stultz; loving father of David B.(Shelly) Stultz of Centerville, OH, Brian N. Stultz of Pittsburgh and the late Laura Stultz; grandfather of Grant and Corrine Stultz; brother of Amy Stultz Joyce of Boca Raton, FL; uncle of Kristen Philpott of Russellville, AR and Mark Philpott of Bassett, VA; also nieces, nephews, aunts and cousins.

Mr. Stultz was a graduate of the University of Richmond. He worked as a natural gas marketer and retired from Dominion Field Services. After his retirement, he worked as a consultant in the natural gas industry. A member of Hickory Hts. G.C., he won several club championships. He enjoyed fly fishing, fly tying, and hunting.

Memorials may be made to Animal Friends, 562 Camp Horne Rd., Pittsburgh, PA 15237 or a charity of the donor's choice.

#### Sam M. Deal

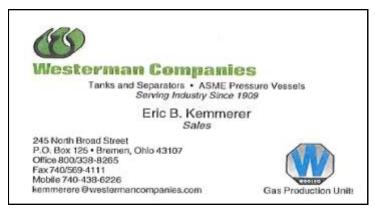
On April 7, 2012, our industry lost one of the "old timers" who was active during the boom years of 1960's-1970's. As an engineering consultant, he was active throughout southern Ohio and West Virginia providing services for various clients.

Sam Deal, 85, of Vienna, WV passed away at his residence with his wife by his side.

He was born in Pawhuska, OK, the son of the late James Deal and Velma Craig. He was a U.S. Navy veteran of World War II and Korea. He had worked for many years as a Petroleum Engineer and also worked as a consultant.

He is survived by his wife, Betty Sue Hyer Deal of Vienna; his son, Sam Deal II of Vienna; his stepchildren, Keith Murphy and wife, Becky of Mineral Wells and Cassandra Ray of Vienna; three grandchildren; and one half sister.





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(Continued from page 13)

At this point, the flow was estimated at 100 million cubic feet with 8 barrels of cement. Next, they dug down the outside of per day flowing through the 8-1/4 inch casing at a pressure of 10 inch casing to a depth of 14 feet where they set timbers to 575 pounds per square inch.

By now the original owners elected to bail out of the operation and sold the gas rights only in the lease and well to the Philadelphia Gas Company. This company was a forerunner of the present Equitable Gas Company and they undertook to control the well and also lay a 10 inch pipeline to their main 16 inch line which delivered gas to Pittsburgh. In a very wise move, the original owners kept the rights to produce any oil found on the lease. More about that later.

Meanwhile, back at the well, which had now been nicknamed the "Big Moses," things were getting a bit hectic. Philadelphia Gas had contracted with a man named Matheny to cap the well for them. Matheny must have been a typical "oil field supply store commando" as he ordered a number of valves and fittings before going out to the well. After arriving at the well, he took one look at it and promptly departed for parts unknown.

After this fiasco, the job of taming the mighty well was given to L.C. Wilson, his driller George McCutchen, and tool dresser, J.N. Curry. They began working on it in November 1894.

By then a 10 inch gas line had been laid to the well. First, they filled the annulus between the 8-1/4 and 10 inch casing

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with 8 barrels of cement. Next, they dug down the outside of 10 inch casing to a depth of 14 feet where they set timbers to hold anchor bolts and then filled the hole back up with cement. Next, they set a 10 inch "Y" with two 10 inch gate valves over the well and pulled it down into place over the 8-1/4 casing with turnbuckles on the anchor bolts. The well was finally shut in by this method on November 28th. All of this work was done at great risk by McCutchen and Curry, while the well was blowing open. If you have ever been around a large well blowing open, it is not hard to imagine the noise and pressure they were working under. At one point, the gas caught one of the cement barrels and it was blown 300 feet up into the air before bursting apart.

This ended the first phase of the taming of the mighty "Big Moses" well. However, all was not to remain so for long. There still was a tremendous gas volume and pressure in the Big Injun reservoir which they had tapped and other things were to happen before the wealth of this great resource was harnessed. The details of this will continue next month.



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At least four serious injuries can occur if a drum is not handled safely:

- **≻**Fractures
- **≻**Lacerations
- **≻**Hernias
- ➤ Back Strain

All of these injuries are painful and require a long time to heal. By taking a few precautions before you attempt to move a drum, you can help prevent these serious and painful injuries. Before you move a drum, put on a pair of thick gloves. The gloves will help protect your hands. Also follow this preliminary checklist:

- •Check to see how much room there is to move the drum.
- Plan your route in advance. Don't wait until the drum is in motion.
- Check the route for anything that might cause you or your equipment to trip or slip.
- •Check the drum to make sure it isn't warped. This could cause the drum to slip.
- •Check the drum for burrs which could cause a laceration.
- Check the drum for liquids which could cause you to lose your grip.

■If you are moving the drum using a pallet, make sure the pallet is in good condition.

There are four ways to "break," or initially move a drum from its standing position. These are pulling, pushing, or combinations of pulling and pushing, the drag/pull method and the push/pull method. Pulling is necessary when drums are grouped closely together. Pushing is used when there is ample room to work. The drag/pull method is used when there are tight spots in the area you are "breaking" the drum. The push/pull method is used when drums are located beside a wall.

To pull the drum, grip the near chime with one hand and the far chime with the other. Brace your foot at an angle across the bottom chime. Your hands and feet should form a straight line. Check the position of your fingers for possible pinch points. Now you are ready to pull back on the drum.

To push the drum, place your hands near the chime at shoulder width. Move your shoulders low and close to the drum. Slowly push forward with your legs until you feel the drum reach it's balance point.

When using the drag/pull method, place your hands at the near position at should width. Brace the drum with your foot to prevent it from sliding, and shift your weight to the rear foot. Pull and drag it a few inches to the left then to the right.

To use the push/pull method, use one hand to pull the far chime.
Use the other hand to push against the wall.

If a drum starts to fall, get away from it as quickly as possible. If the contents spill, follow your worksite's procedures for reporting a spill.



55 Gallon Drums.pub 2001 Safety Resources Company of Ohio, Inc.

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#### 2012 NEW MEMBERS SOOGA would like to welcome

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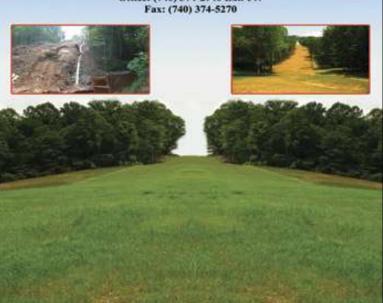
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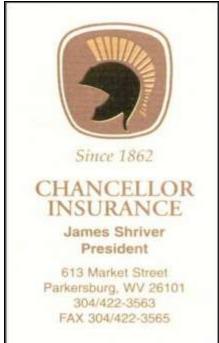
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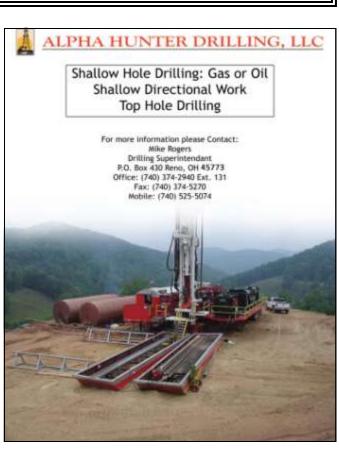
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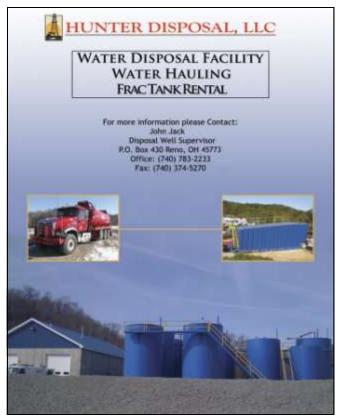


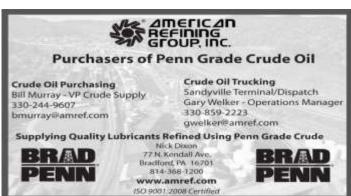
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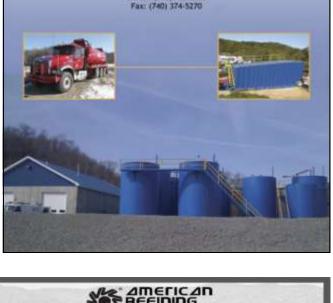
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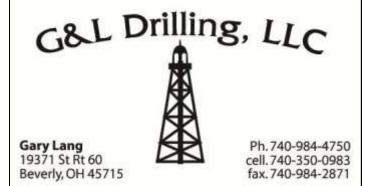
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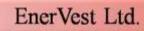
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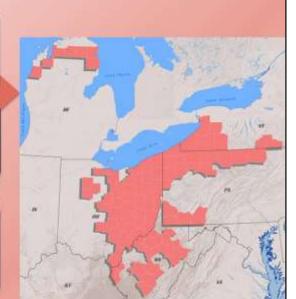
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(Continued from page 1)

We also have examples nearby that prove how severance-tax increases impact our industry. West Virginia and Michigan, which have higher severance taxes, have both experienced decreased oil and gas drilling over the last five years. Alternatively, Pennsylvania, which has no severance tax, has experienced a 600% increase in drilling over the same five years! Like Pennsylvania, Ohio too can experience a vibrant future. With more jobs, lower energy costs and tax cuts, 200,000 new jobs can be created if oil and gas companies make planned investments. But this opportunity will be lost if we do not act now!

So what can we do about this proposed energy policy? Over the last year, your association has been preparing for these challenges. To date, we have contracted with various firms in the fields of economics, public relations and government affairs. We have established offices in downtown Columbus to have the facilities for rapid response to daily issues at the statehouse. We have formed working relationships with other oil and gas associations and interested parties, started a public education campaign, and we have nearly doubled our staff bringing on additional experienced personnel. As an organization we want to do what is right for our membership which includes making sure that we are good stewards of funds entrusted to us by our members. Thankfully, even with the commitments we have made of these resources, the funds of the association's revenues are strong and reserves have not been diminished. This has been accomplished by a nearly 50% increase in membership and the large turnout to the increased number of industry shows and events. With this solid foundation, we are in a good place to insure Ohio doesn't lose this opportunity, but we need your help!

How can you help? First, learn the facts to counter misinformation and tell your friends, neighbors and community members. Use the fact sheet and powerpoint presentation that is available on the OOGA website, located at: www.ooga.org.

Second, call or write your local State Representative and Senator's offices, the President of the Senate, and Speaker of the House offices. Their contact information is available on the IPAA website, located at: http://www.bipac.net/lookup.asp? g=ipaa. Be polite and thank them for taking a hard look at these regulatory and tax increases because they are job killers and will lead to higher energy costs.

Now is the time for every member to stand up and be heard. We are on the right side of this issue for Ohio. Energy is historically the industry that grew Ohio, and with your help, it is the industry that will move it forward into the future. We have the knowledge. We know what is right for our state. But it is what we do with this knowledge that matters. Knowing isn't enough. I urge you to act now!

#### 2012 SOOGA SPRING MEMBERSHIP MEETING AWARDS



Lifetime Achievement Award Deryl Perkins , Perkins Supply Award accepted by Judy Perkins, Mr. & Mrs. Clay Perkins and Mr. & Mrs. Carl Perkins.



Work Horse Award

Jerry James, Artex Oil Company



Paul Fulton Scholarship Contestants

Jen Masters, Aaron Kurtz,

Committee Chair, Jason Harris

# 2011 Membership Winners Kim Ozalas Steve Williams Tim Swiger Steve Downey

Grand Prize Winner of the 40" Flat Screen TV. Bill Murray

## 2012 SOOGA SPRING MEMBERSHIP MEETING

#### THANKS TO OUR MEETING SPEAKERS

Perry & Associates - Randy Perry, Don Landers

Artex Oil - Jerry James

Energy in Depth- Mike Chadsey, Shawn Bennett

Paul Fulton Scholarships Contest - Aaron Kurtz, Jen Masters

 ${\bf Utica/Marcellus\ Panel-\ Chris\ Perry,\ Mike\ McCormack,\ Bill\ Murray}$ 

Dominion East Ohio - Larry Blake, Tim McNutt

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Buffet and Refreshments.

**Ergon**: Continental Breakfast

Thanks to everyone that brought door prizes to the meeting.

#### THANKS TO OUR SPONSORS:

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- Volunteer Energy Services Inc.
- Weatherford International Ltd.
- Wells Fargo Insurance Services
- Whitney Huck Photography (whitneyjhuck@gmail.com)

\*\*If we missed anyone please let us know\*\*

Thanks to everyone that helped make our 2012 Spring Membership Meeting a success!



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# 2012 SOOGA SPRING MEMBERSHIP MEETING









































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#### Southeastern Ohio Oil and Gas Association Membership Form

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		*One free ticket to ass *Tee sponsorship at ei *Grand Ad Package (b	ement, logo/ad at all association ociation golf and clay shoot ou ach golf outing, clay shoot ousiness card website, full page employee memberships (3 Asso	tings directory, double ad in Insider)		
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		*Tee sponsorship at ea *Queen Ad Package (b *One free ticket to ass	ement, logo/ad at all association ach golf outing, clay shoot outliness card website, 2/3 page ociation golf and clay shoot out mployee memberships (1 Asso	directory, single ad in Insider) ting (OF YOUR CHOICE)		

#### CALL FOR ADDITIONAL INFORMATION ON MEMBERSHIP AND ADVERTISING PACKAGES,

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SOOGA WEBSITE: WWW.SOOGA.ORG

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