

SEPTEMBER

DESK AND DERRICK DATELINE

This month...

"ET Phone Home"

Join us to hear from one of our own -
Diana Walker of Stephens
Engineering.

RSVPs are due to Diana by
September 22 at 4 pm.

Don't miss this meeting!

*Join
Us!*

September, 2022
Volume 71, Issue 9

INSIDE THIS ISSUE

| | |
|---|-------|
| Board of Directors | 2 |
| President's Letter Nichole Harney | 3 |
| ADDC President's Letter Philana Thompson | 4 |
| Central Region Jamie Sabata | 5 |
| July Meeting Recap | 6-10 |
| Alex Mills | 11-14 |
| Club News | 15-19 |
| August Meeting | 20 |
| Industry Appreciation Luncheon Save the Date | 21 |



Club Purpose

The purpose of the club shall be to promote the education and professional development of individuals employed in or affiliated with the petroleum, energy, and allied industries and to educate the general public about these industries.

Club Motto

Greater Knowledge - Greater Service

Official Colors

Black and Gold

2022 Board of Directors

President - Nichole Harney
Vice President - Sheila McGaughey
Secretary - Lauren Martin
Treasurer - Jordan Moss

1 Year Director - Jordan Campagna Jackson
2 Year Director - Vickie Young
Immediate Past President - Diana Walker
Parliamentarian - Rena Shaffer

Letter from the Editor

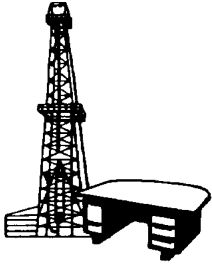
Another month has come and gone and we are well on the way through September too.

We have several members traveling to Pittsburg soon to attend convention, so please note that the date of our September meeting has changed to the 28th so that all members are back in town and able to attend. I know they will have a wonderful time with friends from other clubs!

October brings about our annual Industry Appreciation Luncheon. The "save the date" is included in the bulletin so make sure to print that out and leave it so your coworkers can be aware and plan to attend. More details will be provided in the next month. Our IAD chairperson has arranged a wonderful speaker that should appeal to everyone. Please plan on attending and bringing your bosses!

Looking forward to seeing everyone soon,

Jordan Campagna Jackson



Association of
Desk & Derrick
Clubs

**Desk and Derrick
Club of Wichita Falls**

2022 Board

Nichole Harney

President
716-5100

Sheila McGaughey

Vice President
716-5340

Lauren Martin

Secretary
723-5585

Jordan Moss

Treasurer
781-8008

Jordan Jackson

One Year Director
716-5100

Vickie Young

Two Year Director
716-5100

Diana Walker

Immediate Past
President
716-5344

Rena Shaffer

Parliamentarian
234-3307

September 2022

I hope everyone had a fun and safe Labor Day. Fall is just around the corner. We are starting to get a taste with the nice cool evening air and the rain showers which we desperately need here in Falls Town.

Our August speaker, James Tart's "Life of a Well" presentation, was a very interesting program. It was very educational seeing the many moving parts of a well from the ground up. If you missed the August meeting, please find the program write up in this bulletin.

At the August membership meeting, I announced the member that was awarded the club sponsorship to attend the 2022 ADDC Convention this month in Pennsylvania. Congratulations Shirley Bridwell!

Convention is scheduled September 21-25, which is the week that we normally hold our monthly meeting. Please mark your calendar that our membership meeting has been pushed back September 28th.

The SPE Golf Tournament has moved up their golf tournament to September 30th. They will hold their tournament at River Creek Golf Course in Burkburnett. Diana Walker has found all her volunteers but if you have any further questions, please contact Diana at DWalker@sjoc.net.

Barbara Pappas, Chairman for the Industry Appreciation Banquet, and her committee have been working hard planning this year's luncheon. This meeting is when we recognize the local oil companies and our employers. This year's keynote speaker will be Texas State Senator-District 30 Senator Drew Springer. Please reach out to your employers and co-workers and encourage them to attend. The Industry Appreciation Luncheon will be Tuesday, October 18th at twelve o'clock-noon at the Forum in the auditorium.

The Nominating Committee is looking for members to serve on the Board of Directors for next year. If you would like to volunteer, please reach out to Chairman Diana Walker at DWalker@sjoc.net, or her committee members Rena Shaffer at rena@eagleog.com or Barbara Pappas at Barbara@cobraogc.com. This is a fun and educational experience. You will get to learn about your fellow members, and the organization. Take the step and serve on your Clubs Board.

Our September membership meeting speaker will be Diana Walker with Stephens Engineering. Diana, Chairman of the Desk and Derrick Educational Trust, will discuss ET with our club. Please contact Diana Walker at (DWalker@sjoc.net) to make your reservation to join us for this interesting program. Hope to see you all at The Forum on September 28th.

Nichole Harney



Board of Directors

PRESIDENT

Philana Thompson

Merrion Oil & Gas Corporation

PRESIDENT ELECT

Barbara Pappas

Cobra Oil & Gas Corp.

SECRETARY

Wendy Sparks

Carl E Gungoll Exploration LLC

TREASURER

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Souder, Miller & Assoc.

IMMEDIATE PAST

PRESIDENT

Evelyn Green

GBC Minerals, Ltd

PARLIAMENTARIAN

Nell Lindenmeyer

A-Plus Well Service, Inc

CENTRAL REGION

DIRECTOR

Jamie Sabata

Gardner Cryogenics/Air
Products

NORTHEAST REGION

DIRECTOR

Samuel Thomas

SOUTHEAST REGION

DIRECTOR

Kathy Martin

Acadian Ambulance Service,
Inc

WEST REGION DIRECTOR

Ingrid Burton

Philana Thompson

2022 ADDC President

610 Reilly Ave, Farmington, NM 87401

505-486-1171

pthompson@merrion.bz

September 2022

In my last newsletter I asked members to send me an idea for recruiting! The first person to respond was Judi Adams. Judi shared that we should be starting at trade schools and community colleges. Attend the career days and promote D&D as a source for a wide range of knowledge. She said that most companies focus on required OJT/formal training; ADDC provides information about many aspects of the energy industry. Knowing more about the industry gives applicants an edge in interview! Judi won the \$25 gift card to Starbucks.

Jamie Sabata also shared that while she was at Red River attending their July 4th parade an idea came to mind and she shared that clubs should look at entering floats into their local parades.

Nomination Spotlights:

Secretary Nominee Jamie Sabata has been involved in the energy industry since 2002. She worked for J-W Power Company wearing many hats which included office manager, inventory coordinator for the Pampa office, and systems trainer. She currently works for Air Products & Chemicals- Gardner & Rotoflow Division as an inventory materials specialist and a backup for the site supervisor. Jamie stated her goals are to get the Desk & Derrick Club name back in conversations and share with others about this great organization.

Secretary Nominee Heather Woods currently has 17 years of experience as a project manager at geotechnical and environmental consulting firms. Her work often involves record keeping, tracking task completion, and planning. She understands the value of organization and communication because of this experience and is ready to employ these skills as Secretary. Heather has utilized several electronic information storage systems through her career and presently utilize ADDC's current system on Google Drive in her capacity as Treasurer.

If you are attending convention this year, please be sure to find them and chat with these two ladies about their personal visions, goals, and backgrounds!

At last look the attendance for convention had not reached one hundred. I know that our organization, like many others, has not had an easy two years. With our membership in a steep decline, we will have to start asking ourselves some tough questions and making those tough decisions, although un-popular, about what the future holds and how this organization will operate in the years to come. Human nature is to resist, get angry, its hard! We must look at the "why" of what we are doing and not tie our hands in policy and procedure to adapting to change as the environments change. Sometimes it is especially hard not to hold on to what we are familiar with, we must look at the bigger picture and find ways to adapt and grow.

Prayers and Blessings!

Philana Thompson

pthompson@merrion.bz



Board of Directors

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Cryogenics

NORTHEAST REGION

DIRECTOR

Samuel Thomas

SOUTHEAST REGION

DIRECTOR

Kathy Martin

Acadian Ambulance Service,
Inc

WEST REGION DIRECTOR

Ingrid Burton

Jamie Sabata

2022 Central Region Director

1621 N. Cain Ave

Liberal, KS 67901

Cell# 620-655-6503

jamie.sabata@gmail.com

September 2022

Hello Central Region!

Countdown begins! Convention is less than 3 weeks! Time to figure out what clothes and shoes to pack, of course I will be trying mine on....just in case! I am excited for us all to be together again, catch up and rekindle that ADDC excitement! Kool & the Gang's song "Celebration" just popped in my head!

Speaking of convention ...the late registration fee has been waived and registration deadline has been extended to September 9th! Please email a copy of your registration packet if you opt to send it via snail mail or if you are going to pay via credit card, you will send it as directed on the form to ado@addc.org. As of last look, the attendance was less than 100.

The Central Region proposed bylaw amendments #1-14 and proposed amendment to proposed amendment #2 were passed! Those passed amendments were updated and sent in to ADDC Bylaws and Standing Rules committee chair for review. 2022 just happened to be the year Central Region Bylaws were due for the 4 year review. I will be sending them out to the club presidents as soon as the committee has finalized the review.

Reminder:

Club Presidents - Don't forget to send me a quick email about what your clubs have been up to this year, any upcoming plans, industry luncheons, golf tournaments, etc for me to share in my verbal report for convention. I need to get it typed up and get a copy sent to Philana by next week.

Upcoming Events:

Oct 3rd - D & D Golf Classic /4 person scramble golf tournament at Aledo, Tx
Contact Melodee Guerrero - Graham Club - melodee@echoproduct.com

Oct 18 - Industry Appreciation Luncheon - Wichita Falls, Texas
Speaker - Drew Springer - Texas State Senator

See you all at convention and prayers for safe travels!

Love, Light & Blessings,

Jamie Sabata

Love, Light & Blessings,

Life of a Well

August 17, 2022

Presented by: James Tart—Stephens Engineering /
Stephens & Johnson Operating Co.

Submitted by: Sheila McGaughey



When you think of an oil well, what comes to mind? Well, if you are from Texas, probably the first thing you think of is the scene from the classic movie *Giant*, starring Rock Hudson, Elizabeth Taylor and James Dean. Remember, the oil gusher spewing hundreds of barrels of oil into the air, covering everything for miles in black gold, especially James Dean. Ok, so I am dating myself a bit, but it is a classic movie. Next question, do you know what it takes to bring a well to life, from inception to retirement? Petroleum oil is one of the most valuable resources on this planet, used to power everything from cars and planes to factories and industrial plants. Yet despite its importance in our daily lives, very few people know what goes on during the life of a well. Our August membership meeting was presented by James Tart with Stephens Engineering / Stephens & Johnson Operating Co. and he proceeded to give us a better understanding of the life of a well, from start to finish!

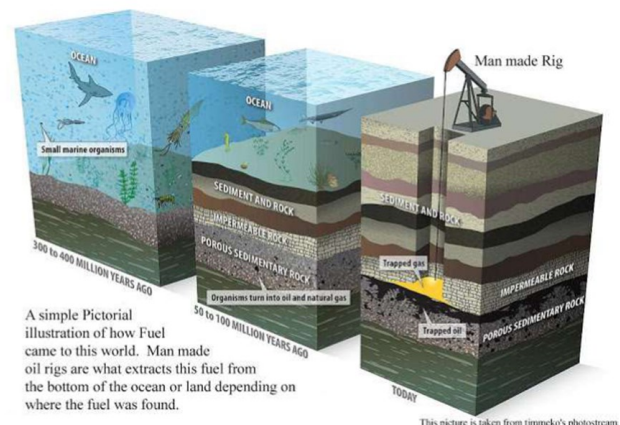
First, a little bit about our speaker. Mr. Tart is a graduate from the University of Texas with a Bachelor of Science in Petroleum Engineering and a registered Texas Petroleum Engineer. He has been employed with Stephens Engineering / Stephens & Johnson Operating Co. for the last 15 years. He works as a consultant petroleum engineer, focusing mainly on reservoir studies including waterflood studies and economic evaluations. He manages fields in Texas, Oklahoma and Kansas. His work includes drilling, completions, workovers, daily production, operations, enhanced oil recovery, and economic evaluations.

Mr. Tart began his presentation by giving us the basic phases of a well, which are: **Source, Geology, Exploration, Land and Legal, Drilling and Completion, Production, Enhanced Oil Recovery, and Economics and Abandonment.**

Let's dig (or drill) a little deeper.

SOURCE

First, you've got to find the source. Source rock contains decomposing plants and organisms buried beneath layers of sediment and rock that was deposited 100-400 million years ago on the ocean floor. This organic matter has been subjected to heat and pressure over time to produce the carbon rich deposits we now call fossil fuel. Source rocks are usually shales or limestones (sedimentary rocks). Beneath the earth's surface, oil will ooze through rocks if there is enough space between them, but this oil will not accumulate into large quantities unless something traps it in a particular place.



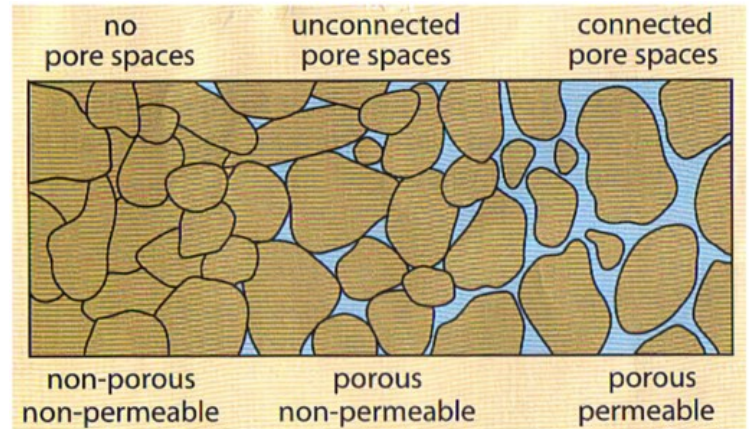
Primary Migration: Moved from source rock into an adjacent carrier bed.

Secondary Migration: Moves from carrier bed to a trap.

Tertiary Migration: Moves from one trap to another or to a seep.

GEOLOGY

One of the most important responsibilities of a geologist is rock examination, or the detection and evaluation of porosity and permeability in the course rock. Porosity and permeability are the terms relating to rocks and soils. Porosity is the measurement of void spaces between rocks, whereas permeability is the measurement which tells how easily fluid can flow in between rocks. There must be a trap, porosity, permeability and hydrocarbons to have an economically productive reservoir.



EXPLORATION

Next up in the life of a well is exploration. Oil and gas exploration is a method used by petroleum geologists for searching for hydrocarbon deposits (oil and gas) under the Earth's surface. It consists of locating oil and gas reserves using techniques such as seismic surveys and drilling. During seismic exploration, seismic waves are sent deep into the earth and allowed to bounce back. The waves are recorded to learn more about oil and gas reservoirs located beneath the surface. It can also be very beneficial to use known information of existing wells to interpret and map areas.

LAND and LEGAL

Next, we need to get the proper paperwork in place to secure our lease. A lease is a contract through which a landowner allows the exploration for and production of oil and gas on their land. A lease can have multiple owners, usually a landman will run title to determine the owners. A surface owner does not necessarily own the mineral rights. An interesting fact on mineral rights is that the United States is one of the few countries in which private citizens own minerals. In other countries the minerals are owned by the government with royalties being paid to the government. The lease is a legally binding contract which contains a:

Primary Term—a fixed length of time, such as 3 years.

Continuous Development & Production—if, at the expiration of the primary term, oil or gas is not being produced, but the Lessee has commenced the drilling of a well in a unit, the Lease will not terminate but will remain in effect for as long as operations are carried out with due diligence.

Lease Bonus—an amount of money that the Lessor is paid immediately upon signing an oil and gas lease.

Royalty Bonus—an agreed upon percentage of the profits of the oil and gas produced.

DRILLING and COMPLETION

Drilling and completion is a two step process of drilling the oil or gas well and then completing it. Before drilling can begin, an operator will come up with a drilling plan which will include state/permit information, location, proposed depth and drilling instructions. It will also contain the fresh water zone, which is the base of usable-quality ground water and additional isolation zones that need to be protected while drilling. The string of surface casing must extend safely below the freshwater areas.

A well can be drilled vertical, deviated or horizontal. A vertical well is drilled from spud to total depth. A deviated drill is a vertical drill with an angle, sometimes an 's' curve. A horizontal drill is where the departure of the wellbore from vertical exceeds about 90 deg. Mr. Tart gave us an example of a horizontal well in the middle of an Oklahoma City residential neighborhood where the drill site is a mile and a half from target zone.

A drilling plan may specify which type of drill bit to use. The PDC (polycrystalline diamond compact) bit is capable of grinding rock and is more durable than a tri-cone bit. They are also used for core samples and designed to excavate the hole by shearing the formation. Cone bits (or rock bits) are the most common type of bit used worldwide. The cutting action is provided by cones that have either steel teeth or tungsten carbide inserts. These cones rotate on the bottom of the hole and drill with a grinding and chipping action.

A drilling plan will also provide details on casing and tubing. Casing and tubing is the steel pipe used to support the walls of an oil and gas well during drilling and completion. Some of the factors to consider when choosing casing is diameter of the hole, metallurgy, strength and depth.

PRODUCTION

Once the total depth is attained and the well is producing, we will need to store our products. A tank battery is the arrangement of storage and processing tanks, flowlines, and other equipment necessary to operate a well. Some tank batteries are connected to just one well, while others receive and process fluids from several different wells. A separator will be placed at the battery to separate the oil, gas and water. A heater-treater or gun barrel may also be necessary if you need to remove water and sediment from the oil.



ENHANCED OIL RECOVERY

If the production of a well is dropping off and becoming uneconomical, an engineer may study the characteristics of the entire field to find a way to recover more oil or gas. The single most common secondary recovery technique is water flooding. This is when water is pumped into a second well, it diffuses out into the oil reservoir and tends to displace oil from the particles to which it is absorbed. This process forces more of the residual oil up into the recovery pipe. Enhanced oil recovery (EOR), also known as "tertiary recovery", is a process for extracting oil that has not already been retrieved through the primary or secondary oil recovery techniques.

Carbon dioxide can also be injected into a well. This is a process of obtaining crude oil from the pores of rock by injecting carbon dioxide into the subsurface to enhance oil recovery.

A well may also be converted to a WAG (Water Alternating Gas) system. This process is a cyclic method of injecting alternating cycles of gas followed by water and repeating this process over a number of cycles. WAG process entails injecting a slug of gas in to the reservoir followed by water which serves as the “chasing fluid”. Mr. Tart told us his company has some properties in Oklahoma that are on the WAG system.

ECONOMICS and ABANDONMENT

When a well is no longer able to produce economically and all methods of enhanced oil recovery have been exhausted, the well will be evaluated for possible temporary abandonment (TA) or plugged and abandoned (P&A). To plug a well, cement is pumped into the well to cover and isolate the zones that produce the oil and gas. Once the plugging operation is complete, the well head is removed and the flowlines are evacuated. All equipment, such as tanks, separators, etc., may also be removed. The well is cut a minimum of seven feet below the surface and the site is restored to its existing landscape.

Questions and Answers

Shirley Bridwell: When a well is uneconomical, can you sell the well to someone who has a lower overhead?

Mr. Tart: Yes, you can definitely sell it. Our company buys uneconomical wells and does the work necessary to reduce overhead expenses and recover more oil.

Sheila McGaughey: What is the average life span of a well?

Mr. Tart: That is hard to answer because there are so many variables. It mainly depends on the size of the reservoir and work that has been done to well. We have some wells in Oklahoma that are 100+ years old.

Barbara Pappas: As we have evolved in drilling; when did the process of drilling with mud begin?

Mr. Tart: The process of drilling with mud was to prevent blowouts and having gushers shoot up in the air. I am going to say around the 1930's.

Casie Mass: When you are looking for pockets of oil, what is your ideal shape and thickness?

Mr. Tart: The thicker—the better, it means a bigger reservoir. Also, if there is good porosity in the rock, containing more open voids, it will definitely hold more oil.

Vickie Young: Do they still drill with air instead of mud?

Mr. Tart: Yes, in certain areas. We have some wells in the Strawn area that were air drilled because of the sensitivity of the formation to the types of water used in drilling.

Mr. Tart did an excellent job in his presentation and he touched briefly on various other topics such as: having the correct pumping system, using the right type of mud while drilling, also on fracking a well. All of these factors ensure the quality of life for our investment. The life of a well is an extremely complex process involving petroleum engineers, geologists, surveyors, drilling contractors and various other vendors, some of these persons working around the clock to get the job done. In closing, from inception to retirement, every well tells a story. A plan. A discovery. We learned from this meeting that it takes years of hard work during the life of a well to provide enough energy to sustain this ‘rock’ we call Earth!



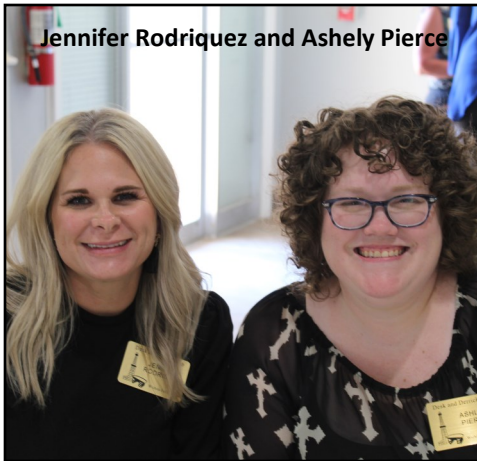
Stephens Engineering Gang

**August, 2022
Membership
Meeting**

Speaker: James Tart

L to R: Sheila McGaughey, James Tart, Lauren Barrientos, Diana Walker, Carla Morrow, Denise Henderson and Tammy Montgomery

Seated: Max Vordenbaum and Ted Smith



Jennifer Rodriguez and Ashely Pierce



**Shirley Bridwell,
Doris Sterling and
Rena Shaffer**



Vickie Young



James Tart and Nichole Harney

Life of a Well

| | | | |
|-----------------------|---------|-------------------------|------------|
| SOURCE | GEOLOGY | EXPLORATION | LAND/LEGAL |
| DRILLING/COMPLETION | | PRODUCTION | |
| ENHANCED OIL RECOVERY | | ECONOMICS & ABANDONMENT | |



Rena Shaffer, Tracy Flynn and Barbara Pappas



James Tart—Speaker

OPEC Warns of Severely Limited Excess Capacity of Oil

By Alex Mills

The shortfall of global oil supplies sent prices up more than 50% this year, and the group of oil exporting countries warned this week the shortage probably will continue beyond 2023.

The Organization of Petroleum Exporting Countries (OPEC) and its non-member partners, which includes Russia (the second largest oil exporting country), met Wednesday and increased its projected production level 100,000 barrels per day (b/d) to 43.955 million b/d.

“The meeting highlighted with particular concern that insufficient investment into the upstream sector (exploration and production) will impact the availability of adequate supply in a timely manner to meet growing demand beyond 2023 from non-participating non-OPEC oil-producing countries, some OPEC member countries and participating non-OPEC oil-producing countries,” OPEC said in a news release.

The warning from OPEC noted that the “severely limited availability of excess capacity.”

Even though OPEC+, which includes exporting countries not members of OPEC (like Russia), has been authorized to increase production limits to 43.955 million b/d, it has fallen short of achieving previous production limits by about 3 million b/d.

Actual production by OPEC members was 29.38 million b/d in 2019, but demand and price fell. OPEC production also dropped to 25.66 million b/d in 2020 during the first year of the global pandemic. Production increased in 2021 to 26.29 million b/d and it continues to show strength, but OPEC warns that more investment will be needed to meet the anticipated rising demand.

OPEC noted that “preliminary data for OECD commercial oil stocks level stood at 2,712 million barrels in June 2022, which was 163 million barrels lower than the same time last year, and 236 million barrels below the 2015-2019 average, and that emergency oil stocks have reached their lowest levels in more than 30 years.”

President Biden has encouraged OPEC to increase supplies in an effort to moderate prices and hopefully reduce inflation.

The oil supply situation has many unsettled areas.

Russia’s invasion of Ukraine has been met with strong opposition from European countries and the U.S., and sanctions have been imposed on oil exports from Russia. It is too early to determine the effectiveness of the sanctions, but current estimates put Russia’s exports at 5.6 million b/d, which is down about 2 million b/d from exports last year.

Other OPEC members – such as Libya, Nigeria and Angola – have experienced problems, too.

Even Saudi Arabia is believed to have come close to its maximum production, which was achieved in 2016 at 10.46 million b/d. Saudi oil production has declined to 9.13 million b/d, but its production limit was set at 11 million b/d as of Wednesday.

The current problem for consumers is the obvious shortage of petroleum as the global economy expands.

Petroleum Prices Decline, but EIL Forecasts Strong Demand

By Alex Mills

Petroleum prices declined this week on news that demand could be declining because of inflation.

Crude oil traded on the New York Mercantile Exchange closed at \$91 per barrel this week, which is a decline of \$31 (25%) from its high of \$122 in mid-June. Brent crude oil closed on the international exchange at \$97 on Aug.10.

Average regular gasoline prices in the U.S. followed crude oil, declining from \$5.107 in June to \$4.151 (20%), according to the Energy Information Administration (EIA).

Natural gas traded at Henry Hub also has declined from \$8.971 in May to \$7.883.

However, EIA forecasts strong demand and consumption of crude oil, natural gas and electricity during the remainder of the year.

"We estimate that 98.8 million b/d of petroleum and liquid fuels was consumed globally in July 2022, an increase of 0.9 million b/d from July 2021," EIA stated in its Short-Term Energy Outlook issued on Aug. 9.

"We forecast that global consumption of petroleum and liquid fuels will average 99.4 million b/d for all of 2022, which is a 2.1 million b/d increase from 2021. We forecast that global consumption of petroleum and liquid fuels will increase by another 2.1 million b/d in 2023 to average 101.5 million b/d," the report said.

EIA forecast the spot price of Brent crude oil will average \$105 in 2022 and \$95 in 2023.

The U.S. retail price for regular grade gasoline averaged \$4.56 per gallon in July, and the average retail diesel price was \$5.49 per gallon, EIA said. "We expect retail gasoline prices to average \$4.29 in the third quarter of 2022 and fall to an average of \$3.78 in fourth quarter.

Retail diesel prices in EIA's forecast is expected to average \$5.02 per gallon in the third quarter and \$4.39 in the fourth quarter of this year.

U.S. consumption of natural gas averages 85.2 billion cubic feet per day (Bcf/d) in 2022, up 3% from 2021, according to the report.

U.S. natural gas inventories ended July at 2.5 trillion cubic feet (Tcf), which was 12% below the 2017-2021 average, and EIA forecast natural gas inventories will end the 2022 injection season (end of October) at close to 3.5 Tcf, which would be 6% below the five-year average.

"We expect U.S. sales of electricity to ultimate customers to increase in the forecast by 2.5% in 2022," EIA stated.

EIA expects renewable energy sources, mostly solar and wind, to increase from 20% in 2021 to 22% this year and up to 24% in 2023.

EIA points out this report is subject to many uncertain issues, including the Russia-Ukraine conflict, oil production from OPEC+ countries, and "less robust economic activity."

President Biden Signs Bill Increasing Taxes on Petroleum Companies

By Alex Mills

Big government just got bigger.

President Joe Biden signed the Inflation Reduction Act (IRA) this week creating higher taxes on millions of Americans while increasing subsidies for exotic energy sources.

The tax provisions hit the oil and gas industry. It imposes an \$11.7 billion tax on crude oil and petroleum products, a new tax on methane, a new 15% minimum tax on corporations, a new tax when companies buyback stocks from investors, and increases fees and royalties on leases and production on federal lands.

U.S. Rep. Kevin Brady (R-TX), immediate past chairman of the House Ways & Means Committee, called the bill "a slush fund for the Green New Deal."

The Wall Street Journal said: "The 725-page bill is riddled with green goodies that favor unions and projects located in specific regions."

The WSJ points out "the new base tax credit for solar and wind production would be \$5.2 per megawatt hour (MWh), which is less than the existing \$26 MWh subsidy. However, investors in projects that meet the bill's labor specification would be able to claim \$26 MWh and \$28.6 MWh if 100% of their steel is made in the U.S."

The bill contains other provisions that allow for additional payments for union workers.

In addition to direct subsidies for wind and solar energy projects, consumers can receive subsidies for certain window installations, heat pumps and other products that are more energy efficient.

The \$7,500 tax credit for the purchase of electric vehicles is extended.

The bill author, Sen. Joe Manchin (D-WV), negotiated with Senate Majority Leader Schumer months before agreeing to sign on to the IRA. The original plan was offered by President Biden and had a \$2 trillion price tag.

Inflation began to rise and during the first quarter and inflation was pegged at a 40-year high of 9.1%.

Economist at the Federal Reserve Bank warned that inflation was rising because of high demand and supply shortages.

The bank announced an increase in interest rates in hopes of discouraging demand before the economy slipped into recession. However, some economists believe the economy had already slipped into a recession because the economy already has had two negative quarters in 2022.

The controversy over inflation and recession seemed to inspire the bill's authors to name it the Inflation Reduction Act, claiming the provisions in the bill will reduce inflation.

However, opponents quickly pointed out that the bill authorized the government to spend about \$400 billion during the next 10 years, which would add more fuel to the inflation fire.

One of the most controversial provisions allocates some \$80 billion to the Internal Revenue Service for additional IRS enforcement activities, including hiring additional auditors, agents, and modernizing computer capabilities.

Even though there are many controversial aspects to the IRA, there is little disagreement that the bill will make big government even bigger.

Natural Gas Becomes A Critical International Energy Source

By Alex Mills

Just a few years ago natural gas was considered a nuisance that was produced with crude oil and had very little value. Today, natural gas is a much sought after commodity globally for keeping homes warm in the winter and a leading fuel for the generation of electricity.

In the U.S., natural gas generates 36% of the electricity followed by coal and nuclear at 20% each, according to the Energy Information Administration data for May. Wind and solar accounted for 16%.

Natural gas became even more critical internationally this year.

“Global gas and LNG markets have experienced a seismic shift as a result of Russia’s invasion of Ukraine,” according to a report issued this week from the international energy consulting firm Wood Mackenzie.

“Spot prices are rising to record levels in both Asia and Europe and as gas buyers – especially in Europe – search for viable alternatives to Russian gas, LNG contracting activity has accelerated,” said Giles Farrer, head of gas and LNG Asset Research.

Natural gas exports from the U.S. increased in May by 28 billion cubic feet (Bcf).

Natural gas deliveries to LNG export terminals in South Louisiana increased by almost 0.1 Bcf/d to 7.6 Bcf/d and were essentially flat in South Texas this week at 2.3 Bcf/d. Overall natural gas deliveries to U.S. LNG export terminals increased by 0.1 Bcf/d to 11.1 Bcf/d this report week.

Twenty-one LNG vessels (eight from Sabine Pass, five from Corpus Christi, four from Cameron, two from Cove Point, and one each from Calcasieu Pass and Elba Island) with a combined LNG-carrying capacity of 79 Bcf departed the United States between August 18 and August 24, according to shipping data provided by Bloomberg Finance, L.P.

LNG exports in June were 11.1% higher than the daily rate of LNG exported in June 2021, according to EIA. “The average daily rate of LNG exports was also the highest for the month since 1997, when we began collecting LNG data,” EIA said. “In June 2022, the United States exported 10 Bcf/d of LNG to 31 countries.”

Wood Mackenzie said buyers have started signing up for long term deals in reaction to rising prices.

“Portfolio players and traders are setting themselves up to supply LNG to Europe in the medium term and Asia in the longer term (when European demand is expected to begin to fall) – by taking large volumes of U.S. LNG.” Farrer reported.

U.S. suppliers have a clear advantage against their competitors, the report stated. “They are fast to market: some projects can deliver in under 30 months from sanctioning, and with oil and spot LNG prices high, Henry Hub linked LNG is proving attractive to buyers.”

EIA reported natural gas spot price of \$9 per mmBtu at Henry Hub this week. Bloomberg Finance, L.P. weekly average futures price for LNG cargoes in East Asia increased \$9 to average \$59 per mmBtu, and natural gas futures for delivery at the Title Transfer Facility in the Netherlands, the most liquid natural gas spot market in Europe, increased \$12 to a weekly average of \$77 per mmBtu, according to EIA.

-30-

Alex Mills is the former President of the Texas Alliance of Energy Producers.



SEPTEMBER

workin' 9 to 5, what a way to make a livin'



2022

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|------------------------|----------------|---------------------------|--------------------------|---|------------------|----------|
| 28 | 29 | 30 | 31 | 1 | 2 | 3 |
| 4 | 5 Labor Day | 6 Board Meeting | 7 | 8 | 9 Tracy Flynn | 10 |
| 11 Grandparents Day | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 Convention | 22 First Day of Autumn RSVP Deadline | 23 | 24 |
| 25 | 26 | 27 | 28 Membership Meeting | 29 | 30 | 1 |

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This Month



OCTOBER



when you find me, i'll be kickin' da leaves

2022

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|-----------------|---|--------------------------------|-----------|---------------|--------|----------|
| 25 | 26 | 27 | 28 | 29 | 30 | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Stephanie Jones | | Board Meeting | | | | |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | Columbus Day Indigenous Peoples' Day | | | RSVP Deadline | | |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| | Pat Hensley | Industry Appreciation Luncheon | | | | |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| | Diana Walker | | | | | |
| 30 | 31 | | | | | |
| | Halloween | | | | | |

Next Month



Member News

Congratulations!

Faith Shatto married Bruce Sawdey on July 23, 2022. Faith is the daughter of Barbara Pappas



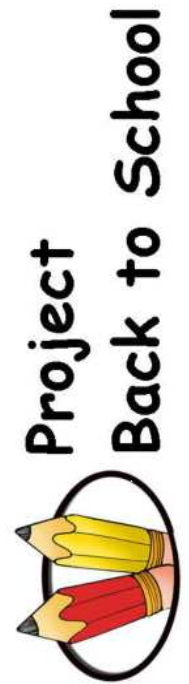
Prayer Request

Ron Pappas, husband of Barbara Pappas, had cryoablation surgery on his heart on August 4. He is feeling much better.



Prayer Request

President Nichole Harney's mother will be having a knee replacement and realignment surgery on September 13.



Priceless! That was the look on the 2,640 kids that picked up a backpack on August 8, 2022 during the Project Back to School Roundup. Thanks to all the members of the Desk and Derrick Club of Wichita Falls for helping to provide those smiles along with backpacks filled with school supplies necessary for the new school year. All of the leftover school supplies will be donated to Wichita Falls ISD and City View ISD for students needing assistance with school supplies.

This year's Roundup was a huge success.... all in part due to the volunteers, exhibitors and of course sponsors and donors! The children helped by our donation may never know our name, but they will know that someone cared

enough to give them hope and a chance for a brighter future. So, again, **"Thank You"** to all the members for caring and helping the children of Wichita Falls. The smiles on the kids faces was truly **"priceless"** and contagious!



Judy Goforth and Sheila McGaughey
Volunteers

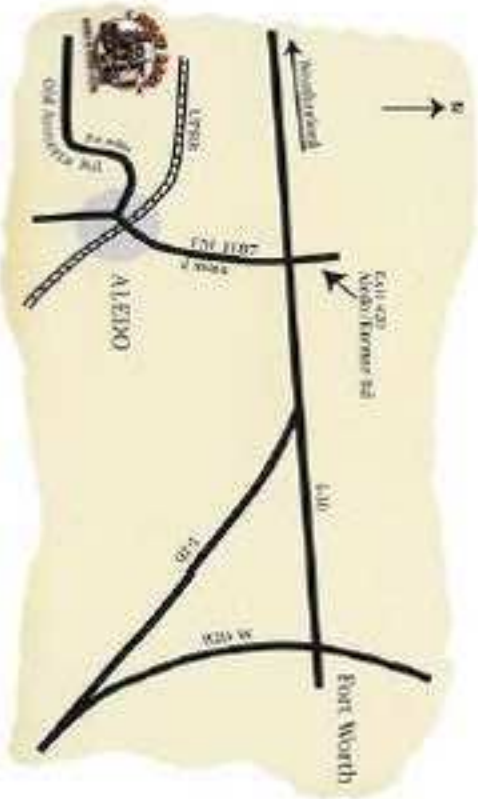


1st and 2nd Graders trying to choose their favorite colors of backpacks!



LINKS & GOLF CLUB.

SPLIT RAIL LINKS & GOLF CLUB
ALEDO, TEXAS
(817) 441-GOLF



DESK AND DERRICK CLUB OF GRAHAM

AWARDS

*Teams will be fought by scores
1st and 2nd place for each flight
4 Random Place Drawings from Scorecards
Closest to the Pin
Most Accurate Drive
Longest Drive - Man & Woman
Longest Putt*

SPECIAL FEATURES

*Ties - Scoreboard Playoff
Red Tee - Mulligans
Door Prizes
(Must be present to win Door Prizes)*



32ND D & D GOLF CLASSIC

4 PERSON SCRAMBLE

Monday, October 3, 2022
Shotgun Start 9:00 a.m.

Questions, please contact the following:

Melodee Guerrero or Terry Ligon
Desk & Derrick Club of Graham
P.O. Box 685
Graham, Texas 76450
Melodee - work #940-549-3292
Melodee's Cell #940-521-2162
Terry's Cell #940-550-5168

**Desk and Derrick Club of Wichita Falls
Membership Meeting
September 28, 2022**

The Forum, 2120 Speedway Avenue

Presiding: Nichole Harney
Cobra Oil & Gas Corp.

Invocation: Doris Sterling
General Operating Co.

Introduction of Guests: Sheila McGaughey
Stephens Engineering

Introduction of Speaker: Rena Shaffer
Eagle Oil and Gas Co.

Program: Diana Walker
Stephens Engineering

“ET—Phone Home”

Reservations should be emailed to Diana Walker

Email: dwalker@sjoc.net

or call/text Cell: 940-636-0971 or Office: 940-716-5344

Reservations Deadline: 4:00 pm—September 22nd

Cost \$19.00

RESERVATIONS MUST BE MADE

If you make a reservation and do not attend, you are still responsible for payment.

(If paying by cash, please bring exact change)



You are cordially invited to attend

*The Desk and Derrick Club
Of Wichita Falls*

*Seventy-first Industry Appreciation Dinner
And*

*Welcome Our Keynote Speaker
Texas State Senator-District 30
Senator Drew Springer*

*Tuesday, October 18, 2022
Twelve O'clock-Noon*

*At The Forum
2120 Speedway Avenue*

~~Invitation of Employers, Spouses, and Industry Personnel is Encouraged~~



Greater Knowledge ~~ Greater Service

