WV GOVERNOR CALLS MEETING OF OIL AND GAS PRODUCERS

Governor Manchin called a meeting of producers and other interested parties to meet in Charleston on August 26 to have a forum on Marcellus drilling and see what we could do to work together to resolve many issues in WV. The first person to speak was Randy Huffman, head of the WVDEP. Randy’s concerns were that his office is understaffed and they need at least double the number of inspectors from 17 to 35, and who pays for it. Do you do that with higher fees, more assessments or other taxes? The problems are not so much with conventional drilling but with the Marcellus Shale and horizontal drilling. Some of these problems are updated procedures on pond and road building, water issues and disposal of frack fluids. Further, trying to maintain the current road system is a problem. A lot of the roads were not built to handle the equipment we are using today.

Paul Mattox from the WV Dept. of Highways (DOH) spoke about the new bonding procedures for roads in WV. They have issued a new interim oil and gas policy for bonding requirements. See Page 20 for details. Corky Demarco spoke for the WV Oil and Natural Gas Association (WVONGA). He commented on the following: 1. Forced Pooling on Marcellus wells, 2. Definition of shallow well, 3. Consistency on the Road Bond issues, whether conventional or horizontal, 4. Dealing with water issues and treatment of frack water, 5. Looking to minimize the number of trucks in water hauling and fracking, and 5. Disposal of pit material and frack water.

Mike Ross spoke on behalf of small producers and was against forced pooling and thought most of the bigger companies were improving on the work they were doing in drilling Marcellus wells. He believed the road bonding was to the extreme and DOH was overreacting. Charlie Burd from IOGA WV, spoke and said the small operator cannot afford the bonding requirements of the DOH for drilling conventional wells and further discussion was being held with the DOH.

The WV surface owner organization spoke and wanted the surface owner rights bill passed. The Sierra Club spoke about their environmental issues and hydraulic fracturing. They would like a tracking system for waste water disposal. Steve White from the unions trades group spoke and wants more union jobs for West Virginians. Too many out of staters are taking our jobs. The Governor had issues on employment of our WV people and wanted to know if we needed more or new training for our people to get these Marcellus jobs. Bill Hughes from a citizens action group spoke about his concerns of air emissions and traffic management.

After all parties spoke, the Governor advised Randy Huffman of the WVDEP to form a commission of 5 to 6 people representing all the parties involved and try to come up with a comprehensive plan and prepare legislation for the 2011 session. This should be real interesting.

Continued on Page 20
The September NYMEX gas price closed at $3.65 /mcf. In today’s economic and regulatory environment, who can make an acceptable rate of return drilling at these prices? NYMEX oil prices hover above $70/bbl, but we don’t get that locally. Our members produce the same oil they have for years but face increased negative basis differential because of high gravity oils produced elsewhere. Material & equipment prices also have not dropped with product prices, eroding our economics further.

In West Virginia, we face increased requirements from the department of highways and restrictions on water use because of the massive increase in activity in rural counties. If realized, the proposed bonding requirements alone will greatly reduce conventional drilling.

The promise of “a hundred year supply” of natural gas is keeping the gas price low. Leasehold preservation and a massive influx of capital from outside the basin or outside the country bring with them drilling requirements, that will sustain activity regardless of current economics. It has been proven the unconventional gas play is real, but at what price will it ultimately have to be produced? More importantly how long can SOOGA’s membership survive to find out? What to do?

We have no control over the availability of capital our competitors have to drill with, but we can try to preserve a favorable regulatory environment. The current political climate that has created a paralyzing uncertainty can be changed. We must replace anti-oil & gas candidates who propose to take our IDC’s, percentage depletion and manufacture tax credits and use the money to subsidize our alternative energy competitors. No matter how good their intentions, these folks are putting us out of business, even though we supply, and will supply, the energy required to power this nation.

November 2nd is not far away. Take time to identify those candidates that will allow us to do the work that is so important for our future. Inform your employees of the threats to their livelihood, and vote on election day.

Stay Strong & Be Safe.

Gene Huck,
President

---

REMINDER

The annual Trade Show is just around the corner, so don’t forget to sign up for your vendor space or register your employees for the seminars.

If you have any questions please call Billie at 740-374-3203.

So come out and support your fellow members and the people that keep our industry growing strong !!

Please see Trade Show Agenda on Page 19.

---

B-K WELL L.L.C.

Brian Kuhn
ROUSTABOUT OIL FIELD SERVICES

Cell: 740-228-1113
Phone: 740-567-3236
46168 SR 145
Lewisville, OH 43754
brian.kuhn9800@att.net

- Rebuild motor valves and float controls on and off location
- Refurbished separators
- Tank batteries
- Repair and install new pipe lines
- Flat bed winch truck
2010 CALENDAR OF EVENTS

September 16, 2010
SOOGA Annual Trade Show
Washington County Fair Grounds
Marietta, OH

October 29, 2010
SOOGA Fall Clay Shoot
Hilltop Sports, Whipple, OH

November 1st.– 30th
SOOGA Fall Gun Giveaway

Robert Hesson
Mobile 740.581.0904

H & L
OILFIELD SERVICES LLC
409 Poplar Street, Suite A
Caldwell, Ohio 43724

*FOR ALL YOUR WATER HAULING NEEDS*
Specialized in water work, winch truck, frac tank rental, straight trucks & tractor trailer services

Howard L. Baldwin
Director of Marketing & Business Development
PO Box 199 | Harrisville, WV 26362
Office: 304-643-4613 Cell: 304-834-0980
Fax: 304-643-4615
hbaldwin@bruceallenpipeline.com
www.bruceallenpipeline.com

Drilling & Fishing Tools
Rental Tools
Tool Repairs
Machining Services
Welding, Fabricating

PARKERSBURG TOOL COMPANY
1004 Depot Street | Parkersburg, WV 26101
Roger K. Riddle,
President
David L. McKain,
Vice President
Phone 304-428-8015
Fax 304-428-8059

Edi
QUALITY & SERVICE
MAKE THE “DIFF”
Rich Wynn
Electronic Design for Industry
100 Ayers Blvd
Belpre, Ohio 45714
(740) 401-4000 | Fax (740) 401-4005
www.ediplungerlift.com
Email rwynn@ediplungerlift.com

Joey Vincent
Industrial Sales Representative
330.405.1899
216.650.8135 cell
jvincent@rainforrent.com

8483 N. Boyle Parkway
Twinsburg, OH 44087
330.405.1935 fax
Pump, Pipeline, Tank, Filtration & Spillguard Rentals
rainforrent.com

EAGLE RESEARCH CORPORATION
Manufacturer of
Orifice Measurement
Electronics
4237 State Route 34
Hurricane, WV 25526
304-757-6865
www.eagleresearchcorp.com
We Buy Wells

Producing or idle, 1 well to 1000. Keep your good wells - we'll buy your losers! Immediate cash available with proof of ownership. Cash out those old partners NOW! If it must be plugged, we leave it neat and clean every time. References available.

Call Ben Cart or Mark Depew.

PETROX, Inc.
(330) 757-3303
67 Poland Manor, Poland OH 44514
Curt Reed
Account Manager

Baker Petrolite
Oil Field Chemicals
Route 50 East
Smithburg, West Virginia 26436
Office: 304-873-2073 | Cell: 304-481-6350

AMERICAN REFINING GROUP, INC.
77 North Kendall Avenue, Bradford, PA 16701 • 814-366-1200 • www.amref.com

Purchasing Your Penn Grade Crude Oil
Supplying Your Lubricant Needs

Bill Murray
VP- Crude Oil Acquisition
330-244-9607
Producer of Lubricants Refined from 100% Penn Grade Crude Oil

Gary Welker
Operations Mgr- Ohio
330-859-2223

ERGNON
Oil Purchasing, Inc.
Division Order
1800-273-3364
1-800-CRUDE OIL
Purchasers

Transporters
of Crude Oil
Trucking, Inc.

Magnolia Terminal • Marietta Terminal
1-800-844-2550 1-888-429-1884

Serving the oil and gas industry since 1981

Wells Fargo Insurance Services
USA, Inc.
Scott K. Mapes, CIC
Account executive
513-333-2171 or 800-452-4532

1014 Vine St, Suite 1100
Cincinnati, OH 45202-1195
scott.mapes@wellsfargo.com

wellsfargo.com/wfis

© 2010 Wells Fargo Insurance Services
Membership Committee Report:
By; Wes Mossor - Chairman

Membership in your association currently stands at 318 members. As I hope everyone is aware, we are sponsoring a Membership Drive for 2010. If you have sponsored a new member this year thank you and keep up the good work, if not get out there and sign up some new members and become eligible to win one of the great prizes we have arranged for the winners.

2010 Membership Drive

17 New Members in 2010 – Welcome Aboard
Current leaders – Chris Deem - Canaan Industries
Curt Murray- Pride of The Hills
Joey Vincent – Rain for Rent

The member that signs up the most new members will win.

First Place – 18 hole round of golf and lunch for four at The Marietta Country Club.
Second Place – Free 2011 SOOGA Membership (basic membership only)
Third Place - $50.00 gift certificate

Winners will be announced at the 2011 Membership Meeting. Download membership form from the SOOGA website www.sooga.org or contact the SOOGA office (740)-374-3205, we will be glad to mail or fax forms for you.

NEW MEMBERS

SOOGA would like to welcome the following new 2010 members:

Peter Kinsella
eServices LLC
4461 Cox Rd. Suite 113
Glen Allen, VA 23060
1-804-273-9092

Larry Shears
Englefield Oil Co.
535 Coffman Rd.
Marietta, OH 45750
740-403-0093

Stephen Ogle
Stephen B. Ogle & Assoc, Inc.
P.O. Box 275
Caldwell, OH 43724
740-732-2399

George Koratich
Select Energy Services
101 Hillpointe Dr. Suite 111
Canonsburg, PA 26170
724-743-3055

Kim Ozalas
Select Energy Services
7994 South Pleasants Highway
St. Marys WV 26170
304-665-2652

Chip Fenske
Exterran
114 Cornerstone Dr.
Marietta, OH 45750
740-434-3779

Roy Stanley
Civil & Environmental Consultants, Inc.
8740 Orion Pl. Suite 100
Columbus, OH 43240
614-545-1260

Tracy Lingafelter
Flare Systems Sales & Services
Bi-Con Services, Inc.
10901 Clay Pike Rd.
Derwent, OH 43733
740-685-2542

Brett D. Marlow
Blackburn Resources, LLC.
200 Putnam St. Suite 624
Marietta, OH 45750
740-434-5909

John Casey
FOX Engineering
101 North Court St.
Ripley, WV 25271
304-372-3705
Maxton Sand

The Maxton Sand derives its name from the Maxton farm near Sistersville, West Virginia, where it was first found productive. “Maxton” is the correct spelling even though it may be seen spelled “Maxon” or “Maxin.” In parts of Tyler County, West Virginia, the same one is also known as the Dawson Sand. It also correlates to what is known as the Salt Sand in the oil field at Cairo, West Virginia, where it is called the “Cairo Salt Sand.” In the surface formations of Ohio which have been studied on the outcrops, the Maxton has been correlated to the Sharon Conglomerate.

The zone which has been identified as the type section on the Maxton farm at Sistersville is probably not the same formation which is called Maxton in southern West Virginia and eastern Kentucky.

At Sistersville, the Maxton is a course grained sandstone, often white in color which is found in erosional features which were formed in the top of the Mississippian series of strata. Thus, the Maxton belongs to the lowermost part of the Pennsylvanian series. After the Mississippian age formations had been deposited, a period of uplift followed. At this time, erosion of the uplifted surface took place, forming hills and valleys. During this period, deposition of materials eroded from the hills took place in the valleys. Thus, the true Maxton Sand is a sandstone which was deposited in erosional features of the underlying Mississippian rocks. At Sistersville, the erosional surface (called an unconformity), cuts into the Greenbrier Limestone. This limestone, also called the “Big Lime,” is of variable thickness in the area. The reason for this it that the erosional action removed part of it before the next period of deposition built up the next shallower series of formations. The variable nature of the Greenbrier in Washington County is readily apparent where drilling reveals variations in its thickness of sixty feet or so in wells drilled several hundred feet apart. In some of these areas, the erosional unconformity also cuts into the Keener and Big Injun. In western Washington County and Noble County, erosion has removed all traces of the Greenbrier.

In places, the Maxton is separated from the Greenbrier by a bed of shale while in other areas the Maxton is directly on top of the Greenbrier. In many places, there is no Maxton.

Considering the nature of the depositional environment in which the Maxton Sand was formed, the spotty nature of the fields developed so far in Washington and Monroe Counties is understandable. It is not unusual for the sand to completely disappear in a distance of several hundred feet. Where found, the Maxton often exhibits very good reservoir properties of high porosity and high permeability. There are several small fields in the area where the initial production was over 100 BOPD. With conditions such as would be expected from production of this magnitude and the confined limits to the field, such reservoirs would make excellent candidates for a small secondary recovery project.

“Nothing gives one person so much advantage over another as to remain always cool and unruffled under all circumstances.”

Thomas Jefferson
GAS PRICING

July 2010
NYMEX Settlement: $4.717
Inside FERC/DTI: $4.870 (Basis: $0.153)
Inside FERC/TCO: $4.850 (Basis: $0.133)
NYMEX 3-day Average: $4.775

August 2010
NYMEX Settlement: $4.774
Inside FERC/DTI: $4.940 (Basis: $0.166)
Inside FERC/TCO: $4.910 (Basis: $0.136)
NYMEX 3-day Average: $4.687

OIL PRICING

AVG. JULY & AUGUST 2010 Pricing

Ergon Purchasing West Virginia
July Tier 1 Ohio: $71.7984
July Tier 1 West Virginia: $70.2984
July Appalachian Light: $48.7235
August Tier 1 Ohio: $72.6371
August Tier 1 West Virginia: $71.1371
August Appalachian Light: $49.3994

American Refining Group
7/1 to 7/10: Tier 1 OH $69.15; App. Light $44.96
7/11 to 7/20: Tier 1 OH $72.00; App. Light $47.43
7/21 to 7/31: Tier 1 OH $74.02; App. Light $49.18
8/1 to 8/10: Tier 1 OH $76.75; App. Light $51.56
8/11 to 8/20: Tier 1 OH $71.80; App. Light $47.26
8/21 to 8/31: Tier 1 OH $69.48; App. Light $45.23

Reduce Downtime on your gas engines!

- Removes carbon under low loads
- Protects valves under high loads

Ampco Lubricators LLC
Phone: 860-355-5706 Fax: 860-355-8357
www.ampcolubes.com Email: info@ampcolubes.com

Steve Boone
Plant Manager
Fred Cannon
President
Eddy Cannon
Vice President

Of Parkersburg, Inc.
GAS AND OIL WELL EQUIPMENT MFG.
“Sold through your favorite oilfield supply stores.”

- Parmaco Brand -
Packers, Casing Heads, Tubing Heads, Casing Supports, Casing Nipples, Couplings, Bell Nipples, Perforated Nipples, Choke Nipples, Pup Joints, Changeovers, Packer Repairs, CNC, and Manual Machining, Etc.

Phone: (304) 422-6525 Fax: (304) 485-0530
600 Parmaco Street Parkersburg, WV 26101 parmaco@suddenlinkmail.com

Jabo Supply Corporation
6803 Emerson Avenue, P.O. Box 1109
Parkersburg, West Virginia 26104

Mark Miller
Sales Representative
Office: (304) 464-4400
Wats: (800) 624-2645
Cell: (304) 481-0517
Fax: (304) 464-4419
Res: (304) 375-6239

Perkins Supply, Inc.
Oilfield & Industrial Supplies
Route 1 - Box 200
Pennsboro, WV 26415

Deryl L. Perkins
Vice President
Greg Powers
Manager
Phone: 304-659-3570 Fax: 304-659-3575
Email: perkinssupply@yahoo.com
Marcellus Shale. HBP Leases in the Fairway. 10,000+ acres Athens County, OH $470.00 (USD) per acre.

Gerald Benson 740-260-2020
or mattmarkdrilling@aol.com

---

Pettigrew Pumping Service, Inc.

Mt. Gilead, OH
Office: (419) 768-9977
Fax: (419) 768-9900

Ravenna, OH
Office: (330) 297-7900
Fax: (330) 297-7901

---

P.L. Lori Services, LLC

Phil Lori, Owner

39490 Pauline Booard Rd. Caldwell, OH 43724
Pipeline Construction | Roustabouts | Build & Reclaim Locations | Tanks Batteries

---

Francis Brothers, LLC
Ripley, West Virginia

Steve: 304-273-3559  304-582-1990
John: 304-273-2176  304-532-0207
Paul: 304-273-5264  304-532-0299
Larry: 304-927-5443  304-532-7443
Office: 304-372-5452  Fax: 304-372-5453
Email: FRANCISBROTHERS@VERIZON.NET
What options do hands-on owner-operators have? If you have a small company and want a retirement program, you may want to consider these plan choices.

The SIMPLE IRA. These plans are very easy to create, and they have very low administrative costs and no annual IRS reporting requirements. You set up traditional IRAs for each eligible employee; they can contribute to the IRA on a tax-deferred basis (via payroll deductions, and you can either match the contributions of plan participants or contribute a fixed percentage of all eligible employees’ pay. The employees own the money in their IRAs.1,2

The SEP. A Simplified Employee Pension plan lets you make contributions toward your retirement and your employees’ retirements. (You can even have a SEP and another kind of retirement plan at your business simultaneously.) A SEP allows business owners annual tax-deductible contributions equal to 25% of your compensation (if you have a corporation) or 20% of self-employment income (for a sole proprietor).3,4

The solo 401(k). Yes, you can have a 401(k) when you are self-employed. A business owner may establish one and include their spouse in the plan, provided the spouse is an employee of the business. A solo 401(k) throws in a profit-sharing twist on the standard 401(k). Solo 401ks may be funded by the employee (deferred compensation) and the business (a percentage of profit). As an employee of your business, you can contribute an amount up to the standard yearly 401(k) contribution limit (catch-up contributions permissible if you are 50 or older). Additionally, solo 401(k) plans allow you to make tax-deductible profit-sharing contributions equal to 25% of your compensation (corporate entity) or 20% of self-employment income (sole proprietor). It is even possible to have a solo Roth 401(k). These plans do require a TPA (third-party administrator).4,5

Profit-sharing plans. Here’s one way to compete with larger companies for prime employees. Contributions are usually deductible at both the federal and state level, with contribution limits equivalent to a SEP. Contributions aren’t mandatory. If your business has a bad year, you don’t have to make them. The assets placed within the plan grow tax-deferred. Again, annual tax-deductible contributions may be made according to the 25%/20% rule depending on your business entity.4,6

New comparability plans. Basically, this is a form of profit-sharing plan that rewards senior or key employees more than others. The classic situation for this plan is when you have a small business whose multiple owners take home similar earnings, but are of different ages. The plan must be tested to meet Internal Revenue Code nondiscrimination requirements, of course. It allows different levels of compensation to different groups within a small business.
What plan might work for you? If you are reading this, you may be thinking about putting a plan into place or switching to a different type of retirement program. But which one should you choose – and what is the next step? Take a big step today and take advantage of the potential opportunities in the marketplace - consult an independent financial professional to review your options and find the program that fits your needs.

G. Keith Stonestreet is a Representative with NPC and may be reached at (304) 343-1242. Securities offered through National Planning Corporation (NPC), Member FINRA/SIPC. G. Keith Stonestreet, Stonestreet Associates LLC, and NPC are separate and unrelated companies.

These are the views of Peter Montoya Inc., not the named Representative nor Broker/Dealer, and should not be construed as investment advice. Neither the named Representative nor Broker/Dealer gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The publisher is not engaged in rendering legal, accounting or other professional services. If other expert assistance is needed, the reader is advised to engage the services of a competent professional. Please consult your Financial Professional for further information.

Citations.

1. irs.gov/retirement/sponsor/article/0,,id=139831,00.html [9/24/09]
2. irs.gov/retirement/article/0,,id=108941,00.html [9/5/09]
3. irs.gov/retirement/article/0,,id=111419,00.html#12 [10/1/09]
4. entrepreneur.com/worklife/personalfinance/retirementplanning/article79286.html [8/1/05]
5. hcplive.com/pmdlive/in-depth-for-doctors/Solo-401k [3/30/09]

********************
** REMINDERS **
********************

The 2010 Membership Directories were mailed on August 16th, 2010. If you have not received your copy please contact the SOOGA office.

2010 Fall Gun Raffle tickets are now available. We have several members selling them. If you sold tickets last year or would like to help them this year please contact me to pick up a packet.

Thanks so much,

Billie Leister
Executive Secretary
740-374-3203

Attention members
For your convenience, we now accept credit card payments for membership dues and event registrations.
For more information please contact the SOOGA office.
**DXP**

RA MUELLER INC.

27835 State Route 7 Marietta, OH 45750

REPRESENTING:

- Chemineer
- Champump
- Corken
- DXP-HP Plus
- Eco & Isochem

- G & L
- Goulds
- Greenco
- ITT Allis Chalmers
- John Crane/Sealol Viking

Moyno  Eastern  Pfaudler  Flux  Pulsafeeder  FMC  Roto-Jet  Kenics  Tranter  Maag  Warren Bunn  Micropump

**Tech Star, Inc.**

2100 Clay Road

Post Office Box 449

Junction City, Ohio 43748-0449

Larry D. Hill

(800) 987-5556  (740) 987-8888 FAX

Home (740) 376-9103  Mobile (740) 568-8965

**ucp**

Natural Gas Measurement

- Integration
- Calibration
- Instrumentation
- Gmoa approved

- Gas analysis
- Roots proving
- Meter sales & service
- Auditing

**OGIA Insurance Agency**

P.O. Box 146

Grove City, OH 43123

Linda Custer

Agent & Customer Service

Grove City (Col's, OH) 800-334-5488

Fax: 614-875-6482

Mark Freshwater

Agent

Reynoldsburg, OH 888-231-8426

Cell: 614-202-0842

Mailing Address: OGIA Insurance Agency, PO Box 146, Grove City, OH 43123

Email: MSFRESHWATER@AOL.COM

**PLANNING A SOLID FOUNDATION FOR YOUR SUCCESS**

STONESTREET ASSOCIATES, LLC

INSURANCE BROKERAGE FIRM

G. KEITH STONESTREET

334 4th Avenue

South Charleston, WV 25303

keith@stonestreetassociatesllc.com

www.stonestreetassociatesllc.com

**Tim Brown**

tim@timcoinc.net

57051 Marietta Road

Byesville, Ohio 43723

Fax: (304) 343-1242  (304) 343-1249

Fax: 740-886-2694  886-2694

Cell: 740-886-2730

**SERVING THE OIL AND GAS INDUSTRY SINCE 1978**

**Integrys**

energy services

**$$$ Buying Appalachian Production $$$**

OH * PA * KY * WV

**Fortune Magazine’s - “America’s Most Admired Companies”**

**Forbes Magazine - “Best Managed Companies in America”**

Jim Javins at 614-844-4308
cell# 614-561-3118
PRICING

Prices August 11, 2010 at 2:00 p.m.

One Year NYMEX strip (September, 2010 – August, 2011) $4.79
Summer NYMEX strip (September, 2010 – October, 2010) $4.31
Winter NYMEX strip (November, 2010 – March, 2011) $4.89
TCO Index Posting - August, 2010 $4.91
DTI Index Posting - August, 2010 $4.94

It appears that high storage levels combined with enhanced production capabilities and slow usage growth could keep gas prices from rising dramatically over the next couple of years. The current EIA forecast for 2010 is that the average Henry Hub price will be $4.49 per DTH, and that the average 2011 Henry Hub price will be $5.06 per MCF.

In a recent EIA report, the Agency projected demand during the first half of this year as being up some 4.3% from the first half of 2009. Primary impetus for this consumption strength was the industrial sector. However, onshore production also increased enough to offset a large portion of the unexpectedly strong demand gains and as a result, storage levels were able to remain near a record.

Looking forward toward July and summer, their continues to be a softening in price, as weather demand coupled with storage levels may indicate some sideways trading between $4.50 and $4.85

GAS STORAGE AS OF THE August 5, 2010 Report

Working Gas in storage was 2,948 Bcf as of Friday, July 30, 2010. At 2,948, total working gas is within the 5 year historical range.

<table>
<thead>
<tr>
<th>Region</th>
<th>07/30/10</th>
<th>07/23/10</th>
<th>Change</th>
<th>07/30/09</th>
<th>07/30/09</th>
<th>5 Year Avg.</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>1,493</td>
<td>1,459</td>
<td>34</td>
<td>1,571</td>
<td>-5.0%</td>
<td>1,477</td>
<td>1.1%</td>
</tr>
<tr>
<td>West</td>
<td>476</td>
<td>473</td>
<td>3</td>
<td>442</td>
<td>7.7%</td>
<td>388</td>
<td>22.7%</td>
</tr>
<tr>
<td>Producing</td>
<td>979</td>
<td>987</td>
<td>-8</td>
<td>1,067</td>
<td>-8.2%</td>
<td>863</td>
<td>13.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,948</td>
<td>2,919</td>
<td>29</td>
<td>3,080</td>
<td>-4.3%</td>
<td>2,727</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

Storage is 76.7% full compared to normal as of this report, with normal total capacity of 3,846 at the start of the withdrawal season.

GATHERCO

Retainage for May, 2010 is as follows for the Gatherco systems: Treat was 2.0%, Miley was 2.0%, Meigs was 2.0%, York was 2.0%, Grimes was 2.0%, and Elk was 4.0%.

(Continued to page 16)
Weatherford

Ron Anderson, Eastern District Manager
Clearwater Wholesale Products
Weatherford International Ltd.
100 Leetsdale Industrial Drive, Suite A
Leetsdale, Pennsylvania 15056
724/318-1050 Main Office
800/995-4294 Toll Free
724/318-1049 Fax
304/482-0383 Cell
ron.anderson@weatherford.com
www.cwichem.com

Engineered Chemistry

Huffman - Bowers Inc.
450 South State Street P.O. Box 538
New Lexington, Ohio 43764

Barry L. Bowers, President
Office (740) 342-5205
Cell (740) 605-6011
Fax (740) 342-7376

"Not the Biggest, Just the Best!"

Oil and Natural Gas Production Equipment
Natural Gas Compression
Industrial Air Compression
Manual and Positive Shut-off Drips
Desiccant Dehydrators
Orifice Meter Tubes and Meter Stations
Paddle and Universal Type Orifice Plates
New Electric Motors at Wholesale Prices
Welding and Metal Fabrication
CNC Machining and Plasma Cutting
Complete Engine and Compressor Rebuilding

Your Source for Parts • All Makes and Models
• Servicing All Types of Oil Field Equipment •
OSHA standards require employers to provide proper exits, fire fighting equipment, and employee training to prevent fire deaths and injuries in the workplace.

**Building Fire Exits**
- Each workplace building must have at least two means of escape remote from each other to be used in a fire emergency.
- Fire doors must not be blocked or locked to prevent emergency use when employees are within the building. Delayed opening of fire doors is permitted when an approved alarm system is integrated into the fire door design.
- Exit routes from buildings must be clear and free of obstructions and properly marked with signs designating exits from the building.

**Portable Fire Extinguishers**
- Each workplace building must have a full complement of the proper type of fire extinguisher for the fire hazards present, excepting when employers wish to have employees evacuate instead of fighting small fires.
- Employees expected or anticipated to use fire extinguishers must be instructed on the hazards of fighting fire, how to properly operate the fire extinguishers available, and what procedures to follow in alerting others to the fire emergency.

**Only approved fire extinguishers are permitted to be used in workplaces, and they must be kept in good operating condition. Proper maintenance and inspection of this equipment is required of each employer.**

**Where the employer wishes to evacuate employees instead of having them fight small fires there must be written emergency plans and employee training for proper evacuation.**

**Emergency Evacuation Planning**
- Emergency action plans are required to describe the routes to use and procedures to be followed by employees. Also procedures for accounting for all evacuated employees must be part of the plan. The written plan must be available for employee review.
- Where needed, special procedures for helping physically impaired employees must be addressed in the plan; also, the plan must include procedures for those employees who must remain behind temporarily to shut down critical plant equipment before they evacuate.
- The preferred means of alerting employees to a fire emergency must be part of the plan and an employee alarm system must be available throughout the workplace complex and must be used for emergency alerting for evacuation. The alarm system may be voice communication or sound signals such as bells, whistles or horns. Employees must know the evacuation signal.

**Fire Prevention Plan**
- Employers need to implement a written fire prevention plan to complement the fire evacuation plan and minimize the frequency of evacuation.
- Housekeeping procedures for storage and cleanup of flammable materials and flammable waste must be included in the plan.
DOMINION EAST OHIO GAS

DEO Tariff Heat Content Agreement Fee Effective April 1, 2010

Dominion East Ohio's Heat Content Agreement Fee will be:

HEAT CONTENT AGREEMENT FEE

Apr 10 - Mar 11 - Heat Content Agreement Fee = $0.28/Mcf
    Surcharge Fee = $0.06/Mcf
    OOGA Administration Fee = $0.01/Mcf
    Total = $0.35/Mcf

Effective Aug 09 - Meters located in the Woodsfield area will be charged $0.66/Mcf in addition to the Heat Content Agreement fee outlined below.

Apr 09 - Mar 10 - Heat Content Agreement Fee = $0.29/Mcf
    Surcharge Fee = $0.06/Mcf
    OOGA Administration Fee = $0.01/Mcf
    Total = $0.36/Mcf

Apr 08 - Mar 09 - Heat Content Agreement Fee = $0.41/Mcf
    Surcharge Fee = $0.06/Mcf
    OOGA Administration Fee = $0.01/Mcf
    Total = $0.48/Mcf

Below is the website for Dominion East Ohio, where you can find notices about interruptions, shut-ins, contacts, maps, and information about current enhancements projects being worked on and considered by the enhancement committee.

http://www.dom.com/about/gp-services/index.jsp

CNR/COLUMBIA GAS TRANSMISSION

For shut in notices on Columbia Gas Transmission, please use the link below.


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.

Cobra Pipeline Company website: https://www.quicknom.com/cobra/
EQUITABLE

The Big Sandy Pipeline, being built to take gas from Eastern Kentucky into the Tennessee Pipeline system, is now in full operation and taking delivery into Tennessee. More information and updates will be forthcoming as it becomes available.

For updates on the Big Sandy Pipeline, use this link: [http://www.eqt.com/midstream/transmission.aspx](http://www.eqt.com/midstream/transmission.aspx)

DOMINION TRANSMISSION

Dominion reaches lease deal to move Marcellus natural gas to New York:

Dominion Transmission and Tennessee Gas Pipeline have reached a ten-year lease agreement to move Marcellus shale natural gas from northern Pennsylvania to upstate New York. Dominion Transmission’s parent Dominion, announced the agreement with Houston-based Tennessee Monday. Richmond-based Dominion say the Ellisburg-to-Craigs Project includes construction of additional compression facilities and new regulating facilities. If federal regulators approve the project, construction would begin in March 2012 and operations would begin November 1, 2012. Dominion says it plans to file in December for a certificate from the FERC.

[Http://www.dom.com/about/gas-transmission/index.jsp](http://www.dom.com/about/gas-transmission/index.jsp)

OTHERS:

**Kinder Morgan:** Richmond-based Dominion say the Ellisburg-to-Craigs Project includes construction of additional compression facilities and new regulating facilities. If federal regulators approve the project, construction would begin in March 2012 and operations would begin November 1, 2012. Dominion says it plans to file in December for a certificate from the FERC.

Kinder Morgan Liquids division is going to lay a 16” liquids pipeline from Clarington to Chicago. Some producers have received correspondence to this affect.

Pipeline Company Kinder Morgan Energy Partners is mulling the option to backhaul natural gas supplies on its Rockies Express Pipeline, largely because of the boom in shale gas production near where the line ends.

The opening up of significant supplies in the Marcellus Shale in the US Northeast is calling into question transport economics, with backhaul --- the movement of gas from a point on the pipeline to one upstream --- one option pipelines are considering, sources said.

Narrowing basis price differentials between the Rockies and Northeast markets make transporting gas along the nearly 1,700-mile pipe far less economical now than when the line first went on stream in 2006. As such, the growing market chatter regarding offering backhaul capacity on REX has been increasing with the pipeline company even mentioning it as an area of growth for next year in an investor presentation in January.

Kinder Morgan spokesman Joe Hollier confirmed this, stating: "EX is well situated to provide growing Marcellus production access to Midwest markets, storage and alternate paths to Canadian and Northeast markets.

"The receipt and delivery points for backhaul transportation on the REX system are being discussed with interested shippers. Backhaul transportation is a possibility for a portion or the entirety of the system," Hollier said.

(Continued to page 19)
**HARBISON-FISCHER**

General Offices & Manufacturing Plant
901 North Crowley Rd., Crowley, Texas 76036-3798
(817) 297-2211 Fax (817) 297-4248

Warehouse Address
3470 Old Wheeling Rd.
Zanesville, OH 43701

Phone (740) 453-5991
Fax (740) 453-5374
Mobile (740) 408-0611
sgillespie@hfumps.com

---

**IGS ENERGY®**

We are a financially secure natural gas marketing company with over 20 years of experience buying and selling gas in the Appalachian Region. Call me today!

Dave Gaiser  
Natural Gas Buyer  
614.659.5210  
DGaiser@IGSenergy.com

5020 Bradenton Ave. Dublin, OH 43017

---

**G&L Drilling, LLC**

Gary Lang  
19371 St Rd 60  
Beverly, OH 45715  
Ph. 740-984-4750  
cell. 740-350-0983  
fax. 740-984-2871

---

**WARREN DRILLING CO., INC**

Office: 740-783-2775 & 740-783-2345  
Office Fax: 740-783-0016  
Shop Fax: 740-783-8012  
accounts@warrendrilling.biz

---

**KILBARGER OIL FIELD SERVICES**

JAMES KILBARGER  
450 Gallagher Ave  
Building #7  
PO Box 1154  
Logan, OH 43138  
Ph: 740.380.9049  
Fax: 740.380.9039

jameskace@kilbargerservices.com | kilbargerservices.com

---

**SELECT ENERGY SERVICES**

SELECT ENERGY SERVICE: Select Tank Trucks • Select Pipeline Services • Select Oilfield Trucking • Select Field Services • Impound Energy Services • Select Oilfield Construction • Bell Supply Company

George Koratich, Regional VP-Northeast Region  
101 Hilltop Drive, Suite 111 | Canonsburg, Pennsylvania 15317  
Cell: 724-258-8172 | Fax: 724-745-2674  
gkoratich@selectenergyservices.com  
www.selectenergyservices.com

Kim Ozalas, Northeast US Sales Representative  
7994 South Pleasant Highway | St. Marys, West Virginia 26170  
Office: 304-665-2652 | Fax: 304-665-2652  
kozalas@selectenergyservices.com

---

**Eastern Solutions, LLC**

Your Oil & Gas Production and Drilling Chemical “Solution”

SPENCER WV  
Rt 1 Oak Drive | Spencer, WV  
304-927-2470

Cell: (304)-377-7432

CARROLLTON OH  
4257 Avon Road | Carrollton OH  
330-738-3919

Dirk Rickard  
Cell: (330)-280-2924
In July, Kinder announced and concluded what it termed a limited backhaul open season on REX, to move gas by displacement only between its intersection with ANR Pipeline in Brown County, Kansas, and its interconnect with Northern Natural Gas in Gage County, Nebraska.

In contemplating backhaul, REX is joining other companies that have already looked at alternatives, such as Tennessee Gas Pipeline and Transcontinental Gas Pipe Line.

Tennessee announced recently it has contracted for some 400,000 Mcf/d of backhaul capacity from Marcellus to Southeast markets this year and projects to have about 936,000 Mcf/d in 2012. Transco officials also announced the pipe has the ability to move gas West to Leidy, Pennsylvania, and even back down to Transco zone 5 in the mid-Atlantic.

**Nabors Industries:**

Nabors Industries has agreed to buy oilfield services company Superior Well Services for about $735.6 million to boost its pressure pumping operations, a key requirement for shale drilling. Superior Well is the top independent player in the pressure pumping business, and gives Nabors control of over 430,000 hydraulic fracturing horsepower, crucial for horizontal drilling in shale plays.

**Marcellus Play**

The link below is a good one to keep up with the events and concerns surrounding the Marcellus Play in the North East.

http://www.energyindepth.org/

**Use of Data:**

The information contained in this document is compiled and furnished without responsibility for accuracy and is provided to the recipients on the condition that errors or omissions shall not be made the basis for a claim, demand or cause of action. The information contained in this document is obtained from recognized statistical services and other sources believed to be reliable, however we have not verified such information and we do not make any representations as to its accuracy or completeness.

**Disclaimer:**

Neither the information, nor any opinion expressed, shall be construed to be, or constitute, an offer to buy or sell or a solicitation of an offer to buy or sell any futures, options-on-futures, or fixed price natural gas. From time to time, this publication may issue reports on fundamental and technical market indicators. The conclusions of these reports may not be consistent.
NEW INTERIM OIL & GAS POLICY FOR BONDING REQUIREMENTS

REQUIREMENTS FOR VERTICAL DRILLING OPERATIONS

With regard to Vertical Drilling operations the Interim Policy establishes 4 categories:

1. Where the period from onset of drilling to completion of fracking is less than 30 days and the WVDOH determines there will be minimal impact to roadways an entrance permit (and an oversize vehicle permit, if needed) will be required - but no bond will be required;
2. Where the period from onset of drilling to completion of fracking is less than 30 days and the WVDOH determines there will be more than a minimal impact to roadways, some bond will be required. (Note: this scenario is not specifically addressed in the Interim Policy but has been provided by WVDOH as a clarification of the policy.)
3. Where the period from onset of drilling to completion of fracking is 30 days or more but nothing more than a minimal impact to roadways is anticipated, WVDOH may require a bond.
4. Where the period from onset of drilling to completion of fracking is 30 days or more and the WVDOH determines deterioration of the roadway will result, WVDOH will require both a bond and an agreement with the well developer that addresses highways improvements that will be required before, during and after completion of fracking.

According to WVDOH, the size of the bond will be determined based upon the potential impact of the operation on roadways. The Interim Policy sets a bond MAXIMUM of $100,000 per well site, unless structures on the roadways, such as bridges, are likely to be affected by the operation.

When fracturing has been completed, the developer of the well and a WVDOH representative will meet to determine if the condition of the road is acceptable or any improvements are required. Once any identified improvements have been completed, the bond will be released. For this reason operators would be well served to make a record of the condition of the road (through videos or photographs) before beginning drilling operations.

Two important additional points:
· This is an Interim Policy - the WVDOH is prepared to meet with the oil and gas industry as a whole and craft a final policy that assures the protection of WV roadways and does not unfairly burden the industry. If an agreement between WVDOH and the industry cannot be reached, it is WVDOH's intention to seek legislation during the 2011 Regular Session to address these issues.
· The Interim Policy does not allow for the use of blanket bonds, but we believe the WVDOH is prepared to give consideration to the use of blanket bonds if an agreement can be reached on the amount of the bond that will be required.

REQUIREMENTS FOR HORIZONTAL DRILLING OPERATIONS

For Horizontal Drilling operations the Interim Policy imposes the same requirement at the initial August 4, 2010 policy with the following exceptions:

1. The Interim Policy clarifies that it is to apply to roads "below the US and WV route designations"; and
2. The bond amounts for graveled roads and "tar and chip" roads is reduced from $50,000/mile to $25,000/mile for graveled roads and $35,000/mile for tar and chip roads.

Finally, with regard to both vertical and horizontal operations the Interim Policy states that "only those roads that are identified as on the local state highway system shall require bonding."

OHIO VALLEY DESK AND DERRICK CLUB
ANNUAL INDUSTRY APPRECIATION BOAT CRUISE
YES Day – Young Engineers and Scientists Day at Washington State College
Who Wants to Be an Oil and Gas Millionaire?

On May 8-9, 2010 in conjunction with the Marietta College Petroleum Department and Professor Bob Chase, the Southeastern Ohio Oil and Gas Association spent a day with many of the Junior High age students of Washington County, Ohio. Professor Chase has developed a very interactive contest similar to the popular TV show, Who Wants to be a Millionaire? The Power Point presentation passes along a lot of information about our industry and the important careers that can be pursued by many of the young men and women or our area.

A deep thanks goes out to Stacey McCutcheon, a Marietta College student and summer intern of Artex Oil who was invaluable in setting up the displays and managing the computer during the contest. Our energetic Executive Secretary, Billie Leister ran errands and passed out the prizes provided by OOGEEP and SOOGA to the kids and helped with the display and information. Many questions were asked and a diagram of the Gulf, Deep Water Horizon well was given to the curious teachers and students.

Thanks again to Professor Chase for his efforts and the outreach to the youth of our area. We must continue to educate and encourage the youth of our nation to become a part of your important industry.

Marty Miller – SOOGA Board Member - Vice President of Operations, Alliance Petroleum
OOGEEP 2010 Teachers Workshop and Field Trip - June 15-16, 2010

The Ohio Oil and Gas Energy Education Program successfully held their annual workshop at Marietta College where teachers from all areas of the state participated in a seminar where they are trained and educated about the oil and gas industry in Ohio.

The effort to bring forth the beneficial facts about our industry in a way that will make a positive difference to our future generations of Ohio citizens, takes hard work and effort which Rhonda and her staff have successfully accomplished. The resounding positive response from the attendees tells us that the effort is making a huge difference in the perception of our industry and its role in the economy of Ohio. The future of our industry depends on this continued effort to reach and educate.

The classroom time is spent learning about geology, engineering and how our industry is essential to the State of Ohio. Jobs, the economy and natural resources will be issues that will never become unimportant to our country, so it is important to teach the youth of our nation how the oil and gas industry will be vital to continue our success and independence as a nation.

This year’s field trip began at Marietta College where we loaded onto a tour bus and headed to Miller Supply. The many questions asked by the teachers showed how important the materials and manufacturing industries are. Hal, Scot and Troy were very helpful in explaining all of the procedures of the supply business which included the pipe threading shops, the pump repairs, well head and fittings, storage and deliveries.

Our second stop was at the Ohio Oil Gathering facility at Bells Run. Bob Gerst again did a wonderful job of explaining the gathering and shipping of crude oil in Ohio and West Virginia. The new tank and disposal facility is very impressive along with the loading facilities. The safe and responsible handling of our much needed oil was on many of the teacher’s minds after the Deep Water Horizon incident. Bob did a great job of fielding questions and explaining our environmental responsibilities as an industry and how we are good stewards of the lands and waters of Ohio.

We then traveled to Caldwell Ohio and visited the Thorla-McKee historic well site. We ate our boxed lunches on the way and then walked about the small park area near the old well. Some explanation of the drilling and production procedures of the historic well was given along with the rich history of our area. Southeastern Ohio truly has played an important role in the advancement and development of our oil and gas resources as a state and nation.

Traveling on down State Route 564, we then stopped at an Alliance Petroleum well site where a description of the well and the production facility was explained. A short walk was necessary to access the location, but plenty of cold water was available for the teachers on a hot and muggy day. A clean, well painted and properly identified facility is impressive to the teachers. Many comments were made by the teachers that they would not mind having a well in their back yard if it looked like this.

Our last stop was the highlight of the trip. We drove west to Dexter City and we visited the Warren Drilling yard where Randy and Jeff showed us their new rig. Most of the teachers climbed up the steps to the drilling floor of the huge triple, where questions were answered and a great group picture was taken. The equipment is quite impressive and so are the people in our industry. We are real people with real families with important jobs that make the lives of the people of our state and nation better every day. The Warren family and employees are a great representation of that along with all of the participants in our field trip. A deep appreciation and thank you from OOGEEP goes out to all who helped make the trip another resounding success.

Marty Miller – SOOGA and OOGEEP Board Member - Vice President of Operations, Alliance Petroleum
Southeastern Ohio Oil and Gas Association Membership Form

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address:</th>
<th>City:</th>
<th>State:</th>
<th>Zip:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone:</th>
<th>Fax:</th>
<th>Email:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Membership Classification (Please Check One)

- $150 Annually  
  - Producer
  - Contractor
  - Allied Industry
  - Professional

- $100 Annually
  - Associate (Additional employees in a Member company)

- $75 Annually
  - Royalty Owner
  - Non-Operating Investor

- Special (select only one, please)
  - Wildcat Package $1,200.00
    - Special Acknowledgement, logo/ad at all association events and functions
    - One free ticket to association golf and clay shoot outings
    - $100 sponsorship at each golf outing, clay shoot outing
    - Grand Ad Package (business card website, full page directory, double ad in Insider)
    - Four total company employee memberships (3 Associate)

- Derrick Package $850.00
  - Special Acknowledgement, logo/ad at all association events and functions
  - $100 sponsorship at each golf outing, clay shoot outing
  - Queen Ad Package (business card website, 2/3 page directory, single ad in Insider)
  - One free ticket to association golf and clay shoot outing (OF YOUR CHOICE)
  - Two total company employee memberships (1 Associate)

CALL FOR ADDITIONAL INFORMATION ON MEMBERSHIP AND ADVERTISING PACKAGES,

MAKE CHECKS PAYABLE TO: Southeastern Ohio Oil and Gas Association (SOOGA) and mail to

Southeastern Ohio Oil and Gas Association
P.O. Box 136
Reno, OH 45773
740-374-3203 - Phone Number
740-374-2840 - Fax Number
mail@sooga.org Email Address

The information presented herein is for informational purposes only and should not be considered as legal or other professional advice. To determine how various topics may affect you individually, consult your attorney and/or other professional advisors. Southeastern Ohio Oil & Gas Association, its Board of Trustees, Officers, Members and/or Staff are not liable or responsible for any damage or loss resulting from the use of information in this publication or from inaccuracies contained herein.