

The Oilette

THE OFFICIAL NEWSLETTER OF
DESK AND DERRICK CLUB
OF ROSWELL

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Ellie Gallagher, Editor

Educating Our Future

September 2024

Dear Members,

September is here! Fall is in the air and the temperatures should be coming down soon. The kids are back in school and summer vacations are over. There are so many things to look forward to in the coming months. Take a deep breath and enjoy the leaves falling. Let's all gear up for the busy season ahead.

We will not hold our regular September meeting, but instead will have our Industry Appreciation dinner on September 19th at the Civic Center. The social is from 5:30-6:30 pm and dinner will start at 6:30 pm. Our speaker will be Daniel Turner, Founder and Executive Director of Power the Future (PTF). If you did not hear him speak at our last Convention, you will not want to miss this presentation. Daniel was just featured on Fox News and I hope you all found the link and saw him. It was an informative interview. Please share the link with your employers and friends that may want to see him in person. The invitations are out and we need to get those RSVP's in by September 12. Be sure to invite any other interested people you may know.

The Black Gold Golf Tournament was a huge success! Thanks to Cindy Garrison and the committee for all your hard work to make this happen, as I was not there to assist. This is our one large fund raiser for the year and we should have a tally of the money raised soon.

The ADDC Convention is in Dallas, Texas on September 24-28. I sent out the registration packets. Patti Stacy will be our delegate at this convention. I believe she is the only one attending. I wish everyone could go and enjoy the fun and learning that happens at the ADDC conventions.

The next big thing happening for our club is the Eastern New Mexico State Fair Parade float that our club is entering. We need all hands-on deck to decorate and ride the float to hand out our Bit of Fun activity books. You won't want to miss this fun time! Contact Jessi Corn about the time and place when we will be putting the float together. I can almost guarantee a trophy!

Thank you to all of you that have stepped up to help the Roswell Club in my absence. Having been away so long due to family matters has been hard on me and everyone assisting me. I don't know what the future holds for my family, but I pray it will all work out the way it's supposed to. I love the Roswell Desk and Derrick Club and will continue as a member as long as I can. Don't forget our motto: Greater Knowledge, Greater Service. It all comes down to being a more knowledgeable person and employee.

Jackie Hewett
2024 President

The future depends on what you do today.
Mahatma Gandhi

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**IMMEDIATE PAST
PRESIDENT**
Patti Stacy



Wendy Sparks
 2024 ADDC President
 34627 E County Rd 1517
 Paoli, OK 73074
 405-760-2884 (cell)
 wspark@cegx.net

September 2024

ADDc Membership



We are counting down the days to the Convention in Dallas, Texas. Val Williams, Pat Blanford, Lone Star Club and the Central Region have been working hard! All clubs have stepped up financially and are willing to take ownership of an event which has made the planning process go so much smoother!

We have 80 members registered for the convention so far! We have a goal to hit 100 registered so if you are on the fence about coming... Just do it!

POSTMARKED on or before 8/31/2024 \$250
POSTMARKED between 9/01/2024 -9/10/2024 \$300
POSTMARKED on or after 9/11/2024 \$350

We will have 5 amendments to vote on at the Convention and one item to vote on after Convention if a mail vote will be allowed. Please discuss with your clubs where you stand on these issues so that you can send your Delegates informed.

Hope to see you all in Dallas this month!

*"The measure of intelligence is the ability to change."
 Albert Einstein*

**Sincerely,
 Wendy Sparks**

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US Oil Dominance Hinges on Quiet Corner of New Mexico

Two Counties Boast Untapped Permian Basin Acreage

Mitchell Ferman | Bloomberg News
August 26, 2024

About 100 miles east of UFO-capital Roswell, a dusty corner of New Mexico with more cattle than people is quietly buttressing the U.S.'s world oil dominance.

After pumping less crude in the years leading up to the pandemic than top counties in neighboring Texas, New Mexico's Lea County has been rapidly gaining ground. Output there has expanded faster than in any other U.S. county, last year becoming the first to ever produce more than 1 million barrels per day, according to energy research firm Enverus. Neighboring Eddy County will hit the million-barrel-a-day milestone by September next year, predicts energy analytics firm Novi Labs.



A horizontal drilling rig and a pump jack in Lea County, N.M., the first U.S. county to pump more than 1 million barrels per day. (Callaghan O'Hare/Bloomberg News)

In fact, data shows the two New Mexico counties accounted for 17% of all onshore oil output in the contiguous U.S. last year, and before the next decade, they're expected to pump more oil than the next five biggest counties combined.

"Since COVID, the Permian Basin has been the only significant source of supply growth," Federal Reserve Bank of Dallas energy economist Garrett Golding said at an industry conference in Hobbs, N.M., earlier this summer. "And since Permian growth is centered in New Mexico, technically that means the world oil market depends on what happens in New Mexico."

When the adoption of hydraulic fracturing, or fracking, about 15 years ago made tight deposits of oil and gas readily accessible across the U.S., drillers swarmed to the U.S.'s most prolific basin, the Permian. Straddling parts of Texas and New Mexico, the oil-rich area was generally seen as the U.S.'s best tool to help offset the dominance of Organization of the Petroleum Exporting Countries and its allies, which try to control global oil prices by coordinating crude output.

Originally, much of the U.S. fracking activity was centered around the Midland side of the basin, where an experienced energy workforce plus the appeal of Texas' famously light regulatory touch attracted wildcatters and Big Oil alike. Texas ranch owners in general offered more sprawling and contiguous acreage leases than in New Mexico, where tracts of land are often smaller and sometimes controlled by state or federal government.

Texas was originally better on the geology front, too. Oil in the Delaware, a sub-basin of the Permian that pushes into New Mexico, is trapped below the surface in more difficult-to-reach formations than in Texas. New Mexico's stricter drilling and environmental rules didn't make production as easy, either, operators say.

"Because it was deeper, it was thicker, it was higher pressure, it was harder to overcome that 15 to 20 years ago," Andrew Parker, senior vice president of geosciences at Matador Resources Co., said of New Mexico.

That preference has since shifted. Although Texas is still flush with oil, it's being churned out at a slower pace as the Western Hemisphere's busiest basin ages. In New Mexico, though, there's still plenty of untapped acreage, with only about one-third of the Delaware Basin already drilled, according to Novi Labs. Much of that land sits atop multiple layers of shale-oil rock, which drillers call "stacked pay."

"The Delaware Basin has proven to be the best place to drill because it has 5,000 feet of stacked pay with 25 or so different discrete targets," Matador CEO Joseph Foran said. "While over there in the Midland, you basically have two formations you really go after with about six targets."

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Improving technology means it’s not as hard to get the New Mexico oil as it once was, and a boom in infrastructure, including pipelines and gathering stations, has made the Delaware Basin more accessible. For instance, the Dune Express, a 42-mile-long, fully electric conveyor belt system that transports fracking sand between Kermit, Texas, and New Mexico, is expected to come online later this year.

“All the things that made it challenging back in the day are now the things that make it great,” Parker said of the New Mexico side of the Permian. “And they’re the reasons that we prefer this side of the basin to the other side.”

Still, the New Mexico side comes with its challenges. For one, drilling in the Delaware is more expensive, with average wells costing about \$9.8 million apiece compared to just over \$8 million in the Midland area, Enverus data shows. That makes it harder for small companies to keep pace with better-funded oil majors. As costs balloon, an influx of new private equity has elbowed its way into the state.

“Projects that run \$10 [million] or \$11 million a pop have handicapped the smallest to medium-size legacy producers,” said New Mexico State Rep. Larry Scott, a longtime oil and gas engineer and a Republican. “Guys like me that operated or may still operate 50, 60, 200 well bores vertically are having a hard time competing.”

New Mexico operators must also contend with a stricter regulatory environment than they’re used to in Texas. Flaring, or burning byproduct gas when there’s nowhere to send it, has been mostly banned in New Mexico, meaning drillers need to find another way to get rid of any natural gas. The state also has tougher rules on disposing water, a major component of oil production that has been linked to earthquakes; lawmakers and operators are considering efforts to treat more oil field wastewater for reuse.

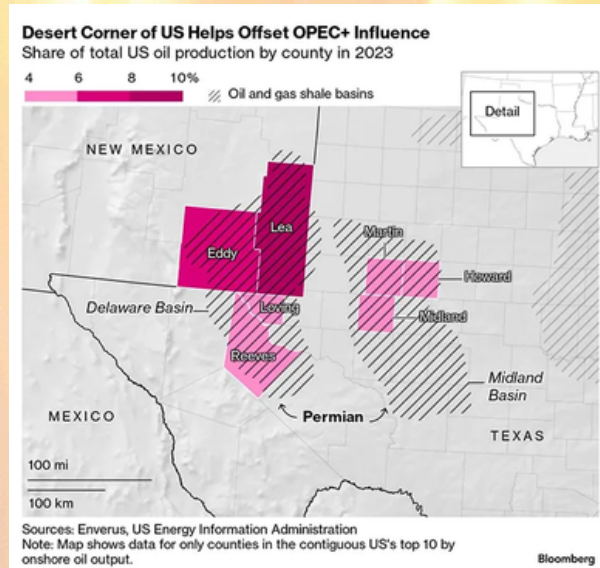
Regulations and oil production strike a delicate balance in New Mexico, a state run largely by Democrats at a time when climate change continues to be a big policy issue for the national party. Still, Vice President Kamala Harris hasn’t shared many specifics on her oil and gas stance as the Democratic presidential nominee. During her short-lived 2019 presidential campaign, Harris called for a ban on fracking, but she has since signaled that’s shifted.

Marisel Nanasi, executive director of New Energy Economy, a New Mexico anti-fossil fuel group, says if any big energy state were to consider stopping drilling for environmental reasons, it would be hers. “Why? Because the values of ‘love of land’ are so strong here.”

The biggest challenge to that, she admits, is the billions of dollars the sector brings in every year. “All we need to do is figure out how to get \$13 billion, essentially. And if we can figure that out, which I have some ideas about, then we could leave it in the ground.”

Missi Currier, president and CEO of the New Mexico Oil and Gas Association, estimates the sector’s contribution to state coffers every year is even higher – closer to \$14 billion, or about 40% of the state’s budget. Currier says she spends a lot of time trying to educate New Mexicans about the industry’s benefits. For instance, due to oil and gas production revenues juicing New Mexico’s revenues, the state was able to be the country’s first to offer free child care and college despite being one of the country’s poorest states.

“If oil and gas stopped in New Mexico,” she said, “within a decade, we would be a Third World country.”



SEPTEMBER

Dates to remember:

Industry Appreciation
September 19

ADDC Convention
September 23-27

See below our invitation to the
Industry Appreciation Dinner

Please invite, invite, invite!!
Our RSVP number so far is very
low!

*Cordially Invites You to Attend Their
69th Annual Industry Appreciation Banquet*

*Featuring Special Guest Speaker
Daniel Turner
Founder and Executive Director
Of 'Power The Future'*

*Roswell Convention Center
912 N. Main, Roswell, NM
Thursday, September 19, 2024
Reception 5:30 PM
Dinner 6:30 PM*

*Cost \$50.00 per person
Please RSVP To Cindy Garrison at
cgarrison@matadorresources.com
Or 575-623-6601
by September 12th, 2024*



FEATURING GUEST SPEAKER:
Daniel Turner

Founder and Executive Director
of 'Power The Future'



Daniel Turner is the Founder and Executive Director of Power The Future (PTF). For nearly 20 years he has worked in communications and public affairs for several non-profits and various campaigns including in his home district (NY-9) for his Uncle Bob Turner's successful and historic house race.

Daniel started PTF to advocate for rural energy communities in the power center of Washington, DC which makes those policy decisions which impact energy workers. Daniel is an expert in energy and environmental issues as they pertain to jobs, rural communities, the U.S. economy, international affairs, and our national security.

His op-eds have been published in dozens of outlets and he is a regular guest on multiple TV and Cable News programs. He has appeared on over 1500 radio programs.

Daniel lives with his family on a working sheep farm in rural Virginia also raising mini-Highland cows and various breeds of chickens. They have three dogs, have fostered and rehabilitated dozens others, and currently raising a service dog for special needs children.

Autumn Equinox
First Day of Fall
September 22

Around Town



2024 Chile Cheese Festival and FARMERS MARKET

SEPTEMBER 28
10 a.m. - 9 p.m.

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September Sales

- \$5 bag sales on Sept 5 & 25*
- Movies are 2 for \$1

*Pay \$5 and fill up the bag we give you

ENMSF

EASTERN NEW MEXICO STATE FAIR

SEPTEMBER 30 - OCTOBER 5

THE GREATEST SHOW IN NEW MEXICO!



COFFEE AND CROCHET

Date: Saturday, September 14, 2024
Time: 9:00 am- 12:00 pm
Where: Roswell Chamber of Commerce
131 W. 2nd
Fee: \$10 per person
PayPal, Venmo, or Cash App
Contact: Des Gonzalez call/text
575-416-1465

Please bring your own medium-weight (4-weight) yarn and crochet hooks (please bring different-size hooks with you to meet the correct gauge for squares for the community blanket)! We will also work on baby blankets and baby beanies to be donated in time for the holidays! (You are more than welcome to bring any yarn you'd like to work with for the baby blankets and baby beanies)! Coffee and water will be provided!

