

DESK AND DERRICK DATE-LINE

The Monthly Newsletter for the
Desk And Derrick Club of Wichita Falls, Texas

JANUARY 2023—VOLUME 73—ISSUE 1

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**“WHAT DO YOU KNOW & DO YOU
FEEL LUCKY?”**

IF YOU ARE WONDERING WHAT ADDC STANDS FOR AND WOULD LIKE TO LEARN MORE ABOUT THE ASSOCIATION OF DESK AND DERRICK “ADDC”, YOU WILL WANT TO JOIN US JANUARY 18, 2023. THE 2023 ASSOCIATION’S PRESIDENT, BARBARA PAPPAS, WILL BE SHARING WITH US THE HISTORY ABOUT THE ASSOCIATION AND CURRENT NEWS WITH US. SO BRING YOUR LEARNING CAP AND BE READY TO PLAY A GAME AS WELL. YOU CAN FIND MORE DETAILS ABOUT THIS MEETING IN THIS BULLETIN.



CLUB PURPOSE & MOTO

OFFICIAL COLORS

BLACK & GOLD

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



EDITOR INFORMATION

Monthly Board Meetings will be the first Tuesday of each month in the office of Stephens Engineering at Noon. All members are invited to attend.

**Stephens Engineering
811 Sixth St., Ste 300
Wichita Falls, TX 76310**

**NICHOLE HARNEY
COBRA OIL & GAS CORPORATION
PO BOX 8206
WICHITA FALLS, TX 76307
PHONE: (940) 716-5100
Nichole@cobraogc.com**

Contact Nichole if you would like to submit items, articles, or pictures in the Desk And Derrick Date-Line

Desk And Derrick Club of Wichita Falls

2023 Board of Directors

President

**Sheila McGaughey
Stephens Engineering**

Vice President

**Rena Shaffer
Eagle Oil & Gas**

Secretary

**Diana Walker
Stephens Engineering**

Treasurer

**Lauren Martin
Gun Oil Company**

One-Year Director

**Vickie Young
Cobra Oil & Gas**

Two-Year Director

**Shirley Bridwell
Bridwell Reporting &
Consulting**

Immediate Past President

**Nichole Harney
Cobra Oil & Gas**



2023 COMMITTEES

BUDGET & FINANCE

Diana Walker—Board Contact

Diana Walker—Chairman

BULLETIN

Nichole Harney—Board Contact

Nichole Harney—Chairman

Jordan Jackson, Barbara Pappas

BYLAWS

Vickie Young—Board Contact

Tracy Flynn—Chairman

EDUCATION

Sheila McGaughey—Board Contact

Sheila McGaughey—Chairman

FIELD TRIP

Lauren Martin—Board Contact

Jordan Moss—Chairman

Rena Shaffer

GENERAL ARRANGMENTS

Shirley Bridwell—Board Contact

Jordan Jackson—Chairman

Jennifer Rodriquez

GOLF TOURNAMENT

Vickie Young—Board Contact

Tracy Flynn/Vickie Young—Co-Chairman

Nelva White, Jordan Moss, Casie Mass,

Sheila McGaughey

MEMBERSHIP

Diana Walker—Board Contact

Barbara Franklin—Chairman

Diana Walker, Nelva White

PROGRAM

Rena Shaffer—Board Contact

Rena Shaffer—Chairman

Jordan Moss

OCTOBER BANQUET

(Special Committee)

Nichole Harney—Board Contact

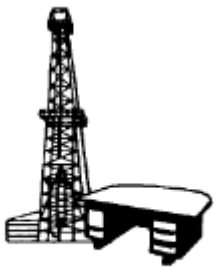
Nichole Harney—Chairman

Barbara Pappas, Jordan Jackson, Rena Shaffer

SOCIAL MEDIA

Shirley Bridwell—Board Contact

Jordan Jackson—Chairman



Association of
Desk & Derrick
Clubs

**Desk and Derrick Club
of Wichita Falls**

**2023 Board of
Directors**

Sheila McGaughey

President
940-716-5340

Rena Shaffer

Vice President
940-234-3307

Diana Walker

Secretary
940-716-5344

Lauren Martin

Treasurer
940-723-5585

Vickie Young

1 Year Director
940-716-5100

Shirley Bridwell

2 Year Director
940-781-4532

Nichole Harney

*Immediate Past
President*
940-716-5100

Doris Sterling

Parliamentarian
940-767-4801

January 2023

YOU **are** champions in this industry! I have seen so many of our members that are a catalyst in this club, YOU **are** the ones to make things happen!

Here are a few of the qualities that I see in all of you:

Courage & Compassion: You all have enormous courage to go after your goals. You are not afraid of failure.

Perseverance: You set lofty goals and then pursue those goals.

Belief in Oneself: If you believe in yourself then everything else is possible.

Sacrifice: It goes without saying that all champions are prepared to sacrifice. It has been said that successful people do the things that others don't so that they can reach where other people can't.

Integrity & Respect: Champions exhibit integrity and respect in all areas of their life.

This is an amazing club, and we are extremely fortunate to be members of a club in which we can obtain so much knowledge and have fun doing it. Where else can we have such a diverse group of people and fields yet accomplish everything that we do as a club? Through our monthly meetings we get to step outside of our cubicle and learn all the various aspects of this industry. Just this past year we learned everything from the stages in the life of a well; to tax updates; to water management in mature reservoirs; and even about dogs sniffing out pipeline leaks.

As a club, we have had some very educational seminars and field trips. Over the last couple of years we have been to a power plant; learned all about the properties of drilling mud (from one of our very own members, thank you Cecil Duke!); stepped onto a drilling rig floor while studying core samples; plus exploring equipment in the field of natural gas and what it takes to move it.

We get to travel to regional meetings and conventions where we converse with other members and develop lifelong friendships while swapping ideas about our organization. We also take fabulous field trips and seminars on these little adventures.

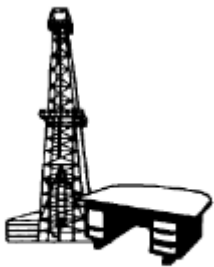
Our motto is *Greater Knowledge—Greater Service*. We achieve this through the proceeds from our annual golf tournament where we give four scholarships to MSU-Texas students, a donation to Project Back to School, Region 9 and MOLU (Mobile Oilfield Learning Unit).

Just think of everything that we have learned and experienced in this club and then we are able to take it back to our businesses to share with our bosses and co-workers. So, YES, this makes YOU a champion in our industry!

As we begin a new year and a new Board, I would like to acknowledge the 2023 Board of Directors who are and have always been champions in my book!

Rena Shaffer—Vice President: Rena has served in many positions at the local, regional and association level. She is always ready, willing and able to take on any assignment. She is program chair and is already scheduling programs for 2023 and I know they will be great ones!

Diana Walker—Secretary: Diana is the perfect person to be secretary. She knows the ropes and always pays attention to the little details. Diana has also served in many positions at the local, regional and association level.



Association of
Desk & Derrick
Clubs

**Desk and Derrick Club
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2 Year Director
940-781-4532

Nichole Harney

*Immediate Past
President*
940-716-5100

Doris Sterling

Parliamentarian
940-767-4801

January 2023 (Continued)

Lauren Martin—Treasurer: Lauren will do an outstanding job as our treasurer. She is the guard, and the eye of what transactions go in, why, and where they are going within the club. She has a penchant for keeping everything in order.

Vickie Young—1 Year Director and Shirley Bridwell—2 Year Director: “The overseers”. They both will oversee our meetings, help with strategic planning, and ensure that the club meets its goals. Both these ladies are always willing to jump right in and get the job done.

Nichole Harney—Immediate Past President: Nichole did an amazing two-year stint as our President. She handled everything with absolute perfection. I’m not sure why she didn’t want to go for the ‘hat trick’ (three successes in a row), but we’ll give her a break! I will definitely need her wisdom and guidance over this next year.

Doris Sterling—Parliamentarian: Doris will serve as an adviser on the proper conduct of a meeting. She is an expert at “Robert’s Rules of Orders.” She will also make sure that all agendas and motions are overseen properly. Doris is always jumping right in when needed and will be an excellent advisor!

I look forward to working with all these great and talented ladies as they guide our club, and me, through 2023. And, also working with Y-O-U, the membership, it never ceases to amaze me about how much talent we have in our little group!

Now, on to business, the membership renewals have been sent out. Please send payment and form to Diana Walker at Stephens Engineering if you haven’t already done so. Speaking of the 2023 memberships....the Board of Directors voted to accept student memberships from local college students in our industry. Their membership fee will be discounted to \$20.00, and each student will be responsible for paying for their own meal. We are hopeful that this will increase our membership. We will hold a vote during the January Membership Meeting.

Congratulations and best of luck to Barbara Pappas as she begins her year as the 2023 ADDC President. Barbara is an amazing person and will do an outstanding job in her new role.

At the end of 2022, Rena Shaffer, Shirley Bridwell, Jo Ann Baker and myself had the privilege of attending a series at MSU with Alex Epstein as the guest speaker. If you have never heard of him, I encourage you to google him and listen to what he has to say. He has some very insightful points concerning our industry. As I conclude this letter, I want to leave you with a bit from his book Fossil Future. “Fossil fuels are still the dominant source of energy around the world, providing four times more energy than all alternatives combined. And fossil fuel use is still growing. ‘Renewable’ solar and wind are just 3 percent of the world’s energy, a 3 percent that is dependent on mandates, subsidies, and reliable fossil fuel power plants—a 3 percent that is leading to increasing costs and/or major reliability problems everywhere solar and wind are used in nontrivial quantities.” Right on Alex!

Happy New Year to everyone, wishing you all the best for 2023!

Looking forward to a fantastic year!

Peace, Love and Happiness!

Sheila McGaughey



Val Williams
 Central Region Director
 3647 Marywood Dr
 Spring, TX 77388
 713-962-7184
valwilliams1950@gmail.com

January 2023

Board of Directors

PRESIDENT
Barbara Pappas
 Cobra Oil & Gas Corp.

PRESIDENT ELECT
Wendy Sparks
 Carl E Gungoll Exploration

SECRETARY
Jamie Sabata
 Gardner Cryogenics

TREASURER
Kathy Martin
 Acadian Ambulance
 Service, Inc.

IMMEDIATE PAST
 PRESIDENT
Philana Thompson
 Merrion Oil & Gas Corp.

PARLIAMENTARIAN
Judi Adams

CENTRAL REGION
 DIRECTOR
Val Williams

NORTHEAST REGION
 DIRECTOR
Kelli Hiltbrand
 Sutton Pump & Supply

SOUTHEAST REGION
 DIRECTOR
Susan Miller

WEST REGION
 DIRECTOR
Esther Greeyes
 Merrion Oil & Gas Corp.

Greetings to my friends in the Central Region,

I hope all of you had a Merry Christmas and a Happy New Year. I do hope 2023 is a great year for all of us and our families.

As the new year begins, holding on to our existing clubs and members is our goal for this year; recruiting new members as well to assure that our Association keeps growing and is viable in the future. I am asking all of you to think outside the box and come up with ideas to retain and grow our organization.

Thanks to Jamie Sabata, 2022 Central Region Director for all her hard work and dedication for striving to keeping us together. Congratulations to her also for assuming the position of ADDC Secretary this year and becoming a member of the Educational Trust while pursuing her goals. We wish her the best and she knows she can count on all the members of Central Region for assistance.

The ADDC Budget & Planning meeting will be Saturday, January 14th on Zoom. Please send me any information you would like to have brought up to the Board during this meeting. I will need to have your questions or concerns by January 5th so I can include them in my report. You are the ones who can make changes.

Thanks to all the members who did take on the duties of Regional Representative this year. I have 5 more Committees left to be filled which are Public Relations, Education/Certification, Tax Exempt, Leadership and Marketing. Please email, text, or call me if you are interested in being a Rep for one of these Committees. I will be giving a gift card to each committee rep for volunteering.

Congratulations to the 2023 Presidents and Officers, looking forward to a great year. Presidents, please make sure the New Club Officer Form ADO-31 has been submitted to ADO and me. Program Reports also need to be submitted one week after your monthly meeting to Diana Walker of the Wichita Falls Club.

The 2023 Central Region Meeting will be hosted by the Butler County Club in Eldorado, Kansas and will be held on April 28-29, 2023 at the Holiday Inn Express in Eldorado, Kansas. More information will be included in next month's letter.

The 2023 ADDC Convention and Educational Conference will be hosted by the West Region on September 19-24, 2023 at the Sandia Resort in Albuquerque, NM.

Please contact me at any time and for any reason; if I don't know the answer, I will definitely get it for you.

Val Williams, 2023 Central Region Director



Board of Directors

PRESIDENT

Barbara Pappas

Cobra Oil & Gas Corp.

PRESIDENT ELECT

Wendy Sparks

Carl E Gungoll Exploration

SECRETARY

Jamie Sabata

Gardner Cryogenics

TREASURER

Kathy Martin

Acadian Ambulance
Service, Inc.

IMMEDIATE PAST

PRESIDENT

Philana Thompson

Merrion Oil & Gas Corp.

PARLIAMENTARIAN

Judi Adams

CENTRAL REGION

DIRECTOR

Val Williams

NORTHEAST REGION

DIRECTOR

Kelli Hiltbrand

Sutton Pump & Supply,
Inc.

SOUTHEAST REGION

DIRECTOR

Susan Miller

WEST REGION

DIRECTOR

Esther Greyeyes

Merrion Oil & Gas Corp.

Barbara Pappas

2023 ADDC President

5244 Sunnybrook Lane

Wichita Falls, TX 76310

940-781-9888 (cell) or 940-716-5103 (work)

bpappas1@ymail.com or

Barbara@cobraogc.com

January 2023

To: ADDC Membership

Happy New Year! I hope my letter finds you in good health and happiness. Our organization starts a new year with a new ADDC Board and new ideas. In July 1951, the ADDC of North America was formed by signing the Articles of Association. The first four (4) Desk and Derrick Clubs signing the Articles were: New Orleans, Louisiana; Jackson, Mississippi; Los Angeles, California and Houston, Texas. The dream of our Founder, Inez Awty Schaeffer, became a reality. In 1977 the Association name was changed to “Association of Desk and Derrick Clubs”. Our Association has a rich and invaluable history in the energy industry for 72 years now, and I am excited and grateful to you, as members, to allow me the honor of serving as your 2023 ADDC President and lead our organization.

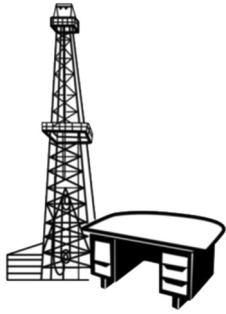
Thank you to the 2022 Board of Directors for their service to our great organization. It was a year of challenges and learning. As we ended 2022, ADDC had a membership count of 696, with 2 of those members being student members. Our focus this year is retaining and increasing membership. This cannot be done without you! You are Desk and Derrick, every voice, and every vote counts. ADDC belongs to you, and it is up to you what you want from our organization. The 2022 Board of Directors recently sent out a survey for your opinion and please know we are listening to what you had to say! One of the 2023 Board of Directors’ goals is to provide more educational opportunities to our membership and that means thinking outside the box for new and inventive ways—we have technology at our fingertips, and it is time for us to embrace it. The ADDC Budget and Planning Meeting slated for January 14, 2023, will be via Zoom, which will bring a cost savings to our Association. If you have any questions or concerns, please let your Regional Director know so we may address during our meeting.

I want to say “Thank You” to those who have served Desk and Derrick in various capacities in past years and say “Thank You” to those who are serving as an ADDC Committee Chairman or Region Representative, and individual club boards in 2023! Your time and skills are priceless and ADDC is appreciative of your efforts.

I want to close with a Leadership Quote, **“At the end of the day it’s not about what you have or even what you’ve accomplished. It’s about who you’ve lifted up, who you’ve made better. It’s about what you’ve given back.” – Denzel Washington**

Greater Knowledge ~ Greater Service

Barbara Pappas



Association of Desk and Derrick Clubs

2023 Membership Form

The Association of Desk and Derrick Clubs (ADDC), an international non-profit organization, is a premier provider of energy education and professional development. ADDC's purpose 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 as well as the companies and global communities the members serve.

Last Name: _____

Club: _____ Region: _____

First Name: _____ MI: _____

Submission Type: Renewal New Member

Gender: M F

Member Type: Professional Student

Company Name: _____

Preferred Mailing Address: Home Office

Job Title: _____

Secondary Address: _____

Preferred Address: _____

City: _____ State: _____

City: _____ State: _____

Country: _____ Zip: _____

Country: _____ Zip: _____

Home Phone: _____

Office Phone: _____

Cell Phone: _____

Primary Email: _____

Secondary Email: _____

Age: 21-30 31-40 41-50 51-60 61-70 71-80 80+

NOTE: Membership Dues and Donations to the Association of Desk and Derrick Clubs are not tax deductible as **CHARITABLE CONTRIBUTIONS** but may qualify as **BUSINESS DEDUCTIONS** on Federal and State Tax Returns. **DUES WILL NOT BE USED FOR LOBBYING PURPOSES.**

Release Name: For purposes of membership recruiting, I authorize the Association of Desk and Derrick Clubs to release my name as part of a list of ADDC members. Release Name? Yes No

Corporate Contribution: Amount _____ Local Regional Association

**Dues: \$65.00
(ADDC+Region+Club)**

**Make checks payable to:
Desk and Derrick Club of Wichita Falls, TX**

**Send Payment and form to:
Diana Walker
%Stephens Engineering
P.O. Box 2249
Wichita Falls, TX 76307-2249**

Signed _____

Date: _____

Association Distribution Office
5014 FM 1500 | Paris, TX 75460
Email: ado@addc.org | Phone: 405-543-3464

DECEMBER MEMBERSHIP MEETING DESK AND DERRICK CLUB OF WICHITA FALLS TEXAS OFFICER INSTALLATION

Written by: Barbara Pappas

December is here and the crisp winter air touches you in a way that reminds you of your first experience with snow—it's magical. Another magical time for our club is our officer installation program and Christmas party. This is a time where we gather as fellow members and have our annual gift exchange and the opportunity to meet our new Officers for 2023. This year our meeting was held at The Forum on December 14, 2022.

Our speaker this year was Terry Ligon of the Graham, Texas Desk and Derrick Club. Just so you can get a feel of our speaker, there are some things you need to know about Terry. She is the daughter of a cotton farmer from Brownfield, Texas. She graduated from Texas Tech University in 1975 with a degree in General Business. She and her family moved to Eliasville, Texas in 1983, and have managed the family ranch since then. She and her husband started their business, L Chem-Tech Co., Inc., an oilfield production chemical company, in 1984. Terry joined the Desk and Derrick of Graham in 1990. She served as President of the Graham club in 2002, 2009 and again in 2021. She was Region Director for Region IV in 2013 and served as the 2019 President for ADDC. With all this being said, you now know why her title for the Wichita Falls, Texas Club officer installation was “Saddle Up and Ride.”

After our festive meal, Nichole Harney, 2022 Club President, announced her gratitude for allowing her to serve as our president and assured us that we are in very capable hands with the new 2023 Club board leading the way. Now, it was time for our speaker, Terry Ligon, to install our club officers!

Terry started with a quote from Charles Swindoll, "The longer I live, the more I realize the impact of attitude on life. Attitude, to me, is more important than facts. It is more important than the past, than education, than money, than circumstances, than failures, than successes, than what other people think, say or do. It is more important than appearance, giftedness, or skill. It will make or break a company...a church...a home. The remarkable thing is we have a choice to embrace for that day. We cannot change our past...we cannot change the fact that people will act in a certain way. We cannot change the inevitable. The only thing we can do is play the one string we have, and that is our attitude...I am convinced that life is 10% what happens to me and 90% how I react to it. And so it is with you...we are in charge of our Attitudes."

Ms. Ligon compared each of the Board positions as "Ranch" jobs. Sheila McGaughey, our President, or better known as the "ranch foreman", would have the responsibility of managing our club and give guidance throughout the year. Sheila will be our La Patrona (Boss Lady). Rena Shaffer, Vice President, affectionately known as the "trail boss", will be in charge of assisting the Boss Lady by keeping us members (trail hands) heading in the right direction. She will also be the ranch foreman's right hand and carry out any duties needed by the Boss Lady. Diana Walker, Secretary, aka "Trail Bookkeeper" shall keep the minutes of all meetings and by doing so, Diana will ensure the drive is a success. Lauren Martin, Treasurer, is the "Trail Accountant" and will collect and disperse finances as needed and provide complete and accurate financial records while being the keeper of the "cash box" on the drive. Shirley Bridwell and Vickie Young will serve as Directors for our club, they are better known as "Flank Riders" and their job is to give guidance to membership while on the trail drive. They will be a spokesman for us trail hands and answer any questions we may have. They will also keep us moving in the right direction. Nichole Harney, Immediate Past President, is now our "Swing Rider". She will be on the constant lookout to see

if any of us are wandering away. Nichole will also give guidance on the trail drive and make sure we are successful on the trail. The last but certainly not least position, Parliamentarian, better known as the “Trail Police” will be held by Doris Sterling. She will be in charge of keeping all of us in line and obedience of rules enforced.

The story does not end here! Terry looked upon us, the Wichita Falls members (trail hands), and promptly let us know that we as members have a responsibility on this trail drive. We are to ensure all the cattle make it to the end of the trail in order for our club to be successful and productive. There are no small parts to play, and our part is just as important as the Board members. We are to be alert, volunteer when needed, and “make things happen.” We are all ready to “Saddle Up and Ride” in 2023, so Head ‘Em Up and Move ‘Em Out!

President: Sheila McGaughey

Vice-President: Rena Shaffer

Secretary: Diana Walker

Treasurer: Lauren Martin

One Year-Director: Vickie Young

Two Year-Director: Shirley Bridwell

Immediate Past President: Nichole Harney

Parliamentarian: Doris Sterling

Greater Knowledge ~ Greater Service

December Officer Installation

DECEMBER 14, 2022



Left to Right:

Nelva White standing in for Doris Sterling—Parliamentarian,
Nichole Harney—Immediate Past President,
Vickie Young—1 Year Director and standing in for Shirley
Bridwell—2 Year Director,
Jennifer Rodriguez standing in for Lauren Martin—Treasurer,
Diana Walker—Secretary,
Rena Shaffer—Vice President,
Sheila McGaughey—President.



WISHING YOU AND YOURS A
VERY MERRY CHRISTMAS.
THANK YOU ALL FOR A
GREAT YEAR!







CHRISTMAS PARTY

2022



CLUB NEWS



New Members Are Joining

VOTE-JANUARY MEMBERSHIP MEETING

We will be taking a vote at the January membership and need your input. We will be voting on accepting students in the oil and gas industry into our club.

They will be offered a discounted membership price of \$20.00. They will also be responsible for paying for their meal.

If you have any questions or concerns about this, please let us hear from you at our January Membership Meeting.

New Grandbaby

Jo Ann Baker is a proud Grandma to another granddaughter.

More information and photos will be coming soon.

CENTRAL REGION MEETING

Central Region Meeting just right around the corner. This year the Central Region Meeting will be in El Dorado Kansas, April 28th though the 29th.

More details coming soon.

ADDC Convention & Conference

The 2023 ADDC Convention and Conference will be held in Albuquerque, New Mexico at the Sandia Resort & Casino, September 19th through the 24th.

More details coming soon.

**Desk and Derrick Club of Wichita Falls
Membership Meeting
January 18, 2023
*The Forum, 2120 Speedway Avenue***

Presiding: Sheila McGaughey
Stephens Engineering

Invocation: Tracy Flynn
Cobra Oil & Gas Corp.

Introduction of Speaker: Vickie Young
Cobra Oil & Gas Corp.

Program: Barbara Pappas
2023 ADDC President
Cobra Oil & Gas Corp.

“ADDCC ~ What Do You Know & Do You Feel Lucky?”

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 — January 12th

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)

IN THE NEWS

WITH ALEX MILLS

December 8, 2022 thru
January 5, 2022

Crude oil price drops to lowest point in 2022

Crude oil prices declined again this week on speculation that future demand will decrease as the global recession gains more strength into 2023.

Brent crude oil prices closed at \$79 per barrel on the international exchange in London on Dec. 7 and West Texas Intermediate closed at \$72, which is below the previous low of \$76 recorded on Jan. 1.

The Energy Information Administration (EIA) at the Department of Energy released its Short-Term Energy Outlook (STEO) on Wednesday estimating that Brent price will average \$92 per barrel in 2023, which is \$3 less than it forecast last month.

EIA also forecast global oil inventories will fall by 200,000 barrels per day (b/d) during the first half of 2023.

Crude oil inventories in the U.S. have declined recently to 413.9 million barrels, which is 19 million barrels less than its high point of 432 million barrels in August.

However, gasoline inventories in the U.S. have increased and prices have declined.

AAA reported the national average price for regular gasoline was \$3.33 on Thursday, which is lower than the \$3.34 price one year ago.

Last week AAA reported the average retail price for gasoline in Texas fell below the previous year for the first time. AAA said gasoline prices in Texas dropped another 9 cents this week to \$2.761 compared to \$2.935 last year.

Natural gas prices should remain above \$6 per million British thermal units during the first quarter of 2023 because of increased demand during colder weather and rising LNG exports, according to EIA.

EIA said demand for petroleum products will weaken because of a contraction in economic activity in the U.S. and it assumes that the gross domestic product (GDP) will remain flat in 2023.

One potentially significant factor not mentioned in EIA's reports is the implementation of an international price cap of \$60 per barrel on oil exports from Russia on Dec. 5.

The complicated price cap suffered its first setback this week when the U.S. and the countries in the European Union agreed to a 45-day transition period when parties can still legally purchase crude, provided it is delivered to the end destination by Jan. 19.

Predicting oil price involves many uncertain components

By Alex Mills

Accurately predicting the price of crude oil, gasoline and other petroleum products is like wandering through a dark, strange room trying to find the light switch.

An economics professor once jokingly commented forecasters who rely heavily on the use of a crystal ball to predict the future price of oil end up eating a lot of glass.

Thousands, if not millions, of companies, individuals and governments search for the right data to reach right conclusions at the right time.

Three agencies – the Organization of Petroleum Exporting Countries (OPEC), the International Energy Agency (IEA) and the Energy Information Administration at the U.S. Department of Energy (EIA) – hire a lot of experts to crunch the numbers daily and issue a report each month.

This week each issued their most recent reports and here's a summary.

Demand

IEA said global demand reached 100.8 million barrels per day in November, a 140,000 b/d increase, and projects an increase to 101.7 million b/d in 2023.

OPEC expects global oil demand to increase 2.2 million b/d in 2023.

EIA expects inflation to weaken economic activity in the U.S. and Europe, but global demand for petroleum products will remain strong.

Supply

IEA said world oil supply fell in November by 190,000 b/d to 101.7 million b/d, and expects supply of 100.8 million b/d in 2023. OPEC's production accounted for 28.8 million b/d in November and it expects production to decline approximately 2 million b/d next year. EIA forecasts oil production in the U.S. at 12 million b/d in 2023.

Price

EIA believes global oil inventories will remain tight during the first half of 2023 resulting in an average price for Brent crude oil of \$92 per barrel, which is about \$10 higher than the current price.

Two key factors contributing to the "high uncertainty" in forecasting current oil markets are the Covid-19 lockdown in China and the oil supply situation in Russia.

The lockdown in China has hurt its economy and demand for oil. If the lockdown is lifted next year, demand for oil should increase and put upward pressure on price.

The supply of oil from Russia involves the implementation of sanctions as a result of its invasion of Ukraine. Additionally, the U.S. and many western European countries implemented a \$60-price cap on oil exports from Russia on Dec. 5. So far, there has little reaction to the price cap.

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OPEC said in its report Russian production in 2023 will be unchanged at approximately 10 million b/d. Oil imports to EU from Russia decreased about 1 million b/d in November, but sales to other regions made up the difference, OPEC's report stated.

On the natural gas side, EIA expects price volatility to remain high to average more than \$6 per million British thermal units as a result of both higher winter natural gas demand and rising LNG exports. U.S. natural gas production will increase to 100.4 billion cubic feet per day in 2023 from 98.2 this year, according to EIA's forecast.

Unusual events in 2022 create issues for global economy in 2023

By Alex Mills

A global pandemic, a war in Europe, climate change mandates, government policies restricting oil supply, and record high energy prices have thrown a cloud over future energy supplies, which has resulted in rising inflation and the potential for a worldwide recession.

2022 was a year filled with news-making events. But many of the events of 2022 began in 2020 when governments around the world mandated lockdowns that deterred economic activity because of Covid-19. The decline in economic activity caused oil and natural gas industry to reduce activity. Workers were laid off, exploration and production activity was reduced, and oil prices dropped to \$15 per barrel.

As 2021 rolled around, government lockdowns began to ease. Businesses re-opened, transportation needs rose, demand for petroleum products increased. The drilling count, which had dropped to 250, doubled to more than 500. Production began to rise, but personnel and equipment problems persist today.

By year-end, Russia assembled a huge arsenal of military on the Ukraine border. Russia, one of the largest oil and natural gas producing countries, supplied an estimated 40% of the natural gas consumed in the European Union and 30% of its crude oil. Additionally, Russia exported some 7 million barrels of oil per day in 2021 worldwide.

A few months later Russian troops invaded Ukraine. The governments of the United States, western Europe and others protested the aggression and issued sanctions against Russian petroleum exports. Demand for petroleum products had risen much faster than supplies and prices were on the rise, too. The International Energy Agency (IEA) estimated that there was a 900,000 barrels per day shortage of crude oil.

Crude oil futures prices in the U.S. peaked in June at \$122 per barrel, and gasoline prices followed averaging a record high of \$5.107 per gallon for retail across the U.S, according to the Energy Information Administration (EIA). On Jan. 1, oil sold for \$76 compared to \$79 on Dec. 28, and gasoline retail price on Jan. 1 was \$3.381 compared to \$3.203 today.

Policymakers in Washington used the rising prices to implement anti-fossil fuel laws, regulations and programs.

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The American Energy Alliance issued a report listing 125 ways President Biden’s administration has issued policies restricting oil production in the U.S. since taking office January 2021. The policies included cancelling the Keystone XL pipeline that stretched from Canada to the Gulf Coast of Texas, implementing new environmental standards for the oil and gas industry, delayed federal lease bids, and verbally threatened American oil and gas companies with investigations into “price gouging.”

The Biden administration searched for a quick fix to solve the huge political problem of rising inflation and gasoline prices. He twice announced the release of oil from the Strategic Petroleum Reserve – the first of 50 million barrels and another 30 million barrels. President Biden decided the situation needed more oil, and released roughly an additional 180 million barrels in an effort to drive down oil and gasoline prices before election day in November.

President Biden publicly criticized American oil producers, refiners and even service station owners while asking foreign countries that compose the membership of OPEC to increase production but they later agreed to cut production quotas by 2 million barrels per day.

The events of 2022 will continue to impact future economic and political events as the war continues in Europe, China tries to cope with Covid-19, and economies around the globe try to deal with inflation and a recession.

Texas oil and gas industry anticipates continued growth in 2023

By Alex Mills

The oil and gas industry in Texas made a big recovery in 2022, and a majority of the executives surveyed by the Federal Reserve Bank of Dallas anticipate a good year in 2023.

“Activity in the oil and gas sector continued growing in fourth quarter 2022,” the agency said in a new release on Dec. 29. “The business activity index – the survey’s broadest measure of conditions facing Eleventh District energy firms – remained positive but fell to 20.2 in the fourth quarter from 46 in the third. This suggests the pace of expansion decelerated but remained solid as the business activity index stayed above the series average.”

The survey, conducted between Dec. 7-15 from 152 energy firms, finds 45% of respondents believe crude oil prices will average \$80-\$89 at the end of 2023 compared to 25% believing prices will average between \$70-\$79 and 15% saying \$90-\$99.

A majority of those surveyed said natural gas prices will average \$5.64 per million British thermal units at the end of 2023.

The survey found most executives optimistic about the short-term future even though they have problems with labor and operating costs.

Three-out-of-four said their company will increase capital spending in 2023 from 2022, while only 14% said they will decrease expenditures. However, the level of optimism declined from 46 in the previous index to 30.3 in the current index, capital expenditures dropped from 47.3 in the previous index of 40.1, and company outlook dropped 20 points from 33.1 to 13.1.

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“Optimism waned in the fourth quarter as the company outlook index posted a 10th consecutive positive reading but fell 20 points, below the series average, to 13.1,” the Dallas Fed news release said. “The overall outlook uncertainty index increased to 40.1 from 35.7, suggesting growing uncertainty, especially among E&P firms. The uncertainty index was 30.9 for services firms versus 45.4 for E&P firms, with 53 percent of E&P firms reporting an increase in uncertainty.

The cost of doing business continues to rise.

“Firms reported rising costs for an eighth consecutive quarter, with the indexes remaining elevated,” the Dallas Fed reported. “However, the rate of those increases has slowed. Among oilfield services firms, the input cost index was 61.8 versus 83.9 last quarter. Among E&P firms, the finding and development costs index was 52.5, a modest decline from 64.7 last quarter. Additionally, the lease operating expenses index dropped 22 points to 48.4.”

All labor market indexes in the fourth quarter remained elevated, pointing to strong growth in employment, hours and wages, according to the Dallas Fed.




PHOTO TAKEN BY: NICHOLE HARNEY

January 2023



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	2	BOARD MEETING 3	4	5	6	7
8	9	10	11	Brooke Luxton RSVP DEADLINE 12	13	14
15	16	17	MEMBERSHIP MEETING 18	19	20	21
22	23	Vickie Young 24	25	26	27	28
29	30	31				

February 2023

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	BOARD	8	Cecil Duke	10	Ashley Pierce
Rena Shaffer	13		MEMBERSHIP MEETING	16	17	18
19	20	21	Jennifer Lindemann	23	24	25
26	27	28				

