Safety was the focus at the SOOGA Trade Show

H2S Trailer, sponsored by SOOGA and OOGEEP, is available to all members and is operated by O’Brien’s Safety Services, LLC available to all members.

Chief Mark Warden and Lieutenant Kevin Hornbeck, Washington County Sheriff’s Department, give a demonstration on “Cut Team Security and Drug Epidemic.”

See more on the Trade Show on page 22

SOOGA Tax Seminar

Arnett CarbisToothman (ACT) associates will present ideas on how to plan for those taxes in the SOOGA Tax and Accounting Seminar to be held on November 28, 2017. ACT has adjusted their presentation this year to include not only changes in various federal, state and local taxes, but to approach each area to explain how oil and gas investors, operators, royalty owners, service companies and professionals should maximize tax and economic benefits. Planning for current and future opportunities and challenges will be emphasized. Each participant will receive a detailed outline and course materials and an extensive resource section with copies of industry definitions, geological data, and data from federal, state and local tax authorities.

November 28th, 2017, 8:30am – 4:00pm
Registration opens at 8:00am
Best Western Plus, 701 Pike St. Marietta, OH 45750

The cost to you for the day is $75.00 for members and their employees and $150.00 for non-members and will include lunch, beverages and handout materials. We look forward to seeing you.

We need a minimum of 20 attendees registered for this training by Nov. 10, 2017 or the seminar will be cancelled. Please call or email the SOOGA office at: 740-374-3203 or mail@sooga.org
THE CROW’S NEST

The past two months have been busy for SOOGA. In September, we had our Annual Fall Trade Show. Special thanks to all of our vendors, speakers, and sponsors for this event. This event would not be possible without our hard working SOOGA board. This is an amazing group of volunteers who work hard for our industry and organization throughout the year. Highlights of the Trade Show include training sessions which covered topics on Automation, Compressors, Down-Hole Pumps and Gas Meter Training. Important topics to our industry included presentations on West Virginia Tank Inspections, Condensate Safety and Ohio Idle and Orphan Well update. Our technical presentations speakers included Don Huck who discussed updates from ODNR on permitting and production reporting. David Marks and Jim Pritt discussed Industry challenges and provided updates on the pipeline projects, pricing outlook, and ethane storage project. The meeting closed with a very impactful presentation from Chief Warden and Lieutenant Hornbeck on the cut team security and the local drug epidemic. We continue to strive to make improvements to our programs. If you have any suggestions for future training or topics for upcoming events, please contact any of the SOOGA board members.

In October we also had our Fall Clay Shoot at Hilltop Sports, with 78 shooters participating in the event. The weather was a perfect fall day and everyone had an enjoyable time. Pictures and winners will be listed in the next edition.

Our last scheduled event of this year will be our upcoming SOOGA Tax Seminar by Arnett Carbis Toothman. This is a great opportunity for business owners, accountants and office staff to learn more about changes in various federal, state and local taxes, as well as how oil and gas companies and investors can maximize tax and economic benefits. This year will include a discussion on the Marginal Well Credit which is available for the first time in 2016 for natural gas production from qualifying wells. This seminar will be held on November 28th at the Best Western in Marietta Ohio. SOOGA is providing this opportunity as a benefit to all its members and their employees at a minimum cost of $75/person, which is half the cost of other similar courses. I have attended this course for the past several years and have always learned something new that we have applied to our business to help save taxes and improve our accounting systems. In order to cover the cost of this event we need a minimum attendance, so please RSVP as soon as possible.

As a reminder the SOOGA Board elections were moved to the Spring Membership Meeting this year, therefore we will not be mailing election ballots as we have in the past. This provides a more cost effective voting method for our Board of Trustees. In preparation for our 2018 elections, if you or anyone you know is interested in serving on the SOOGA board please contact Billie at the SOOGA office or any of the current board members. We will have ~5 board seat up for election in the spring.

Christy Chavez
SOOGA President
2017 NEW MEMBERS
SOOGA would like to welcome the following new members:

DON KREAGER
Contractor
Locus Solutions
210 Cobble Pond Rd.
Zanesville, OH 43701
740-584-2030

DOUGLAS KITCHEN
Producer
Hocking Hills Energy and Well Service LLC
32919 Logan Hornsmill Road
Logan, OH 43138
740-385-6690

RYAN BEST
Associate-Allied Industry
American Refining Group, Inc.
9376 State Route 800N
Mineral City, OH 44656
330-649-2827

BRUCE BRUNTON
Allied Industry
Marietta Paint & Janitorial
1028 Greene St.
Marietta, OH 45750
740-374-0457

RICK WEAVER
Allied Industry
PCS Ferguson
1020 Montour West Industrial Park
Coraopolis, PA 15108
724-815-5399

BILL O'DOWD
Allied Industry
Profire Energy
148 Beacon Hill
Northfield Center, OH 44067
740-501-9243

Southeastern Ohio Oil & Gas Association
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Condevco
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740-350-0112

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614-561-3118

Jared Stevens
Stevens Oil & Gas
740-374-4542

Barry Bowers
Huffman-Blowers Inc.
740-342-5205

Bob Matthey
Lippizan Petroleum, Inc.
304-869-3418

Henry (Winnie) Sinnett
Buckeye Oil Producing Co.
304-354-7962

Dan Corcoran
Theisen Brock, LPA
740-373-5455

Kevin Rothenbuhler
PDC Energy
740-336-7831

Brian Chavez
Heinrich Enterprises, Inc
740-373-5302

(Continued to page 5)
Southeastern Ohio Oil and Gas Association  
Gas Committee Report  
October, 2017

PRICING

Prices October 10, 2017

NYMEX Settle – Oct. -2017
One Year NYMEX strip (Nov., 2017 – Oct., 2018)
Summer NYMEX strip for 2018 (April-October)

TCO Index Posting – September, 2017
DTI Index Posting – September, 2017

GAS STORAGE AS OF THE September 29, 2017 Report

<table>
<thead>
<tr>
<th>Region</th>
<th>09/29/17</th>
<th>09/22/17</th>
<th>net change</th>
<th>implied flow</th>
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<td>East</td>
<td>861</td>
<td>848</td>
<td>13</td>
<td>13</td>
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<tr>
<td>Midwest</td>
<td>989</td>
<td>964</td>
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<td>25</td>
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<tr>
<td>Mountain</td>
<td>220</td>
<td>217</td>
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<td>3</td>
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<td>Pacific</td>
<td>311</td>
<td>307</td>
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<tr>
<td>South Central</td>
<td>1,127</td>
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<tr>
<td>Salt</td>
<td>300</td>
<td>305</td>
<td>-5</td>
<td>-5</td>
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<tr>
<td>Nonsalt</td>
<td>827</td>
<td>825</td>
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Total 3,508  3,466  42  42

<table>
<thead>
<tr>
<th>Region</th>
<th>Year ago (9/29/16)</th>
<th>5-year average (2012-16)</th>
<th>Bcf</th>
<th>% change</th>
<th>Bcf</th>
<th>% change</th>
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</thead>
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<td>861</td>
<td>-3.8</td>
<td>0.0</td>
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<td>0.0</td>
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<tr>
<td>Midwest</td>
<td>1,041</td>
<td>989</td>
<td>-5.0</td>
<td>0.0</td>
<td>989</td>
<td>0.0</td>
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<tr>
<td>Mountain</td>
<td>236</td>
<td>206</td>
<td>-6.8</td>
<td>6.8</td>
<td>206</td>
<td>6.8</td>
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<tr>
<td>Pacific</td>
<td>318</td>
<td>343</td>
<td>-2.2</td>
<td>9.3</td>
<td>343</td>
<td>9.3</td>
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<tr>
<td>South Central</td>
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<td>1,117</td>
<td>-4.3</td>
<td>0.9</td>
<td>1,117</td>
<td>0.9</td>
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<tr>
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<td>279</td>
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<td>7.5</td>
<td>279</td>
<td>7.5</td>
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<tr>
<td>Nonsalt</td>
<td>892</td>
<td>838</td>
<td>-7.3</td>
<td>-1.3</td>
<td>838</td>
<td>-1.3</td>
</tr>
</tbody>
</table>

Total 3,669  3,516  42  42

Summary

Working gas in storage was 3,508 Bcf as of Friday, September 29, 2017, according to EIA estimates. This represents a net increase of 42 Bcf from the previous week. Stocks were 161 Bcf less than last year at this time and 8 Bcf below the five-year average of 3,516 Bcf. At 3,508 Bcf, total working gas is within the five-year historical range.

EIA FORECAST AUGUST1, 2017:
SOOGA would like to welcome the following new members:

**MICHAEL QUEEN**  
Contractor  
Allied Horizontal Wireline Services  
381 Colonial Manor Road  
Irwin, PA 15642  
724-493-6110

**MARTIN SHUMWAY**  
Contractor  
Locus Bio-Energy Solutions  
137 E Dublin Granville Rd Ste D  
Worthington, OH 43085  
614-403-2672

**BLAZE AMOS**  
Student  
P.O. Box 91 Park Ave 1003  
New Matamoras, OH 45767  
740-516-3936

**WILBERT LINDAMOOD**  
Student  
195 Northlake Dr.  
Vincent, OH 45784  
304-916-5266

**SANDY SMITH**  
Professional  
Fairfield Inn & Suites  
200 Cherry Lane  
Marietta, OH 45750  
614-600-0223

**TODD BROMLEY**  
Allied Industry  
Buckeye B.O.P., LLC  
401 Enterprise Drive  
Newcomerstown, OH 43832  
740-498-9898

**MARIEL MCCOY**  
Contractor  
Waste Management Energy Services  
6449 Ravenna Ave. SE  
Waynesburg, OH 44688  
218-340-4785
Natural Gas

U.S. dry natural gas production is forecast to average 73.5 billion cubic feet per day (Bcf/d) in 2017, a 1.2 Bcf/d increase from the 2016 level. Natural gas production in 2018 is forecast to be 3.9 Bcf/d above the 2017 level.

New natural gas export capabilities and growing domestic natural gas consumption contribute to the forecast Henry Hub natural gas spot price rising from an average of $3.16/MMBtu in 2017 to $3.41/MMBtu in 2018. NYMEX contract values for September 2017 delivery that traded during the five-day period ending June 1 suggest that a range of $2.30/MMBtu to $4.41/MMBtu encompasses the market expectation for Henry Hub natural gas prices in September 2017 at the 95% confidence level.

U.S. liquefied natural gas (LNG) exports.

U.S. LNG exports increase. Four vessels (combined LNG-carrying capacity of 14.7 Bcf) departed Sabine Pass last week (Thursday to Wednesday).

Dominion Energy Cove Point LNG facility, which is currently under construction, received a letter of authorization from the Federal Energy Regulatory Commission to begin commissioning activities at the terminal, including introduction of feed gas to the pre-treatment and liquefaction areas. LNG exports from Cove Point are expected to begin by the end of this year, according to the terminal’s operator, Dominion Energy
SOOGA Legacy Fund
The oil and gas industry has been a big part of our community for more than 120 years. Our history with the community led us to partner with the Marietta Community Foundation to establish the SOOGA Legacy Fund in 2013. This fund was established to give back to our communities across Ohio and West Virginia and to honor the memory of members who have dedicated their life's work to this industry. To give a tax deductible gift make checks payable to:

Marietta Community Foundation
SOOGA Legacy Fund
MCF, P.O. Box 77
Marietta, OH 45750
Phone: 740.373.3286

The SOOGA Board serves as the advisor to the fund.
UTICA WELL PRODUCTION

During the second quarter of 2017, Ohio’s horizontal shale wells produced 4,044,072 barrels of oil and 388,560,451 Mcf (388 billion cubic feet) of natural gas, according to the figures released by the Ohio Department of Natural Resources (ODNR).

Horizontal shale well operators are required to submit production data by the 45th day following the close of each calendar quarter. Operators submit the amount of oil, natural gas and brine that each well produces, as well as the number of days that the well was in production.

Fourth Quarter – 2016 – Utica Production Volumes:

<table>
<thead>
<tr>
<th></th>
<th>2017 QUARTER 1</th>
<th>2017 QUARTER 1</th>
<th>PERCENTAGE CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrels of Oil</td>
<td>3,904,732</td>
<td>4,044,072</td>
<td>1.035%</td>
</tr>
<tr>
<td>MCF Nat. Gas</td>
<td>371,921,659</td>
<td>388,560,451</td>
<td>1.04%</td>
</tr>
</tbody>
</table>

The ODNR quarterly report lists 1,691 horizontal shale wells, 1,659 of which reported oil and natural gas production during the quarter. Of the 1,659 reporting oil and natural gas results:

- The average amount of oil produced was 2,438 barrels.
- The average amount of gas produced was 234,214 Mcf.
- The average number of first quarter days in production was 85

As of September 1, 2017, there have been 2,633 Utica shale permits issues in Ohio, and 2,134 of them have been developed.

There are currently 1,659 Utica shale wells in production, with 26 rigs running.
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*Chris Deem*
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Phone (330) 464-1510

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124 Putnam St. | 740.373.3994
Cemenco Services: A Division of Triple B Services, LLC
By: Bob Matthey

Cemenco Services Incorporated has been in business since the 1970’s, where it has provided second-to-none well bore cementing services for conventional operators in Southeast Ohio. Earlier this year, Cemenco Services Incorporated had to shut down for months after the only interest owner who was still working broke his ankle. The company’s assets were put up for sale in response.

One month ago, Triple B Services, LLC purchased the equipment and formed a new company with the same equipment and employees called Cemenco Services: a Division of Triple B Services, LLC. The company is devoted to providing quality well bore cementing services for plugging, and also new wells with the same equipment and people it’s always had.

Triple B Services, LLC, stands for Barry Bowers, Bill Mitton and Bob Matthey, who are the owners. Barry Bowers also runs Huffman-Bowers, Bill Mitton is the Vice President of Knox Energy, and Bob Matthey runs Lippizan Petroleum.

Premium Service for a Premium Product
Whether buying or transporting crude, Ergon Oil Purchasing offers flexible logistics to move your product from wellhead to market. Through Ergon’s refineries, network of terminals, barge and trucking fleets, we understand what drives the crude oil industry.
Cold Weather Hazards: Preparing Early to Address Fully

Provided by Curtis Speck, President
Safety Resources Company of Ohio, Inc.

As the leaves begin to turn, so too do temperatures begin to fall. To many people, cold weather is just an inevitable part of Fall and Winter. However, when your work places you outside for hours at a time, or in wet and damp conditions, the hazards that cold weather can bring become a major concern.

OSHA does not maintain a specific set of cold safety regulations, but NIOSH does study cold related injuries and how to prevent them. According to NIOSH, there are 4 main types of cold related injuries; Frostbite, Chilblains, Trench Foot, and Hypothermia. While the exact effects of these injuries vary, all can lead to the loss of a limb, or even death in the most extreme cases. Fortunately, addressing cold stress is easily managed, and it all starts with adequate planning. Start by identifying tasks where cold exposure is likely. Outdoor work is most likely to involve cold exposure during the Fall and Winter months, especially at night. Wet and windy conditions also increase these hazards, as they will sap heat away from the body even faster. Ideally, you should try to avoid working in these conditions where possible, such as scheduling maintenance tasks during warmer months.

Avoiding cold exposure is not always a viable plan though. In these circumstances, proper equipment and planning is called for. To begin, when work must be done in cold weather, try to restrict it to the warmest parts of the day, avoiding conditions such as wind, rain, and snow storms as much as possible. You should also ensure that all workers are properly equipped for the cold. Workers should be equipped with adequate clothing, coats, gloves, hats, or other gear as necessary. In extreme conditions, heated gear or warming packs may be necessary. Workers should also work in pairs, and monitor each other for signs of cold stress, such as fatigue or confusion. Lastly, be sure to provide workers with an adequate rest area, so that they can rest and recover from the cold.

Cold stress and cold related injuries can be serious conditions which require first aid or even advanced medical attention. If you or a fellow worker begins to show symptoms, get them to a recovery area immediately and seek medical attention.
2017 MEMBERSHIP DRIVE

The SOOGA Board of Trustees would like to thank everyone for the support of our organization. SOOGA has seen a steady growth in membership over the past 10 years, from less than 200 to a sustained 400 at the end of 2016. This growth is thanks to you.

Make your voices heard. SOOGA has dedicated leadership that is connected to the issues at hand and a voice heard by the people who can make a difference.

Now more than ever your SOOGA membership is valuable. By staying involved in your organization you have the ability to stay ahead of the issues that will affect your business.

Make your voice heard, stay involved and encourage your associates to be involved.

The Board of Directors and officers of SOOGA want to thank you for your continued support.

Each time you Sign Up a “New Member” your name gets entered in a drawing for a

**Henry Golden Boy**

Donated by: Timco, Inc. and Southeastern Ohio Oil & Gas Association

The more you sign up the more chances you have to win!!

The Membership Drive ends on 12/31/17.

**Don’t Wait, Start Signing up Those New Members**

Winner Will Be Announced At the 2018 Spring Membership Meeting.

(Board members and employees are excluded)

Visit our website at [www.sooga.org](http://www.sooga.org) for Membership Applications.

**To receive credit for New Members, your name must be listed as referred by**.
GAS PRICING 2017

**SEPTEMBER 2017**
NYMEX Settlement: $2.961
Inside FERC/DTI: $1.710 (Basis: -$1.251)
Inside FERC/TCO: $2.768 (Basis: -$0.181)
NYMEX 3-day Average: $2.961

**OCTOBER 2017**
NYMEX Settlement: $2.974
Inside FERC/DTI: $1.100 (Basis: -$1.874)
Inside FERC/TCO: $2.760 (Basis: -$0.214)
NYMEX 3-day Average: $2.937

OIL PRICING 2017

**AMERICAN REFINING GROUP AVERAGE**

- 8/11 to 8/20 Group 1 OH: $47.10
- 8/21 to 8/31 Group 1 OH: $46.33
- 9/1 to 9/10 Group 1 OH: $46.85
- 9/11 to 9/20 Group 1 OH: $48.50
- 9/21 to 9/30 Group 1 OH: $50.37
- 10/1 to 10/10 Group 1 OH: $49.18
- 10/11 to 10/31 Group 1 OH: $47.67
- Group 2 OH: $43.33
- Group 2 OH: $43.85
- Group 3 OH: $41.33
- Group 3 OH: $41.85
- Group 2 OH: $47.37
- Group 3 OH: $45.37
- Group 2 OH: $49.18
- Group 3 OH: $46.18
- Group 3 OH: $44.18

**ERGON OIL PURCHASING WEST VIRGINIA MONTHLY AVERAGE**

- August Ohio Tier 1: $47.2223
- August Ohio Tier 2: $44.2223
- August Ohio Tier 3: $42.2223
- August West Virginia Tier 1: $47.2223
- August West Virginia Tier 2: $44.2223
- August West Virginia Tier 3: $42.2223
- August Marcellus/Utica Condensate: $32.2223
- August Marcellus/Utica Medium: $47.2223
- August Marcellus/Utica Light: $41.7223
- September Ohio Tier 1: $48.5713
- September Ohio Tier 2: $45.5713
- September Ohio Tier 3: $43.5713
- September West Virginia Tier 1: $48.5713
- September West Virginia Tier 2: $45.5713
- September West Virginia Tier 3: $43.5713
- September Marcellus/Utica Condensate: $35.5713
- September Marcellus/Utica Medium: $48.5713
- September Marcellus/Utica Light: $43.5713

** argent Pricing Categories and Definitions for Pennsylvania Grade Crude Oil (Legacy)**

- **Group 1 (OH/PA/NY)** - 150.0 barrels from a single location, with a BS&W of 2% or less,
- **Group 2 (OH/PA/NY)** - 60.0-149.99 net barrels from a single location
- **Group 3 (OH/PA/NY)** - 30-59.99 net barrels from a single location

For questions relating to ARG Group Pricing or Utica/Marcellus Shale pricing, please contact:
Gary Welker, Mgr. - Crude Supply & Gathering - 330-813-1898; gwelker@amref.com

You can now find EOP WVA Crude oil Price Bulletin on the internet at: www.amref.com

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Bringing Back Jobs & Helping Local Producers—It has Started
Greg Kozera- Shale Crescent USA

Gas and liquid prices still suck. At all of the conferences I attend that doesn’t change much even looking ahead five or more years. Americans particularly the oil and gas industry always have hope and a natural optimism. You have to be optimistic to be in this industry. You drill an eight-inch hole thousands of feet into the earth hoping that you are operationally successful. You hope that your geologist and petroleum engineer were both right about the reservoir. Finally, you hope that the market price will be high enough to make a profit. We are really good at the first two. We are so good at the first two that we have gone from energy crisis to energy gorilla of the world in less than ten years. We can be proud of that, but “What about us?” is a good question.

We can continue to become increasingly efficient and drive down drilling, completion and operational costs. What if we could change the market and increase local demand for our natural gas and liquids? That is exactly what will happen if we can bring manufacturing and petrochemical jobs back to the region.

Last week Shale Crescent USA was at the Global Plastics Summit in Chicago trying to do just that. It was a good week for the MOV. Our goal was to create awareness for the MOV and what we have to offer. We are excited with the results;

- **Our video on the benefits of the Shale Crescent Region was shown** on all 3 days multiple times on the jumbo screen in the Solutions Room (exhibit hall).
- This video also showed before start of conference on main stage and again at lunch on Thursday. All attendees should have seen it at least once.
- **We were interviewed** by the Editor of Chemical Week Magazine. This video also ran continually on Thursday and Friday in the Solutions room.
- **There were over 350 attendees from 20 countries.**
- **Lunch table discussions.** Attendees could have lunch with us to learn more about the Shale Crescent. We had 3 full tables instead of just 2 as anticipated!
- **We heard very positive messages** from the main stage on the growth of the plastics industry. USA and Globally is “in the best shape in years”. Growing above potential. Global consumption up 2%. USA growth 3% in Q4. Expect growth into foreseeable future. Discussed oil, gas and natural gas liquids (the feedstock for petrochemicals) all very positive for USA. Detailed discussion on Hurricane Harvey also helped us.

**Results**

- **Met with key decision makers,** CEOs and Company Presidents of multiple companies. They knew who we were. We have a follow up with a major Asian Company in Houston next week.
- **Mexican firm looking for a manufacturing location in the USA** has been invited to visit the MOV.
- **Japanese company interested in what the Shale Crescent has to offer** invited to the MOV.
- **CFO and Senior VP for a large US petrochemical company want to meet in the next few weeks.**
- **We have been asked to speak at large Chemical and Petrochemical Manufacturers conference in India in 2018.**

(Continued to page 26)
The Value of an Internship with a Conventional Producer

By: Jonathan Hinson

On August 21st, 2015 I was preparing for my junior year of school at Marietta College. Crude Oil had dropped from $93.65 to $40.45 in less than a year. The focus was on jobs—and everyone was nervous. The number of companies recruiting on campus dwindled as demand for engineers severely dropped across the industry. The companies that did come only took a handful of interns out of the 300+engineering students at Marietta College. With no previous experience and an average performance in the classroom, I got no offer for a summer job.

By April of 2016 my grades were on the rise. But there was still a problem: without summer internship experience it’s nearly impossible to get a full time job in engineering. With summer quickly approaching, I found out about grants available through the Marietta College Career Center and headed to the 2016 SOOGA Spring Meeting. Fortunately, I ran into Bob Matthey, talked with him for a bit about my grant eligibility, and gave him my resume. A few days later I got a call that would change the course of my career. The man on the phone said his company was a smaller oil and gas producer, but I’d get to see a little bit of everything. Sign me up.

“A little bit of everything” was an understatement. With Lippizan, I learned to take care of wells. I got to communicate with the government on the company's behalf. I got to help sell a well & lease. I worked on pipes, tanks, pump jacks and motors. I learned about meter readings, oil sales, compressors and valves, hands on. I learned about the different kinds of ownership interest. I wrote permits. I met with layers, insurance agents and the state inspectors. I helped with tank compliance in accordance with the AST act. I identified zones on well logs. There was so much to be done and so much more for me to learn at a small company.

At Lippizan, I contributed value and earned valuable experience at the same time so Bob invited me to keep working on payroll while in school. In the fall, I was responsible for production in Wirt County, WV on the weekends. Even now, I’m helping out with whatever needs to be done around the company, continuing to learn and contribute as a result of that first internship. Bob likes to say “we do almost everything the big companies do, just on a smaller scale.” Over time, I’ve found that to be true.

In two weeks I move to Shreveport, Louisiana to start with Chesapeake Energy in the Haynesville Shale. Without my time at Lippizan, I’m certain my career outlook would be entirely lackluster. A special thanks to Bob Matthey for giving me the chance when no one else did. Also, thanks to the Marietta College Career Center for lining up an internship grant for my first field experience.

I’ll close on this thought: there are more students like me at the college who are able to contribute to and learn from your operations at a steep discount! Marietta College has internship grants available that can pay 50%-80% of their wages for up to 400 hours. There is unrecognized value in this student body. There are people here who are willing to work hard and learn! Contact Lacey Lauchard at 740-376-4924 or lacey.lauchard@marietta.edu to learn more about the students who want to work for you.
Ohio Holds the ‘Key Anchor’ To Appalachia’s Bright Plastics Future
By Jackie Stewart  jackie@energyindepth.org, Canfield, Ohio 7:07am EDT October 13, 2017

This week, Ohio laid a stake in the ground as the “key anchor” to the Appalachian storage hub — a critical component to support an economic revolution along the Ohio River — during the Utica Shale Summit hosted by the Canton Regional Chamber. The event provided a new perspective on the next phase of Appalachian Basin oil and natural gas development, including storage, infrastructure, and the ultimate end-use of natural gas liquids that has led to a rebirth in plastics manufacturing in the U.S. As a result of the conference, local Ohio papers are asking, “Could Ohio and nearby states become petrochemical hub?”

Thanks to prolific natural gas liquids from the Utica Shale, the Ohio River Corridor, a new site selection service company, announced it’s hopeful to soon rebrand the “Rust Belt” as the “Plastic Belt.” So how is Ohio the so-called “key anchor” to this forecasted “Plastic Belt”?

Well, as recent American Chemistry Council and West Virginia University (WVU) reports have detailed, one of the key components to unlocking plastic manufacturing is finding storage solutions for natural gas liquids. And Ohio is in fact the only state in the Appalachian Basin that has a project underway to address storage solutions.

The Mountaineer NGL Storage project, located in Monroe County, would support 3.25 million barrels of natural gas liquids (NGLs) initially, with capacity to store as much as 10 million barrels of NGLs in a salt formation about 6,700 feet below the surface. The project would be a huge resource to support the needs of ethane cracker plants slated for the region.

According to Mountaineer President David Hooker, the project is a “key anchor” to the much talked about Appalachian Storage Hub concept. The Ohio project is essential to keeping NGLs produced in the Appalachian Basin local, as it serves as warehouse for NGLs during the operation of an ethane cracker. Here’s how the company illustrates its significant role in bringing manufacturing to the region.

As you can see, prolific natural gas liquid production from shale must be separated into ethane, propane, butane, etc., through fractionation. After that, the NGLs can be stored, or warehoused, to support the ebbs and flows that the private market will ultimately dictate. For Mountaineer’s project, that means storing NGLs in salt caverns.

How Does Salt Storage Work?
Salt storage is one of the preferred methods of hydrocarbon storage, according to the Energy Information Administration (EIA), and has been used throughout the country for over 70 years. In other words, the process is certainly not new. Utica Shale Summit conference attendees were excited to see a new video that highlighted Mountaineer’s project and provided an education on salt storage.

(Continued to page 24)
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Keeping it Local

In order to keep the vast production coming out of the Utica Shale local, there needs to be an incredible amount of infrastructure built out to support transportation and end-use in the region. That means finding a home for dry gas, such as gas-fired power plants, and taking NGLs to market. As Team NEO, an economic development group, stated at the Utica Shale Conference, “Right now we’re exporting a tremendous amount of value out of the region. What I’d like to do is try to have this region benefit from that and create wealth and jobs going forward. We have a window of opportunity to seize this. We have competition all over the world.”

Hooker agreed, saying “keeping it local is the key,” which is why his company has already spent $20 million toward supporting that goal.

But keeping Utica Shale local will largely depend on major investment decisions to build crackers in the region, and additional storage and infrastructure. Of course, Shell has already announced its investment in Pennsylvania, and Ohio is anxiously awaiting a final investment decision from PTT Global Chemical, but what about others? And will plastic manufacturing companies follow suit and decide to invest in the region as well?

Time will tell, but if the first storage facility in the tri-state is any indicator of things to come, there’s certainly a lot to look forward to. And it can’t be emphasized enough that none of these activities would be possible without production of oil and natural gas from shale.
We are starting to see growth in the MOV from firms already located here. Solvay in Pleasants County has a major expansion announced and HINO is expanding in Parkersburg. Ark Resin in Marietta has opened a new warehouse. These are just a few examples. Others are being planned. There are many reasons why and where a company chooses to expand. Our message to these and other local companies has been to look at all of the advantages they already have, particularly the cheap and abundant energy in the Shale Crescent (MOV) and expand here. We are happy that these companies have chosen to do that. If local companies choose to expand here it sends a very positive message to companies outside our region looking for a place to expand. There are a number of local industries that want to expand but can’t get enough natural gas to their facility for expansion. We need to fix that.

We see creating economic growth in the MOV as a TEAM effort of both Ohio and West Virginia. It will take multiple local organizations working together to make it happen. Our goal at Shale Crescent USA is to promote the Region. If we can get companies to look at our Region and come for a visit the odds of them locating here are greatly increased. If the Region is successful attracting new business all of the local communities will benefit.

One of the big differences between the Gulf Coast and the Shale Crescent is that industry here will be in the middle of the gas field. The wells are close by. This can help producers and the industry that uses the gas by creating direct sales and low or possibly no pipeline access fees for producers.

If you were a star college quarterback and your dream is to win a Super Bowl would you rather play for the Cleveland Browns, Pittsburgh Steelers or the New England Patriots? I would choose a successful organization like the Steelers or Patriots. Companies are no different. They want to be part of a successful growing area. We are beginning to show the success that attracts. We need to keep the momentum going. Local energy consuming industry is a win for local jobs, the oil and gas industry and our communities. Believe! Thoughts to ponder.

Greg Kozera is the Director of Marketing for Shale Crescent USA. He has over 40 years of experience in the oil and gas industry. Greg is a leadership expert with a Masters in Environmental Engineering and the author of four books and numerous published articles. He is a past-President of the Virginia Oil & Gas Association and on the Board of Directors for Energize West Virginia.
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