Southeastern Ohio Oil and Gas Association

Spring Membership Meeting

The morning session began with a safety seminar by Dynamic Safety Resources with speakers Jason LeMasters, Division Manager and Tucker Roberts, Project Manager of DSR. The topics presented ranged from OSHA’s Top Ten Violations to OSHA Under Obama. Further information on Dynamic Safety Resources can be found at www.dynamicsafetyresources.com.

Rhonda Reda, Executive Director for the Ohio Oil & Gas Energy Education Program, started the afternoon session with A Year in Review—Changing Public Opinion. She spoke about how OOGEEP is keeping up with technology and invites everyone to “Come see what’s new at www.oogeep.org.”

Next on the agenda was the Paul Fulton Scholarship Program. The following presentations were given by Marietta College Students: Clint Perkins, Topic – Lowering the Heating Value of Natural Gas; Paul Palsay, Topic – Hydraulic Fracturing in Shale Formations; Caleb White, Topic – Economics of Directional and Horizontal Drilling; and Wes Casto, Topic – Optimization of Proppant Size and Concentration in Marcellus Shale Fracture Treatment.

The Paul Fulton Scholarships winners awarded were: 1st Place - Clint Perkins, 2nd Place – Wes Casto and 3rd Place – Paul Palsay. Congratulations to all who participated. For further information on each of the Paul Fulton Papers go to the Sooga website, www.sooga.org.

Jim Javins, with Integrys Energy Services, informed the membership on “The Gas Marketing Outlook—2009 In Review and Beyond—Where Will We Go?” He spoke on current gas prices and the different strategies available to help market natural gas. “The Woodsfield Project Update” was presented by Larry Blake, Project Manager, Dominion East Ohio, detailing the progress of the Woodsfield to Caldwell expansion.

Guest Speakers for the night were the Ohio Division of Mineral Resources Chief, John Husted and IOGA of West Virginia, President Joe Petty. Chief Husted discussed the “2009 and 2010 Strategic Planning for the Ohio Division of Resource Management,” the realignment of the Division, funding goals and regulatory needs. Joe Petty’s topic “What’s Happening in West Virginia”, informed us on some of the positive input IOGA has working with the WV Legislature Assembly.

The meeting ended with the presentation of the SOOGA Workhorse Awards. Awards were given to: Rhonda Reda, Jim Javins and Wes Mossor. Congratulations to all of you for all your hard work and continuing contribution to the oil and gas industry.

Our thanks go to Billie Leister and the Events Committee for a very successful and informative full day program.

**Check the SOOGA website for more information on SOOGA events.**

www.sooga.org
Thank you to the events committee and everyone who made the 2009 Annual Spring Meeting a success. All the comments I received from participants and attendees were overwhelmingly positive, and the full day format seems to have worked well. Please let us know if you have any suggestions to make next year better.

We, at SOOGA, will continue to maintain a positive perspective as we move forward. The markets continue to dip so it is more important than ever for all members to stay engaged, especially with our elected officials. You will be receiving requests for fax numbers and email addresses so that we can quickly and efficiently forward important information when necessary. Please let the office know your contact information to save us a stamp and two or three days of response time.

The Dominion East Ohio Woodsfield to Caldwell pipeline expansion is moving along nicely. Hopefully the spring weather will not slow operations and the July in service date can be met. With natural gas prices falling the expanded capacity will become more important.

We have been approached by staff from the Division of Mineral Resources Management of Ohio to present a short seminar on navigating their website to look up information. If this is something you would find helpful, please contact the SOOGA office. If the response warrants, we will set something up.

Taxes and Regulations are changing at every level. Again, we will do our best to keep you informed. However, we all need to continue to educate our elected and appointed officials on the impact current proposals will have on our industry and individual companies. Most of our members have been here before.

Stay strong and be safe.

Gene Huck,
President
2009 CALENDAR OF EVENTS

May 22, 2009
Spring Golf Outing
Marietta Country Club, Marietta, OH

July 31, 2009
Ohio Valley Desk & Derrick
2009 Annual Industry Appreciation Night
On the Valley Gem Sternwheeler
7:00 to 10:00

August 28, 2009
Fall Golf Outing
Marietta Country Club, Marietta, OH

September 16, 2009
Ergon Fish Fry
St Rt. North Reno, OH 45773

September 17, 2009
6th Annual Oil & Gas Trade Show
Washington County Fairgrounds, Marietta, OH

September 25, 2009
B.D. Oil Gathering
Annual Hog Roast
Mitchell’s Lane, Marietta, OH

October 16, 2009
Clay Shoot
Hill Top Sporting Clays, LLC Whipple, OH

November 1-November 30, 2009
Annual Fall Gun Giveaway
KILBARGER DRILLING
Drilling Superintendent
450 Gallagher Avenue
PO Box 946
Logan, Ohio 43138

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Office: 740.385.6019
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Jim Javins at 614-844-4308 or (C) 614-561-3118

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Columbia Gas Transmission, East Ohio Gas, Dominion Gas Transmission, Big Sandy and East Tennessee
REMINDER

Now that your clubs are dusted off and you’ve found your swing, come out and join us for our Spring SOOGA Golf Outing on May 22, 2009, at the Marietta Country Club.

Registration deadline is May 15, 2009.

Hope to tee you there!!!!

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GAS PRICING

MARCH 2009
NYMEX Settlement: $4.056
Inside FERC/DTI: $4.444 (Basis: $0.388)
Inside FERC/TCO: $4.320 (Basis: $0.264)
NYMEX 3-day Average: $4.1297

APRIL 2009
NYMEX Settlement: $3.631
Inside FERC/DTI: $3.940 (Basis: $0.309)
Inside FERC/TCO: $3.870 (Basis: $0.239)
NYMEX 3-day Average: $3.969

OIL PRICING

Effective Date 4/30/09
ERGON PURCHASING WEST VIRGINIA
Ohio All Fields: $40.00
West Virginia Northern: $39.25
West Virginia Central: $38.50
West Virginia Southern: $38.25
AMERICAN REFINING GROUP
OH/WV: $40.00

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FAX: (304) 485-0530
parmaco@suddenlinkmail.com

600 Parmaco Street
Parkersburg, WV 26101
SOOGA would like to welcome the following new 2009 members:

STAN DEAN
Nomac Drilling, L.L.C.

JIM HAGAN
JADCO Energy, Inc.

JOHN D. MANDICH
EnergyNet.com, Inc.

DONALD FOX
Eastern Mountain Fuel, Inc.

BRYANT HARTMAN
Kilbarger Oil Field Services
Parents' program channels grief

(Parkersburg resident Krista Arnold has channeled her grief for a lost child into a nonprofit organization to increase funding for research, treatment and awareness of congenital heart defects.)

A former Parkersburg resident has channeled her grief for a lost child into a nonprofit organization to increase funding for research, treatment and awareness of congenital heart defects.

Krista Arnold, formerly of Parkersburg, and her husband Zack, a petroleum engineer from Waterford, lost their daughter Elisabeth K. "Elle" Arnold in early October.

In August 2008, Elle was born with a congenital heart defect known as hypo plastic left heart. The baby underwent surgery, but died due to complications a month later.

"We were devastated and needed something to focus our energy on," Arnold said.

The Arnolds, who reside in Bridgeport along with their 3-year-old son Christian, decided to continue Elle's memory as well as help others affected by congenital heart defects.

"We decided to start a nonprofit organization in her memory," said Arnold, who is the Elle Foundation's president.

The Arnolds moved quickly, establishing the nonprofit Elle Foundation in November. In January they launched the Web site www.theellefoundation.org and began taking donations.

"When I set my mind to something it is fast forward," she said.

The foundation's mission is to create hope for children with congenital heart defects and their families by funding research, supporting improved treatment, and promoting awareness of defects. The first step was deciding how the funds raised would best be used.

"Almost immediately we found that while congenital heart defects are the most common birth defect and leading cause of death among infants, research and treatment is extremely underfunded," she said.

Many of the deaths involving high school and college athletes who collapse at practice or during games are a result of an undetected heart defect, Arnold said.

According to Arnold, twice as many children lose their lives to heart defects compared to all forms of pediatric cancer combined. Yet, pediatric cancer research receives five times the funding as congenital heart defects.

"Given this information, we immediately knew that our mission would be to improve and save lives of those with CHDs by raising money and donating it to hospitals and institutions throughout the United States for research and treatment for CHDs."

Arnold said had Elle been born 15 or 20 years ago, only comfort measures would be taken. Surgery simply was not an option.

"They have made tremendous strides," she said.

They have also enlisted the support of Gov. Joe Manchin, who has declared Feb. 7-14 Congenital Heart Defect Awareness Week for the state.

The Arnolds aren't content to stop there. During the week they will be in Washington, D.C., for Congenital Heart Lobby Day (Feb. 10) where they will meet with Rep. Alan Mollohan, D-W.Va., to discuss funding for CHD research and education.

Arnold said they will also hold fundraisers for the Create Hope campaign in which local businesses, including St. Joseph's Hospital, will help us raise money for CHD research and treatment.

Simply Irresistible, a southside hair salon, is selling tickets to a Valentine's Day party to benefit the foundation. Mandy Hudson, owner of the salon, said the event will feature chocolate facials, manicures and pedicures. Call the salon at 861-0386 for details.

The Elle Foundation will also be listed as the featured charity of the day on goodsearch.com on Feb 10. Goodsearch.com is a Yahoo-based Internet search engine that donates one cent for every Internet search to the designated charity. Arnold is encouraging companies who order office supplies to do so through goodsearch. She said many of world's largest suppliers and stores are listed.

"We are asking businesses to take one extra step through goodsearch. It's no extra cost."

Zack Arnold is a member of SOOGA and works for Chesapeake Energy in Jane Lew, WV.
Charitable Giving With Benefits for You
By G. Keith Stonestreet

Of course you’d like to do something special financially for your favorite charity, but wouldn’t it be nice if the giving method you chose also provided some benefits to you?

If you own a substantially appreciated asset with significant capital gains since you bought it (i.e. stocks or real estate), perhaps you’re reluctant to sell it outright and face immediate capital gains tax. This may be true even if you’d prefer to reposition the value of that asset into an investment more appropriate to your current financial situation.

There is a financial planning tool, known as a charitable remainder trust, that can help you reposition assets without paying capital gains tax while also providing a number of other advantages. If you transfer the asset to a charitable remainder trust that you create, there will be no capital gains tax due on the transfer. (Other taxes and penalties may apply.)

In exchange, the trust agrees to provide you with a current income, typically between 5-12 percent of the value of the asset, for either your lifetime or a period certain up to 20 years. Since a portion of the asset will eventually pass to the charity you choose, you get a current income tax deduction of the present value of the gift that will occur in the future.

Charitable remainder trusts are typically arranged by an experienced legal professional and come with a number of variations. After converting the ownership of the asset, you can often select a fixed income that does not vary, or you can choose an income that has the potential to increase if the value of the underlying assets in the trust increases. The latter approach can help your income stream keep pace with inflation.

After the income stream ceases, your designated charity receives the balance of the trust assets. By gifting to charity in this way, you achieve the following results: avoid capital gains tax on appreciated assets; possibly increase the cash flow from those assets if the trust sells them and reinvests in something providing an enhanced income stream; receive a current income tax deduction for a portion of the gift; and do something nice for your favorite charity.

If your proposed gift is modest in amount, many charities have pre-arranged plans, called pooled income funds, which can generate similar benefits without the need to have your own trust drafted. Contact your favorite charity to discuss whether it has made such arrangements.

One final note – your family may express concern that you plan to give away assets they would inherit in the future. A wealth replacement trust can be created to generate a similar amount of money for your family using a portion of the increased cash flow you get from this arrangement. These trusts take advantage of the financial leverage that life insurance can provide.

If any of the above techniques are of interest to you, be sure to consult your financial services professional and legal adviser for more information.

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OBAMA’S BUDGET PLAN TARGETS OIL, GAS TAX BREAKS

President Obama’s proposed 2010 budget takes pointed aim at oil and gas companies, eliminating myriad tax breaks and proposing new fees on the providers.

The plan put out Thursday would repeal tax breaks intended to spur oil and gas exploration and penalize companies that don’t develop wells on land leased from the government. It could raise tens of billions of dollars the next decade.

The industry says the blueprint would discourage investment aimed at cutting oil imports.

“New taxes could mean fewer American jobs and less revenue at a time when we desperately need both,” says Jack Gerard, president of the American Petroleum Institute (API).

But consumer advocates cheered the proposal.

The financial impact is “peanuts compared to the excessive profits they’re earning,” says Mark Cooper of the Consumer Federation of America.

Oil giants such as ExxonMobil posted record profits in 2008, but fourth-quarter earnings plunged as crude oil prices tumbled. Among other things, the proposal over 10 years would raise:

♦ $5.3 billion by imposing a new 13% excise tax on offshore oil and gas production in the Gulf of Mexico to close loopholes that gave companies relief from certain royalty payments.
♦ $1.2 billion by charging a fee on companies that don’t produce on their Gulf leases. Environmentalists say offshore drilling should not be expanded while existing leases lie fallow. But API says unused leases are ultimately surrendered.
♦ As much as $10 billion by reinstating taxes to clean up hazardous waste sites.
♦ $11.5 billion by barring companies from writing off drilling costs, such as labor, and by limiting their ability to write off lease payments.
♦ $13.3 billion by scrapping a 6% tax deduction that benefits all U.S. manufacturers.

The moves could cost the industry several billion dollars a year. Industry profits in the U.S. totaled $125 billion in 2007, according to the Energy Department. Argus Research analyst Phil Weiss says the industry would be far more adversely affected by a windfall profits tax.

(Article from USA TODAY, February 24, 2009)

APPLICATIONS ON HAND

SOOGA is collecting applications from individuals interested in working the oil and gas industry. Please feel free to stop in any time Monday - Friday between 8:00 A.M. and 4:30 P.M. and find your new hire. Several of the applicants have stated their enthusiasm for the possibility of having their applications reviewed by members of the Southeastern Ohio Oil and Gas Association. Take advantage of being a member and use this service in place of or in addition to running advertisements in the classified section of the local papers. There are also resumes from the applicants that applied for the Executive Secretarial position being kept in the SOOGA office.

Your participation would be greatly appreciated.
SUMMER JOBS WANTED

FOR
PETROLEUM ENGINEERING and GEOLOGY MAJORS AT MARIETTA COLLEGE

If you have a summer job available for a student in the field or the office, please contact:

Dr. Bob Chase
Chair, Department of Petroleum Engineering and Geology at Marietta College
Phone: 740-376-4776
Email: chaser@marietta.edu

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Gas Committee Report
April 7, 2009

PRICING

Prices April 7, 2009 at open.

One Year NYMEX strip (May, 2009 – April, 2010) $4.74
Summer NYMEX strip (May, 2009 – October, 2009) $3.98
Winter NYMEX strip (November, 2009 – March, 2010) $5.50
TCO Index Posting - April, 2009 $3.87
DTI Index Posting - April, 2009 $3.94

Gas prices are still down considerably from this time last year due to storage being adequate for this winter’s heating season, and with the thought that the storage carry over into next winter’s season will be a surplus compared to last year. Other factors are the economic demand destruction in the industrial and electricity sectors that has occurred due to the financial crisis, some thinking that it will be a 1 to 2 % or greater decline from historical levels, as well as the increase in first quarter production from new drilling and current production levels, both onshore and from the Gulf coming back on line from last year’s hurricanes estimated to be at a 6 % or better increase above last year at this time.

Beyond the first quarter, the market will be increasingly reliant on hydro issues, an exceptionally hot summer, or an early and exceptionally active hurricane season at which point a price floor will have already been established.

GAS STORAGE AS OF THE March 27, 2009 Report

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<td>1,351</td>
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</tr>
</tbody>
</table>

GATHERCO

Retainage for January, 2009 is as follows for the Gatherco systems. Treat was 2.0%, Miley was 2.0%, Meigs was 7.39%, York was 2.00%, and Grimes was 10.66%.

(Continued on page 14)
DOMINION EAST OHIO GAS

The new East Ohio Heat Content Agreement is on the SOOGA website. Please review it at your earliest opportunity.

On December 12th, DEO had a presentation on the Monroe County/Woodsfield Pipeline Project Gathering at the Region III & IV meeting at Marietta College in Marietta. Set out below are some of the high points from that meeting.

The Woodsfield Budget was approved, and they have 96% participation from the producers, including Gatherco. The payoff on this project is anticipated to take less than 5 years.

The compressor will be in service in July, 2009.
RT69 – In service by May, 2009 to the PPP line.
8” Pipeline to Carlisle – in service by July, 2009 with compressor.

There is a copy of the project available for viewing and use at the SOOGA office.

CNR/COLUMBIA GAS TRANSMISSION

The Eastern Kentucky CNR producers are currently flowing as colder weather has returned.

COBRA PIPELINE COMPANY, LLC

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

EQUITABLE

The Big Sandy Pipeline, being built to take gas from Eastern Kentucky into the Tennessee Pipeline system, is in the process of laying pipe, and working to get added electric facilities to handle their processing of the gas before delivery into Tennessee. The 130,000/day pipeline is in service now. More information and updates will be forthcoming as it becomes available.

DOMINION TRANSMISSION

Dominion held a meeting on July 21, 2008 at Stonewall Resort in Roanoke, WV, to provide an update on the Appalachian Gateway Project. The Project summary is set out below:
• Proposed Available Capacity
  o Pods 365,120 dt/d
  o EBAs 253,801 dt/d
  o Total Capacity 618,921 dt/d

Estimated Capital Requirements
  o Transmission $650 million
  o Processing $275 million
  o Gathering $87 million
  o Total Investment $1,012 billion

In addition to the above, DTI personnel discussed Transmission Facility Scope, Receipt point Pods with volumes, Firm Transport details, the Appalachian Supply & Transmission Nomination Process, FT Capacity Release Review, the Precedent Agreement Terms and Conditions, the Project Rate (current preliminary unit rate is $.48), Creditworthiness, and the Appalachian Gateway Timeline below:

• July 2, 2008 Producer update meeting
• July 22, 2008 Meeting with all Gateway bidders
• Aug. 8, 2008 Capacity ownership determination
• Aug. 15, 2008 Send executable PA’s to customers
• Sept. 5, 2008 Accept all executed PA’s received at DTI’s office by 5:00 PM EDT – Prorate capacity, if necessary
• Sept. 5, 2008 After 5:00 PM EDT, accept executed PA’s on a first come, first serve basis
• Sept. 22, 2008 P.A. execution window closes
• Oct. 1, 2009 File FERC Certificate
• Sept. 30, 2010 Receive FERC Certificate
• 4Q, 2011 In-Service

A copy of the Appalachian Gateway Project meeting on July 22, 2008 is available at the SOOGA office, and you can view it on line at the following DTI website.

http://escript.dom.com/info_post/infoDocumentation.jsp?&company=dti

Per the article in the latest Insider, DTI will lower their gathering rates effective for the period 2009 through 2011. The rate for over-all gathering and extraction will go from the current 12.5% down to 11% for the upcoming period. This rate includes 10.5% (4.3% of which is fuel retainage) for gathering and 0.5% for products extraction (all of which is fuel retainage). As part of the settlement, DTI agreed to continue supporting its gathering and extraction business by investing an average of at least $20,000,000 per year in Appalachian gathering and products extraction plant.
Dominion has been doing some compressor and engine repairs on their wet systems, which has resulted in higher line pressures and short term shut-ins of production throughout the fall season. Please stay in touch with your marketer for any notices of shut-ins and curtailments. You can use the link set out below, and click on “Appalachian Producer Notices” on a daily basis to keep in touch with maintenance that may affect your wells and production.

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

OTHERS

During the Ohio Oil & Gas Association Winter Meeting in March in Columbus, Ohio, and the IOGA WV winter meeting in February in Charleston, WV, there were several very interesting and important presentations that producers may find helpful and informative. These presentations can be found on each of the association’s websites.

Rocky Express Update

UPDATE:

Copies of all the presentations presented by the Speaker at this meeting can be found on the OOGA Website at the following link:

http://www.ooga.org/about-ooga/calendar-meetings

Rockies Express Pipeline LLC., announced the Federal Energy Regulatory Commission (FERC) has approved construction of Rockies Express-East (REX-East), which comprises 638 miles of 42inch diameter pipeline that will extend from Audrain County, Mo., to Clarington, Ohio. Construction is expected to begin this summer. Subject to receipt of regulatory approvals, REX-East is expected to begin interim service to the Lebanon Hub in Warren County, Ohio, by Dec. 31, 2008, and be fully operational in the summer of 2009. “The sponsor companies appreciate the timely manner in which the FERC completed its environmental review and authorized the certificate to construct on REX-East,” said Scott Parker, president of Kinder Morgan Energy Partners’ Natural Gas Pipelines group. “We are delighted that more than 1,000 miles of REX are in service, and we look forward to completing the final segment of the project.” The 713-mile REX-West segment which runs from the Cheyenne Hub in Weld County, Colo., to Audrain County, Mo., became fully operational May 20.

The initial 327 miles of REX extends from the Meeker Hub in Rio Blanco County, Colo., to the Wamsutter Hub in Sweetwater County, Wyo., to the Cheyenne Hub. Rockies Express Pipeline LLC is a joint venture of Kinder Morgan Energy Partners (NYSE: KMP), Sempra Pipelines and Storage, a unit of Sempra Energy (NYSE: SRE), and ConocoPhillips (NYSE: COP), and is one of the largest natural gas pipelines to be constructed in North America. When completed, the 1,679-mile pipeline will transport gas from the prolific Rocky Mountain supply basins to markets in the Midwest and East and have a capacity of approximately 1.8 billion cubic feet per day. Binding firm commitments from creditworthy shippers have been secured for all of the capacity on the pipeline. Market conditions for consumables, labor and construction equipment along with certain provisions in the final environmental impact statement have resulted in increased costs for REX and impacted certain projected completion dates. For example, REX currently expects that interim service on REX-East will begin by year end to Lebanon as opposed to its initial projection of Clarington. As previously disclosed, while it is still too early to estimate the precise cost impact, KMP believes that the cost increase will be no more than 5 to 10 percent of the total REX project estimate of approximately $5 billion. KMP is overseeing construction of the project and will operate the pipeline.

For current updates, please utilize the Rex Pipeline Website [http://www.rexpipeline.com/index_east.html](http://www.rexpipeline.com/index_east.html)
Always call the One-Call Center prior to digging within the time (at a minimum 48 hours) frame required by the state you are operating in.

Don’t know the number? For Ohio call 1-800-362-2764. For other states, call the National Referral Number, 1-888-258-0808 to get the local One-Call Center’s phone number.

Be ready with all the important information: The municipality, street address, extent and type of work, date and start time of excavation, caller’s name, contractor/contact person and phone number.

Then, wait for the site to be marked! Marking could be either paint, flags, or stakes.

Respect and protect the facility operator’s marks. Note the color of all markings used and what type facilities they indicate. Colors may vary from state to state.

Dig with care! Always hand dig when within 2 feet on either side of any marked lines.

If damage, dislocation, or disturbance of an underground utility line occurs, immediately notify the affected facility, utility, or pipeline.

- IF damage creates an emergency, take immediate steps to safeguard health and property.

- It is the responsibility of the person or company who is digging to place the call to the One-Call Center. If you don’t call and the underground utility lines are damaged, you may be held responsible for all losses, expenses, and costs resulting from the damage and any fines associated for not calling.

- If your worksite conflicts with the markings, contact the utility involved for advice on how to dig without interfering with the lines.
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Sorry if we missed anyone.
Thanks to all the sponsors and everyone that participated in a great day of fun and friendship. Sorry if we missed anyone.
Continuing with the series on the producing zones of Southeastern Ohio, two of the upper zones in the Devonian Shale will be discussed. A discussion of the Berea will be reserved for a future issue.

DEVONIAN SHALE

The base of the Berea is also the base of the Mississippian and the top of the Devonian geologic systems in Washington County. This has been recognized by the Ohio Division of Oil & Gas for purposes of FERC regulations. Thus, the Devonian Shale is any zone below the Berea and above the Huntersville (Onandaga Lime). The Ohio Devonian Shale would also correlate to the Devonian Shale of southern West Virginia and eastern Kentucky. Within the shale section in Ohio are a number of producing zones which correlate to the Upper Devonian producing sands of central West Virginia. Because the interval below the Berea for these zones in Ohio is similar to those of the Upper Devonian sands in central West Virginia, these zones in Washington County have been given the same names as the West Virginia sands. It is important to realize that in Washington County the lithology of these zones is not the same as those sands in West Virginia for which the same names are applied. For example, in central West Virginia the Gordon is a well developed, clean sandstone, while in Ohio it is a zone which is very similar to the shales above and below. Often it will contain some siltstone, but the differences in lithology as shown by the samples and logs appear very subtle to the untrained eye. The Thirty Foot has similar characteristics, while the Bayard and Warren are even more shaley and more difficult to identify.

In all the Devonian Shale zones of Southeastern Ohio the reservoir consists of two porosity and permeability systems. The zone itself has a natural matrix porosity often in the range of 0 to 4%. To this is added a secondary porosity system which is the result of natural fracturing. In general, this fracturing is associated with the distortion of sediments caused by the Burning Springs Anticline and other structural features. The fracturing is more evident in the harder silty beds which tended to fracture as the structural features were formed. The massive Devonian shales are thought to be source beds for oil and gas. Upward migration of hydrocarbons has taken place over millions of years of geologic time, leaving oil and gas trapped in those zones having sufficient porosity and permeability to act as a reservoir. In theory, one could expect oil and gas in any zone in the Devonian Shale which is fractured to some degree. In actual practice, hydrocarbons are generally found in certain zones which can often be correlated over wide areas. As each of these zones has been given a name for purposes of identification and correlation, the more significant features of these zones are discussed below.

Before leaving the general discussion of Devonian Shale, it would be well to consider several of the features which are common to all of the zones. The Devonian Shale contains clay minerals which can be mobile as well as swelling. Fresh, untreated water will almost always cause some permeability loss. Once clay platelets swell, they exhibit a tendency to migrate which may cause a permeability block. For this reason, drilling should always be done with a salt water base mud, if fluid drilling methods are used, and any well treatment fluids should contain a clay stabilizing chemical.

Since the various zones are not true sandstone reservoirs, they should not be referred to as “sand” in the sense that “sand” denotes a producing interval. The more correct terminology should be “Gordon zone of Devonian Shale” rather than “Gordon sand”. In the past, the concept that some sandstone development should be present for a given interval has contributed to many of these zones being neglected and passed over when completion decisions are being made on a well.

A discussion of the more recognizable individual zones of the Devonian Shale follows.
GANTZ

The Gantz zone is a series of thin siltstone beds, the top of which is found about 100 to 120 feet below the top of the Berea. The total zone can be as thick as thirty to forty feet. The individual siltstone beds are light to gray in color while the associated shales are a darker gray. Very little testing of this zone is known although log analysis indicates a possible hydrocarbon reservoir.

THIRTY FOOT ZONE

Approximately 280 to 300 feet below the top of the Berea will be found a zone of light gray to gray siltstone and shale which can be as much as fifty foot thick. There is only one known core of this formation in Washington County. To date there has been very little testing done on the Thirty Foot by itself. The zone is recognizable in all logs of wells drilled northeast of Marietta in Washington County seen by the author. West of Marietta it disappears as a recognizable zone. In a number of instances the Thirty Foot has been completed along with the Gordon, and the resulting production from both zones is comimgled. Thus, the producing potential of this zone by itself is difficult to determine in many wells where it has been included as part of a multi-zone completion.

One well producing from the Thirty Foot about which much is known is the Hendricks #1 in Newport Twp. once owned by C. W. Riggs, Inc. This well was completed as a natural producer flowing from an untreated open hole. The initial open flow of gas was 2800 MCFD with a reservoir pressure of 750 psi. The average daily production for the first 30 days was 146.3 BOPD and the well produced over 20,500 bbl. during the first year.

(to be continued in next issue)

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