SOOGA

THE INSIDER

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

INSIDE THIS ISSUE

THE CROW'S NEST	2
NEW MEMBERS	3
BOARD OF TRUSTEES	3
GAS REPORT	4
THE GAS BUSINESS UPS & DOWNS	11
SAFETY CORNER: H2S-TOXIC GAS IN OIL & GAS	12
GAS AND OIL PRICING	14
EDITORS THOUGHTS ON FUTURE OF ENERGY	17
HOW FRACKING HAS REDUCED GREENHOUSE GAS	19
SOOGA SPRING MEMBERSHIP MEETING	24
2016 MEMBERSHIP DRIVE	27
ON EARTH DAY, BE THANKFUL FOR OUR GEOLOGIC	28
FIREFIGHTERS FROM MULTIPLE STATES BRAVE	29

SOOGA OFFICERS

www.sooga.org

SOOGA Membership Meeting

On April 21, 2016, the Southeastern Oil and Gas Association hosted it's annual Membership Meeting at the Shrine Club in Marietta, OH. The day was filled with engaging presentations and updates of the oil and gas industry.

The morning session presenters included: WV Senator Bob Ashley, Kevin Ellis, VP-Governmental Relations, Antero Resources; Steve Dimon, 21 Consulting, LLC; OH Representative Andy Thompson; Jim Halloran, PNC Wealth Management.

The Tough Times, Tough People Panel included: Carl Heinrich, Heinrich Enterprises, Inc., Jim Javins, Constellation, Marty Miller , Alliance Petroleum, Steve Sigler, Buckeye Oil Producing and Hal Payne, Miller Supply. The afternoon presenters included: Dan Corcoran, Theisen Brock, LPA; Rhonda Reda, OOGEEP; Mike Chadsey, EID Ohio; Benjamin Ellis, Arnett Cabis Toothman, LLP; Wes Casto, Casto Petroleum Engineering; and Jerry James, Artex Oil Company. The power point presentations will be available on the SOOGA website at www.sooga.org. Thank you to everyone who helped make this event successful.

(Continued to page 25)

Legislative Reception

SOOGA hosted a legislative reception as a part of the day long activities in the area surrounding the State Of The State address delivered in Marietta by Governor Kasich.

The event was held at the River City Grill on Tiber Way and, by all accounts, was a huge success. The invited list included House Representatives and Senators from across the state. There were greater than 130 legislators and many additional members of the state government that attended and mingled with SOOGA members.

It was very important for the state officials to understand who SOOGA members are, what concerns we have, and what issues we face. We have received feedback that our reception was the best attended and had the most legislators talking to the SOOGA organization long after they returned back to Columbus.

(Continued to page 5)

THE CROW'S NEST

Surviving these tough times, Making the Oilfield Great Again, Making the Oilfield Profitable Again, Endeavor to Persevere, This Too Shall Pass, Never Give Up, Weathering the Storm! These are just a few of the themes discussed at our recent 2016 SOOGA Spring Membership Meeting that would have certainly been appropriate given the current state of the industry. Most importantly however, as was reiterated multiple times throughout the Spring Meeting is the need to stay focused and remain positive in order to make it through these tough times.

A perfect example of this can be found in the life of World War II veteran Louis Zamperini, whose story was illustrated in the recent book and movie *Unbroken*. The key to Louie's survival in an extremely bad situation was to maintain hope and stay positive to get to better times. In *Unbroken*, author Laura Hillenbrand describes the time he and two of his comrades' plane was downed in the Pacific Ocean. Struggling to survive while floating in open water, she notes that "Though all three men faced the same hardship, their differing perceptions of it appeared to be shaping their fates. Louie and Phil's hope displaced their fear and inspired them to work toward their survival, and each success renewed their physical and emotional vigor. Mac's resignation seemed to paralyze him and the less he participated in their efforts to survive, the more he slipped. Though he did the least, as the days passed, it was he who faded the most. Louie and Phil's optimism, and Mac's hopelessness, were becoming self-fulfilling." (*Laura Hillenbrand, Unbroken: A World War II Story of Survival, Resilience, and Redemption*).

While the situation we face in the oil and gas industry is different than Louie's survival story, our story is one of survival nonetheless. And just as Louie's hope inspired him to work toward survival, it ultimately led to just that. Although our industry appears to be filled with gloom and doom at the moment, it is imperative to maintain a positive focus on solutions to our survival. If we don't, and instead resign ourselves to fear as Mac did in *Unbroken*, it will ultimately lead to failure.

Focusing on solutions and staying positive through the downturn was the primary focus of SOOGA's Spring Membership Meeting. We certainly thank our speakers for driving that point home with their fantastic presentations and words of wisdom. This was definitely the case with the "Tough Times, Tough People" panel, which featured 4 past SOOGA Presidents and one of the original founders of SOOGA. These gentlemen have seen and survived multiple industry downturns. Their insights were very valuable and exactly the type of advice needed to make it to better times. Jerry James, another veteran of our industry, also provided an outstanding presentation on "How to Survive These Times". Jerry echoed the need to remain positive in order to survive. Every industry downturn has an eventual recovery, as Jim Halloran displayed in his excellent presentation about the "unintended consequences" caused by the shale boom. Remaining focused on getting to the next recovery and staying positive while doing so will ultimately help get us to that point.

(Continued to page 5)

2016 NEW MEMBERS
SOOGA would like to welcome the following new members:

CAROL GOFF
Professional
Carol Goff & Associated
28 E Main Street
New Concord, OH
740-826-7557

BECKY JEFFERY
Associate-Professional
Carol Goff & Associated
28 E. Main Street
New Concord, OH 43712
740-826-7557

KELLY TIPTON
Associate-Allied
EnLink Midstream Company
2501 Cedar Springs, Suite 100
Dallas, TX 75201
214-721-9368

JOEL GONZALES
Associate-Allied
EnLink Midstream Company
1301 McKinney Street, Suite 2200
Huston, TX 77010
713-739-3259

LAUREN SODOLAK
Associate-Allied
EnLink Midstream Company
1301 McKinney Street, Suite 2200
Huston, TX 77010
713-739-3333

DAVID MARKS
Associate-Producer
Dominion Field Services
2539 Washington Rd. Suite 1010
Upper St. Clair, PA 15241-2500
412-854-8183

CARL SEAMON
Associate-Producer
Dominion Field Services
2539 Washington Rd. Suite 1010
Upper St. Clair, PA 15241-2500
412-854-8183

Southeastern Ohio Oil and Gas Association
Gas Committee Report
April, 2016

PRICING

Prices April 11, 2016

One Year NYMEX strip (May, 2016 – Apr, 2017)	$2.43
Summer NYMEX strip for 2016 (May-October)	$2.11
Winter NYMEX strip – 2016 (Nov., 2016 – March, 2017)	$2.74
TCO Index Posting –April, 2016	$1.79
DTI Index Posting – April, 2016	$1.19

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.

GAS STORAGE AS OF THE APRIL 7, 2016 Report

Working Gas in storage was 2,480 bcf as of Friday, April 1, 2016. At 2,480, total working gas is above the 5 year historical range.

	Stocks billion cubic feet (Bcf)			Year ago (03/04/15)		5-Year average (2011-2015)	
Region	03/04/16	02/26/2016	change	(Bcf)	% change	(Bcf)	% change
East	434	439	-5	246	76.4	298	45.6
Midwest	548	555	-7	257	113.2	331	65.6
Mountain	149	147	2	116	28.4	114	30.7
Pacific	265	262	3	272	-2.6	205	29.3
South Central	1084	1,065	19	581	86.6	659	64.5
Salt	323	315	8	142	127.5	154	109.7
Nonsalt	761	750	11	439	73.3	505	50.7
Total	2,480	2,468	12	1,472	68.5	1,606	54.5

Storage is 57% full compared to normal as of this report, with normal total capacity of 4,336 at the start of the withdrawal season. Storage is 1,008 BCF above last year, and 874 BCF above the five year average.
Source: Form EIA-912, "Weekly Underground Natural Gas Storage Report." The dashed vertical lines indicate current and year-ago weekly periods.

GATHERCO

Chesapeake Utilities Corporation announced a Definitive Merger Agreement to acquire Gatherco, Inc.

On January 30, 2015, Chesapeake Utilities announced a merger agreement to acquire Gatherco, merging it into Aspire Energy of Ohio, LLC. A wholly-owned subsidiary of Chesapeake Utilities. It is expected to be completed in the second quarter of 2015.

The transaction has an aggregate value of approximately $59.2 million, inclusive of the following:

(Continued to page 6)

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I would like to thank the presenters mentioned previously as well as the other fantastic speakers on hand for the Membership Meeting. We would also like to sincerely thank our sponsors and advertisers for making the event possible! Thank you for continuing to provide support during these tough times! I would also like to thank our SOOGA Board, Events Committee, Billie Leister, Whitney Huck, the Marietta Shrine Club, Event Designs, and Theo's Catering for working hard to make the Spring Meeting happen! Thank you also to all who attended the meeting. We hope you enjoyed it and most importantly that it was beneficial to you. SOOGA has several more great events in the near future and we hope to see you there!

Thank you for all you do to provide energy for our community, state, and country. As you continue to navigate through these tough times and weather the storm, keep your head up, never give up, endeavor to persevere, and remember… this too shall pass!

President

Matt Lupardus

(Continued from page 1)

State of the State Reception

Thank you Sponsors

Flat Rock Development, LLC, PDC Energy, EnLink Midstream, Antero Resources Corp., Miller Supply, Artex Oil Co., SOOGA

(Continued from page 4)

$49.8 million in exchange for all outstanding shares of Gatherco common stock, paid as follows:

593,005 shares of Chesapeake Utilities common stock, valued at $29.9 million, and

$19.9 million in cash (before payment of certain transaction expenses and escrow deposits);

$7.7 million in cash in consideration for cancellation of all outstanding Gatherco stock options; and

assumption of Gatherco's debt at closing, estimated to be $1.7 million.

GATHERCO RETAINAGE

Retainage for December, 2015 is as follows for the Gatherco systems. Treat was 17.0%, Miley was 12.0%, Meigs was 19.0%, York was 9.0%, Grimes was 19.0%, and Elk was 9.0%.

February, 2016 retainage was not available as of the date of this report.

EIA FORECAST March 8, 2016:

EIA forecasts that inventories will end the winter heating season (March 31) at 2,288 Bcf, which would be 54% above the level at the same time last year. Forecast Henry Hub spot prices average $2.25/million British thermal units (MMBtu) in 2016 and $3.02/MMBtu in 2017, compared with an average of $2.63/MMBtu in 2015.

US crude oil production averaged an estimated 9.4 million barrels per day (b/d) in 2015, and it is forecast to average 8.7 million b/d in 2016 and 8.5 million b/d in 2017. EIA estimates that crude oil production in December fell 80,000 b/d from the January level.

Forecast West Texas Intermediate (WTI) crude oil prices average $2/b lower than Brent in 2016 and $3/b lower in 2017. However, the current values of futures and options contracts continue to suggest high uncertainty in the price outlook. For example, EIA's forecast for the average WTI price in June, 2016 of $35/b should be considered in the context of recent contract values for April 2016 delivery (Market Prices and Uncertainty Report) suggesting that the market expects WTI prices to range from $24/b to $58/b (at the 95% confidence interval).

WEST VIRGNIA NEWS:

West Virginia legislators are currently considering forced pooling, and the producers and oil and gas associations are working with the House and Senate to develop rules. The last attempt did not pass, and they are working to come up with some acceptable legislation.

New Tank Regulations:

West Virginia has adopted some new tank regulations recently. The results and requirements of this new regulation was set out and explained in the latest SOOGA Newsletter, so please read it to familiarize yourself with these regulations if you have production in WV.

UTICA NEWS:

NEW PIPELINES PROPOSED TO SPUR UTICA SHALE DRILLING IN OHIO

SUNOCO LOGISTICS PARTNERS, L.P.

Sunoco Logistics Partners L.P. announced on 11/6/2014 that it will build a huge pipeline project that will quadruple the Marcellus Shale gas liquids moving through the Philadelphia area called the Mariner East 2 project. It will be at least 16 inches in diameter, and begin in Scio, Ohio and cross West Virginia and Western Pennsylvania to the Philadelphia area. The pipeline will be 350 miles long, and is expected to deliver 275,000 barrels per day of natural gas liquids (NGL) to the Marcus Hook complex, and will begin operations by the end of 2016, subject to regulatory and permit approvals.

(Continued to page 8)

2016 NEW MEMBERS
SOOGA would like to welcome the following new members:

JOSHUA HINTON
Associate –Producer
HG Energy, LLC
5260 DuPont Road
Parkersburg, WV 26101
304-483-3580

2016 SOOGA Tentative Calendar of Events

Spring Golf Outing
May 20th, 2016
Lakeside Golf Course

Summer Clay Shoot
June 17th, 2016
Hilltop Sports, LLC

Summer Golf Outing
August 19th, 2016
Woodridge Golf Club

Annual Trade Show
September 15th, 2016
Washington County Fairgrounds

Fall Clay Shoot
October 14th, 2016
Hilltop Sports, LLC

Annual Gun Giveaway
November 1st, 2016

(Continued from page 6)

DOMINION RESOURCES INC.:

Four energy partners formally asked the federal government on Friday for permission to build a 564-mile natural gas pipeline in West Virginia, Virginia and North Carolina.

The 348-page application was submitted to the Federal Energy Regulatory Commission.

The $5 billion Atlantic Coast Pipeline is intended to deliver cleaner burning natural gas to the Southeast as utilities move away from coal-burning power plants amid tighter federal rules on pollution that contributes to climate change.

Richmond, Virginia-based Dominion Resources Inc. and Charlotte, North Carolina-based Duke Energy would have 45 percent and 40 percent ownership stakes in the pipeline, respectively. Charlotte-based Piedmont Natural Gas would have a 10 percent ownership and Atlanta-based AGL Resources, 5 percent.

The pipeline would carry natural gas from Marcellus shale drilling in Pennsylvania, Ohio and West Virginia to the Southeast. It would run from Harrison County, West Virginia, southeast to Greensville County, Virginia, and into North Carolina.

DUKE ENERGY:

Duke Energy and Piedmont Natural Gas today announced the selection of Dominion to build and operate a 550-mile interstate natural gas pipeline from West Virginia, through Virginia and into eastern North Carolina to meet the region's rapidly growing demand for natural gas. The pipeline has an estimated cost of between $4.5 billion and $5 billion, an initial capacity of 1.5 billion cubic feet of natural gas per day, and a target in-service date of late 2018. Gas will be carried through a 42-inch-diameter pipe in West Virginia and Virginia, and a 36-inch-diameter pipe in North Carolina. The pipeline's main customers are six utilities and related companies that collectively will purchase a substantial majority of the pipeline's capacity to transport natural gas – Duke Energy Carolinas, Duke Energy Progress, Virginia Power Services Energy, Piedmont Natural Gas, Virginia Natural Gas, and PSNC Energy.

AMERICAN ENERGY/REGENCY ENERGY PARTNERS

American Energy and Regency Energy Partners are planning a $500 million pipeline to move American Energy's Utica shale gas to major pipelines like Rockies Express and Texas Eastern that service Texas, Colorado, and states along the nation's southeastern rim. The 52 mile system will deliver more than 2 BCF per day of gas supply. It is expected to be completed in the third quarter of 2015.

ENERGY TRANSFER

A second interstate pipeline is being planned to ship natural gas from the Utica and Marcellus Shale regions across Stark County. The planned Rover Pipeline would carry up to 3.25 BCF of natural gas per day from West Virginia, Pennsylvania, and Ohio. In total, the Rover mainline will include 380 miles of 36 inch and 43 inch diameter pipe and five compressor stations, plus 197 miles of supply laterals ranging in diameter from 24 to 47 inches.

MIDSTREAM/PROCESSING NEWS:

Pinto Energy is looking to build a 2,800 bbl/day gas to liquids plant east of Ashtabula, Ohio. It will produce high quality synthetic liquids as well as lubricants, waxes and solvents from gas being produced by the Utica and Marcellus formations.

Utica East Ohio (UEO), a joint venture by Access Midstream, M3, and EV Energy Partners, became the first fully integrated gathering, processing, and fractionation complex to be put into operation on July 28th. in Eastern Ohio. This initial phase of the UEO project is capable of processing 220-million cubic feet per day at their cryogenic processing facility near Kensington, and is processing 45,000 barrels per day of natural gas liquids at their fractionation, storage and rail facility new Scio.

The second phase is under construction and scheduled to be completed in December, 2014 with a third phase to follow. When complete, the UEO project will have 800 million cubic feet per day of cryogenic processing, 135,000 barrels per day of natural gas liquids fractionation, 870,000 barrels per day of natural gas liquids fractionation, 870,000 barrels of gas liquids storage and a rail facility capable of loading 90 cars per day.

(Continued to page 16

The Gas Business Ups and Downs

Article by: Bob Matthey

I have been in this business for over 35 years, and the gas sold in March of 2016 was the lowest price I have ever received. So now that prices are down, hopefully they will go up (sooner then later). As Jerry James told us at the SOOGA Spring Meeting, better days ahead, but we do not have a time frame!

One thing I have learned in this downturn, when your gas contract expires, look around and get 2 or 3 quotes on selling your natural gas. We have lived thru the Arcadia and Enron bankruptcies and now we have the Gateway and negative basis issues with Dominion Field Services and Dominion Transmission Inc., as well as others. Hell, in some cases, after selling gas on certain pipes and paying firm transportation and gathering fees at the end of the month we owe our gas marketers money.

I strongly encourage each producer to engage the services of an energy lawyer to assist you with your gas contracts. Call on SOOGA board member, Dan Corcoran. I'm sure he would do a great job. He's a pretty sharp cookie! Further I believe SOOGA should have a seminar on dealing with gas marketers and pipelines.

H2S - TOXIC GAS IN OIL & GAS DRILLING

Hydrogen Sulfide gas can be one of the most deadly hazards in the oil and gas industry. It is important that workers in the oil and gas industry are very aware of its lethal properties. Hydrogen sulfide is a highly toxic, colorless, combustible gas. It is heavier than air and has the unmistakable odor of rotten eggs.

Loss of consciousness can occur within seconds when exposed to a high concentration of H2S gas. The correct way of determining the amount of H2S present is by testing for the gas. If H2S is suspected, the concentration must be determined before any persons are allowed in the area. If H2S gas is detected, the following procedures should be followed:

- The drilling rig must be equipped with H2S monitors, along with audible and visual alarms.
- A calibration must be performed daily or as instructed by the manufacturer.
- Wind direction indicators should be installed in locations that are visible from the rig floor, shale shakers, and mud tanks.
- At least one blower must be located on the rig floor; but blowers are also highly recommended at the shale shaker, mud tank and cellar floor.
- H2S warning signs must be located no more than ¼ mile from the well.
- At least two designated safe briefing areas with at least two sets of self-contained breathing apparatus (SCBA's) must be located in each area.
- Emergency escape breathing units must be kept on the rig floor, monkey board, shale shaker and mud tank.
- All employees must have completed an H2S training program.
- Extra caution must be used around low lying areas such as cellars, ditches, etc. H2S is heavier than air and will collect in these areas.
- All personnel must avoid entering any confined space including: tanks, vessels, or other enclosed area unless they have received confined space entry training, they have a permit for entry when required, and the space has been tested and found safe for entry.

GAS PRICING 2016

MARCH 2016
NYMEX Settlement: $1.7110
Inside FERC/DTI: $1.0000(Basis: -$0.711
Inside FERC/TCO: $1.5800 (Basis: -$0.131)
NYMEX 3-day Average: $1.7570

APRIL 2016
NYMEX Settlement: $1.9030
Inside FERC/DTI: $1.1900(Basis: -$0.713)
Inside FERC/TCO: $1.7900 (Basis: -$0.113)
NYMEX 3-day Average: $1.8523

OIL PRICING 2016

ERGON OIL PURCHASING WEST VIRGINIA MONTHLY AVERAGE

February Ohio Tier 1: $29.5955
February Ohio Tier 2: $26.5955
February Ohio Tier 3: $24.5955
February West Virginia Tier 1: $29.5955
February West Virginia Tier 2: $26.5955
December West Virginia Tier 3: $24.5955
February Marcellus/Utica Condensate: $10.5955
February Marcellus/Utica Medium: $29.5955
February Marcellus/Utica Light: $23.5955

March Ohio Tier 1: $37.1045
March Ohio Tier 2: $34.1045
March Ohio Tier 3: $32.1045
March West Virginia Tier 1: $37.1045
March West Virginia Tier 2: $34.1045
March West Virginia Tier 3: $32.1045
March Marcellus/Utica Condensate: $18.1045
March Marcellus/Utica Medium: $37.1045
March Marcellus/Utica Light: $31.2819

Tier 1 - 150 + 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)
One stop location (one or more tanks at a single location)
Tier 2 - 60-149.99 net barrels of crude oil
Two Stops within 5 miles
Tier 3 - 30-59.99 net barrels of crude oil

The prices as posted are based upon computation of volume by using tank tables, or as measured by a deduction for all BS&W and correction for temperature deductions or allowances shall be made on the oil purchased shall be free of contamination and/or alteration by foreign substances or chemicals not associated with virgin crude oil. These include but are not restricted to, oxygenated and/or chlorinated compounds.
The Marcellus/Utica Shale produced crude oil will be purchased based on the monthly average for the following postings:
38.0-49.9 API Gravity—**Marcellus/Utica Medium** crude oil
50.0-59.9 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 2015/2016

AMERICAN REFINING GROUP AVERAGE

2/11 to 2/20	Group 1 OH: $28.37
	Group 2 OH: $25.37
	Group 3 OH: $23.37
2/21 to 2/29	Group 1 OH: $31.26
	Group 2 OH: $28.26
	Group 3 OH: $26.26
3/1 to 3/10	Group 1 OH: $35.19
	Group 2 OH: $32.19
	Group 3 OH: $30.19
3/11 to 3/20	Group 1 OH: $37.60
	Group 2 OH: $34.60
	Group 3 OH: $32.60
3/21 to 3/31	Group 1 OH: $38.39
	Group 2 OH: $35.39
	Group 3 OH: $33.39
4/1 to 4 /10	Group 1 OH: $36.61
	Group 2 OH: $33.61
	Group 3 OH: $31.61

ARG GROUP PRICING CATEGORIES AND DEFINITIONS FOR PENNSYLVANIA GRADE CRUDE OIL (LEGACY)

Group 1 (OH/PA/NY) - 150.0 barrels from a single location, with a BS&W of 2% or less,

Group 2 (OH/PA/NY) - 60.0-149.99 net barrels from a single location

Group 3 (OH/PA/NY) - 30-59.9 net barrels from a single location

For questions relating to ARG Group Pricing or Utica / Marcellus Shale pricing, please contact:
Gary Welker, Mgr.-Crude Supply & Gathering -
330-813-1898; gwelker@amref.com

www.amref.com

SOOGA Legacy Fund

The oil and gas industry has been a big part of our community for more than 120 years. Our history with the community led us to partner with the Marietta Community Foundation to establish the SOOGA Legacy Fund in 2013.This fund was established to give back to our communities across Ohio and West Virginia and to honor the memory of members who have dedicated their life's work to this industry. To give a tax deductible gift make checks payable to:

Marietta Community Foundation
SOOGA Legacy Fund
MCF, P.O. Box 77
Marietta, OH 45750
Phone: 740.373.3286

The SOOGA Board serves as the advisor to the fund.

(Continued from page 8)

Hickory Bend Project, the NiSource and Hilcorp natural gas processing project, has announced the construction of a $60 million pipeline to move natural gas liquids from their cryogenic natural gas processing plant in Springfield Township to attractive market destinations. Pennant Midstream will construct the 12 inch 38 mile pipeline. It will have the capacity to deliver up to 90,000 bbls. of NGS per day to a Utica East Ohio pipeline in Columbiana County, and from there be transported to the fractionator in Harrison County. It is expected to be complete by July, 2014

Appalachian Resins announced that it will build a $1 billion facility in Monroe County that will be able to process approximately 18,000 barrels per day of ethane into ethylene and polyethylene, the feedstock for plastic and many other items we use in our daily lives. The facility is expected to begin operating in early 2019 and will produce 600 million pounds of ethylene/polyethylene per year. This new feedstock has the potential to reinvigorate the manufacturing sector in the region, which will, in turn, increase investment and jobs in the Ohio Valley.

For more information, click on this link;

http://energyindepth.org/ohio/new-natural-gas-plant-up-and-running-in-eastern-ohio/

Utica Facts and Numbers – Fourth Quarter 2015 Results:

2015 horizontal well production has already surpassed Ohio's 2014 totals

COLUMBUS, OH - During the fourth quarter of 2015, Ohio's horizontal shale wells produced 6,249,116 barrels of oil and 302.505.428 Mcf (303 billion cubic feet) of natural gas, according to figures released today by the Ohio Department of Natural Resources (ODNR). Quarterly production continues to set new records as horizontal shale well production totals have increased by more than 100 percent from 2014's fourth quarter totals. Additionally, Ohio's horizontal shale wells have produced more oil and gas in the first nine months of this year than all of Ohio's wells produced in 2014.

4th. Quarter YTD Totals

	2014 (SHALE)	2015 (SHALE)	INCREASE
Barrels of oil:	7,438,375	15,707,339	111%
Mcf of gas:	287,846,105	651,193,106	126%

As of April 2, 2016, there have been 2,152 Utica Shale permits issued in 23 counties in Ohio to 29 companies, and 1,704 of them have been developed. The counties are listed below.

Ashland, Belmont, Carroll, Columbiana, Coshocton, Geauga, Guernsey, Harrison, Holmes Jefferson, Knox, Mahoning, Medina, Monroe, Muskingum, Noble, Portage, Stark, Trumbull, Tuscarawas, Washington, and Wayne.

There are currently 1,265 Utica Shale wells in production, with 12 rigs running.

Editors thoughts on future of energy

Article provided by; Carl Heinrich

As one of the “old timers” to present at the SOOGA Spring Meeting I expressed the idea that students currently studying petroleum engineering or geology will be well positioned to fill the gap as us old timers retire or transition to the “great oil field in the sky.” The current crop of professionals will leave a gap in their professions that will be filled with current students now “in the pipeline.”

To that end, your editors are presenting two articles from the AAPL (American Association of Professional Landmen) Journal “The Landman” which our members who are not AAPL members might find interesting.

API: Oil and Natural Gas Industry Creating More Opportunities for Women and Minorities

Women and minorities will fill an exceptional number of the nearly 1.9 million job opportunities projected in the oil and natural gas and petrochemical industries by 2035, according to a new IHS report, Minority and Female Employment in the Oil & Natural Gas and Petrochemical Industries 2015-2035, sponsored by API.

“The oil and natural gas industry pays wages significantly higher than the national average and can provide tremendous career opportunities for women and minorities,” said Jack Gerald, API president and CEO. “The careers can help shrink the income inequality gap without spending a dime of taxpayer money.”

Of the industries’ new job opportunities, 707,000 positions—38 percent of the total—are projected to be held by African American and Hispanic workers, according to the report. Women are estimated to fill 290,000 of those jobs.

“We have the natural resources and the technology to continue to be a global energy superpower that will provide major economic and national security benefits,” Gerald said. “But we need to abandon backward energy policies – like restricted access to federal lands, the rejection of infrastructure modernization projects and the Renewable Fuel Standard- - that are anti-consumer and raise costs. With smart energy policies and leadership, we can help millions of workers, ranging from Americans with high school degrees and post-secondary training to those with post-graduate degrees. These new high paying jobs have the potential to be a strong tool in reversing the trends of poverty.”

Of the 1.9 million new job opportunities, 57 % are projected to be in blue-collar occupations and 32% are projected to be in management and professional fields. African American and Hispanic workers are projected to account for close to 25% of new hires in management, business and financial jobs through 2035. Of the women projected to be hired by the industry more than half are expected to fill management and professional occupations.

The next article states the great importance that hydraulically fractured wells play in the economics of U.S. oil production. In spite of all the bleating of the environmental rabble fossil fuels built this country (and mostly of the rest of the world) to the energy powerhouse it is today and fossil fuels have a strong future.

EIA: Oil Production from Hydraulically Fractured Wells Accounted for more than Half of U.S. Total Output During 2015

Using well completion and production data from Drilling Info and IHS Global Insight, EIA created a profile of oil production in the United States. In 2000, approximately 23,000 hydraulically fractured wells produced 102,000 barrels per day (b/d) of oil in the United States, making up less than 2% of the national total. By 2015, the number of hydraulically fractured wells grew to an estimated 300,000, and production from those wells had grown to more than 4.3 million b/d, making up about 50% of the total oil output of the United States. These results may vary from other sources because of the types of wells included in the analysis and update schedules of source databases.

How Fracking Has Reduced Greenhouse Gases

Townhall.com Where Your Opinion Counts
4/12/2016 11 12:01:00 AM– Stephen Moore

The U.S. Department of Energy published data last week with some amazing revelations -- so amazing that most Americans will find them hard to believe. As a nation, the United States reduced its carbon emissions by 2 percent from last year. Over the past 14 years, our carbon emissions are down more than 10 percent. On a per-unit-of-GDP basis, U.S. carbon emissions are down by closer to 20 percent.

Even more stunning: We've reduced our carbon emissions more than virtually any other nation in the world, including most of Europe.

How can this be? We never ratified the Kyoto Treaty. We never adopted a national cap-and-trade system, or a carbon tax, as so many of the sanctimonious Europeans have done.

The answer isn't that the EPA has regulated CO2 out of the economy. With strict emission standards, the EPA surely has started to strangle our domestic industries, such as coal, and our electric utilities. But that's not the big story here.

The primary reason carbon emissions are falling is because of hydraulic fracturing -- or fracking. Some readers now are probably thinking I've been drinking or have lost my mind. Fracking technology for shale oil and gas drilling is supposed to be evil. Some states have outlawed it. Hillary Clinton and Bernie Sanders have come out against it in recent weeks. Schoolchildren have been bombarded with green propaganda about all the catastrophic consequences of fracking.

They are mostly lies. Fracking is simply a new way to get at America's vast storehouse of tens of trillions of dollars worth of shale oil and gas that lies beneath us, coast to coast -- from California to upstate New York. Fracking produces massive amounts of natural gas, and, as a consequence, natural gas prices have fallen in the past decade from above $8 per million BTUs to closer to $2 this year -- a 75 percent reduction -- due to the spike in domestic supplies.

This free fall in prices means that America is using far more natural gas for heating and electricity and much less coal. Here is how the International Energy Agency put it: "In the United States, (carbon) emissions declined by 2 percent, as a large switch from coal to natural gas use in electricity generation took place."

It also observes that the decline "was offset by increasing emissions in most other Asian developing economies and the Middle East, and also a moderate increase in Europe." We are growing faster than they are and reducing emissions more than they are, yet these are the nations that lecture us on polluting. Go figure.

Here at home, this market-driven transition has caused a pro-natural gas celebration by the green groups, right?

Hardly. Groups like the Sierra Club and their billionaire disciples have bet the farm on wind and solar power. They've launched anti-fracking campaigns and "beyond natural gas" advertising campaigns. But wind and solar are hopelessly uncompetitive when natural gas is so plentiful and so cheap. So are electric cars.

The media also have gotten this story completely wrong. Last week The New York Times celebrated the DOE’s emissions findings as evidence that governmental iron-fist policies are working to stop global warming. For the first time “since the start of the Industrial Revolutions,” the Times argued, “GDP growth and carbon emissions have been decoupled.”

(Continued on Page 20)

(Continued from page 19)

The Times pretends that this development is because of green energy, but that's a fantasy. Wind and solar still account for only 3 percent of the U.S. energy.

So here is the story in a flash: Thanks to fracking and horizontal drilling technologies, we are producing more natural gas than ever before. Natural gas is wonder fuel: It is cheap. And it is clean-burning. Even Nancy Pelosi inadvertently admitted this several years ago before someone had to whisper in her ear that, um, natural gas is a fossil fuel.

Meanwhile, the left has declared war on a technology that has done more to reduce carbon emissions and real pollution emissions than all the green programs ever invented. Maybe the reason is that they aren't so much against pollution as they are against progress.

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2016 MEMBERSHIP DUES REMINDER

Dear SOOGA Member,

During the industry downturn, we understand the importance of reducing costs to weather the storm. This is the same reason SOOGA has strived to maintain low membership costs, even during the good times. As a result, SOOGA membership dues are among the cheapest in the industry.

Your membership is very important to your Association, now more than ever. With the downturn our industry is currently facing we need to remain member strong and help one another make it through. If you have not paid your 2016 Membership dues, please contact the SOOGA office at 740-374-3203. We hope you will once again take advantage of the "great bang for your buck" your SOOGA membership has to offer.

Thank you for all you do to provide energy for our community, state, and country. Keep your head up during these tough times and remember… this too shall pass!

Regards,
Matt Lupardus
President, SOOGA

2016 SOOGA Spring Membership Meeting

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Congratulations to all the door prize winners!

2016 MEMBERSHIP DRIVE

The SOOGA Board of Trustees would like to thank everyone for the support of our organization. SOOGA has seen a steady growth in membership over the past 15 years, from a few hundred to over 500 by the end of 2014. This growth is thanks to you.

Our industry has experienced its' share of highs and lows. Currently we are in the midst of unprecedented challenges. The issues at hand, whether regulatory, environmental or economic, are challenges aimed at the way we do business and impact our livelihood.

Make you voices heard. SOOGA has dedicated leadership that is connected to the issues at hand and a voice heard by the people who can make a difference.

Now more than ever your SOOGA membership is valuable. By staying involved in your organization you have the ability to stay ahead of the issues that will affect your business.

Make your voice heard, stay involved and encourage your associates to be involved.

The board of directors and officers of SOOGA want to thank you for your continued support.

Member Who Signs Up

Four (4) "NEW MEMBERS"

By: 12/31/16 will be entered in a drawing for a

Henry Golden Boy

Donated by: Timco, Inc. and Southeastern Ohio Oil & Gas Association

Don't Wait, Start Signing up Those New Members

Winner Will Be Announced At the January 2017 Board of Trustees Meeting.
(Board members and employees are excluded)

Visit our website at www.sooga.org for Membership Applications.

****To receive credit for New Members, your name must be listed as referred by**.**

Congratulations to Don Fox with Eastern Mountain Fuel the winner of our 2015 Membership Drive. Don signed up 8 new members!

Firefighters from Multiple States Brave Frigid Weather to Train How to Respond to Potential Oilfield Emergencies

By: Mark Bruce, OOGEEP Communications Director

Granville, OH –Firefighters from Ohio and Pennsylvania braved winter-like spring weather in order to learn how to respond to potential, but rare, emergency oil and gas incidents. The Ohio Oil and Gas Energy Education (OOGEEP) "Responding to Oilfield Emergencies" workshop was held at the Wayne County Regional Fire and Rescue Training Facility near Wooster April 9 and 10.

"The dedication and effort shown by these men and women in these conditions was impressive," said Ron Grosjean, OOGEEP Board Member and Firefighter Committee Chair. "They braved snow, frigid wind chills and otherwise terrible conditions in order to learn how they can serve their communities better. The people they represent should be proud."

OOGEEP's workshops, funded by Ohio's oil and gas producers, contain two days of informative lessons and hands-on learning. Day one features classroom presentations and discussion that provide an overview of Ohio's oil and gas industry including the processes and procedures used to develop these energy sources. The curriculum focuses on teaching first responders how to distinguish between normal operations and a true emergency.

The second day is full of hands-on learning, utilizing OOGEEP's outdoor fire-behavior labs. The training site includes several pieces of oilfield equipment, designed to allow firefighters to experience and respond to potential oilfield incidents. State-certified fire-instructors help OOGEEP train firefighters at each of the hands-on stations.

"If firefighters don't train for potential events, it'll be too late when the real emergency call comes in," said Firefighter Teresa Crawford from the Ruggles-Troy Volunteer Fire Department in Ashland County. "That's why OOGEEP's hands-on training in a controlled environment is so valuable to any member of the fire service."

"OOGEEP provided a great training that simply cannot be found anywhere else," said Firefighter Collin Finneran from the Broadview Heights Fire Department in Cuyahoga County. "The workshop provided exposure to potential emergency situations that we normally don't respond to, but could."

The OOGEEP training program and curriculum are endorsed by the Ohio Fire Chief's Association, Ohio Society of Fire Service Instructors and Ohio Fire and Emergency Services Foundation. It was developed as a collaborative effort between Ohio's oil and gas industry, government regulators, firefighters and emergency response experts. The course meets national and state fire safety standards and attending firefighters can earn required CEU credits and an optional graduate credit.

Now in its 15th year, OOGEEP's "Responding to Oilfield Emergencies "Workshop has helped to train more than 1,370Ohio firefighters and departments from seven other states. 20 firefighters attended April's workshop and OOGEEP will hold additional training sessions in the fall. Registration is available at oogeep.org.

"Ohio's oil and gas industry and OOGEEP are proud to enter our 15th year of providing this crucial training to Ohio's first responders," said Rhonda Reda, OOGEEP Executive Director. "Firefighters from around the nation look to OOGEEP's training program as a model and the oil and gas industry will continue to ensure this program remains relevant, effective and highly-regarded."

On Earth Day, Be Thankful For Our Geologic Gifts and How The Oil and Gas Industry Improves Our Daily Lives

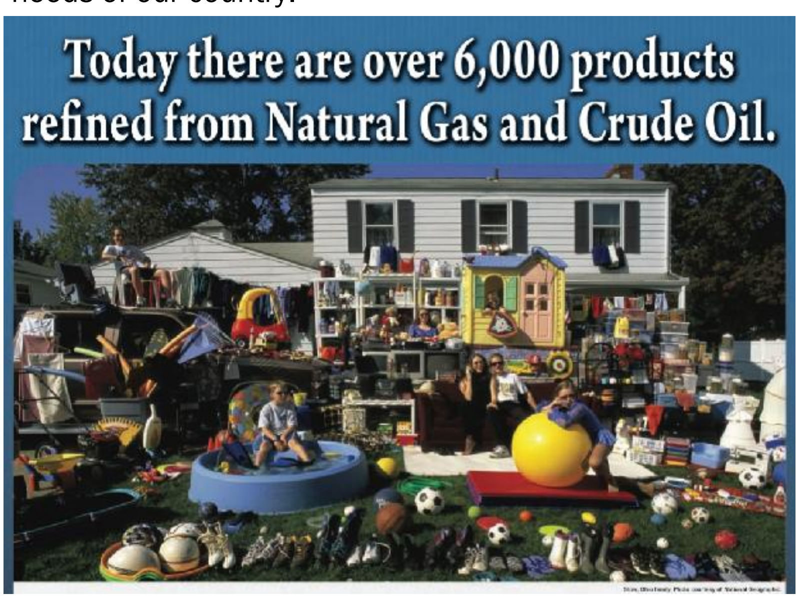
By: Rhonda Reda, OOGEEP Executive Director

The United States recognizes April 22 as Earth Day, a special day first organized in 1970 to celebrate our planet. The oil and gas industry celebrates Earth Day by recognizing the great geological gifts of crude oil and natural gas! OOGEEP wants to take the opportunity to also thank the workers in the oil and gas industry for what you do to produce these valuable resources that make a positive impact on everyone's daily lives. You work 365 days a year to provide a higher quality of life, longer life expectancy, millions of jobs and billions of dollars in economic investment to every American.

Often, and understandably so, we in the industry focus on what we do and how we do it, not necessarily how it IMPACTS the world around us. A great article published in Forbes by David Blackmon discusses many of the ways oil and gas improves our lives from fertilizers to electricity to heating. Alex Epstein, author of *The Moral Case for Fossil Fuels* makes the argument that fossil fuels are directly responsible for longer life expectancy, cleaner water and climate safety.

Take a moment to realize the incredible impact of what you do! Without natural gas heat, most winters would be pretty difficult to endure. Without electricity produced by natural gas, water treatment plants wouldn't be able to clean and purify the water that millions of Americans drink each day. Without plastic, modern medicine would not exist. Lives would be lost without the medicine, artificial hearts, IV lines and the thousands of other products made from oil and gas. In fact, more than 6,000 products are made from crude oil and natural gas. Common things that people know like gasoline and plastic; but also parachutes, carpet, cell phones, computers, synthetic rubber, waxes, soap and even "selfie sticks"! In fact, the average American uses the equivalent of three gallons of refined-petroleum products each day.

Americans wouldn't have any of these products, warm heat, clean water or abundant electricity without the oil and gas industry. YOU go to work each and every day, through all kinds of weather and at all hours of the day to produce the resources that we all depend upon. Thank you for your ingenuity to produce more natural gas and crude oil than at any time in history; thank you for your effort to do your job safely and effectively; and thank you for continuing to evolve, adapt and advance in order to meet the growing energy needs of our country.



On Earth Day remember that you, your company and all of the dedicated oil and gas workers make a positive impact on the lives of each and every human being on this planet. Earth provides these geologic gifts; humans create and invent new and exciting ways to use these gifts to improve our lives; and you, the workers of the oil and gas industry, actually produce the crude oil and natural gas that makes it all possible. Thank you for making Earth a better place for everyone!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Southeastern Ohio Oil & Gas Association
2016 Spring Golf Outing
May 20th, 2016
Lakeside Golf Course

18850 State Route 60
Beverly, OH 45715
740-984-2354

Registration: 8:00am (Coffee & Donuts)

Shot Gun Start: 9:00am

Format: 4 Person Scramble.

Dinner 2:00pm - 4:00pm

Golf Winners & Door Prize Drawings

Must be present to win door prizes

Tournament and Skins game will be flighted.

First, Second and Third Place Prizes.

Package includes: Green Fees, Cart, Sack lunches, on course refreshments and BBQ Dinner.

Skill Prizes: Longest Drive, Closest to Pin, Longest Putt, Straightest Drive, Mulligans Available.

Registration Form- Deadline May 13th, 2016

mail@sooga.org / 740-374-3203

SOOGA reserves the right to make changes or cancel this program due to insufficient registrations.

____
Contact Name

____
Company

____
Contact Phone#

____ # of Golfer - $75.00(per golfer)

____ Tee Sponsor - $100.00

____ Lunch Only - $12.00

____ Total Due $________

List of Golfers:

____

____

____

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Method of payment: Make checks payable to Southeastern Ohio Oil & Gas Association

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For Directions please visit www.lakesidegolfcourse.com

No Refunds After May 13, 2016 Deadline

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