

New Orleans Driller

November, 2004

Volume 17, Number 8

PRESIDENT'S LETTER

Dear Fellow Members

boom with a little b.....versus....BOOM with a capital B.

That seems to be where most of the media debate is on the state of our business these days.....the size of the boomand not whether we are in a boom. The larger question is what will be the impact on America and on our industry? Oil prices have been over \$26 a bbl for 2½ years, over \$30/bbl for 1¼ years over \$40/bbl for 6 mos, and over \$50/bbl for most of the last month http://futures.tradingcharts.com/hist_CO.html. Will it stay at \$50/bbl for the long term? Probably not...but it is equally unlikely we will see prices less than \$30/bbl for the foreseeable future. Debate on the the impact to the US economy in terms of our “trade deficit”, the price imposed “oil tax”, and the entire energy cost structure ranges from “We could have a depression,” to “No big deal...gas up the SUV”. On the geo-political scale is the impact of the cash rush from high oil prices into the unstable world of the Middle East.

One thing is certain...the times are a changing....everywhere. Drilling activity in the US, and other areas of the oil patch where producers have the ability to capture the upside in oil prices, will see activity increase. Are we ready? The initial flush of large deepwater discoveries seems to have passed....will there be a round two or will this boom be dominated by the pick and shovel work of in-field drilling, along with recompletions and workovers to increase recovery in existing fields? My bet is on the pick and shovel work, especially for the next two years...then we'll see if there will be a round two on the discovery front. The focus during this period will be on depleted reservoir drilling, managing compaction related trouble in drilling and completion operations, and finding new ways to deal with operations in older wells. We'll discuss this in our AADE board meetings and do our best to bring you speakers and forums to help address these issues as we move forward.....into the boom.

Joseph Leimkuhler

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November's Meeting

November 4, 2004
Holiday Inn Superdome

PROJECT MANAGEMENT 101 Rick Farmer, Crescent Drilling & Production

The topic of the talk will be titled "PROJECT MANAGEMENT 101 - How to get the job done with only the people you have available". In today's market, we have a product which seems to have an unlimited value, for a change.

Unfortunately all of the revenue applied back into our industry will not fix the main problem, a limited staff of experienced, trained people. The management of our projects begins and ends with the management of the people required to perform the project. Unfortunately, "people management" is usually not taught in a classical engineering curriculum. This presentation may help you make your life and your workers lives, a little more enjoyable.

Rick Farmer graduated from Mississippi State University in 1982 with a B.S. In Petroleum Engineering. Rick grew up in an Oil Field Family and worked for Zapata Offshore, Helmerich & Payne Drilling Co. , Union Oil of California, Petroleum Engineers (PEI) and is currently Vice President of Engineering with Crescent Drilling & Production. Rick has worked in the oilfield for twenty years from a well chair due to an offshore accident.

His "Can't Do, Can't Stay" attitude has kept him busy for most of these years working for several local companies, including McMoRan, Chevron, and Dominion.

Calendar of Events

November 4, 2004	Monthly Luncheon Meeting Holiday Inn Superdome
December 2, 2004	AADE Christmas Social Holiday Inn Superdome, 8th Floor

Please contact Traci Stubbs at 504-593-6760 or e-mail to traci.stubbs@halliburton.com. The luncheon fees are \$25 for members and \$30 for non-members. You can pay your \$15 membership at the same you pay for lunch.

Reservations must be made at least 24 hours in advance of each monthly luncheon event. If you have made reservations and are unable to attend, please cancel with Traci Stubbs.

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AADE's HO HO HO Christmas Social:

It's that time of the year to start thinking about our annual Christmas Social. Remember you will need to be a Paid Member of the New Orleans Chapter in order to attend this wonderful festivity. Remember this is Free for New Orleans Chapter Members. You must be paid in full before the party we will not take any new members at the door the day of the party. Last year's Christmas Social was filled with delightful door prizes and great fellowship, so don't miss this opportunity to wish your friends, co-workers and others that work for you a Warm Holiday Wish. The Christmas Social will be held at the Holiday Inn Superdome on the 8th floor on December 2, 2004.

An easy way to get an application to join any one of our chapters is located on AADE's website. (www.aade.org) Once you are at the site select the "About AADE" tab, this will show you all of the Chapter locations with their addresses. Scroll to the bottom of the page to the highlighted words of "Join Today", select and this will supply you with an application. Print, fill out, write check and mail to the appropriate Chapter.

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Annual Greater New Orleans Joint Energy Industry Association Luncheon

**Tuesday
November 9, 2004**

Where is the oil shortage? The Anti-Hubbert View



Michael C. Lynch
Strategic Energy & Economic Research

The past few years have seen a revival of arguments that resource scarcity will soon be driving world petroleum markets. Forecasters, using the Hubbert method, claim to have generated reliable estimates of the world's ultimate recoverable petroleum resources, and warn that production is near a peak. The implications of this are dramatic for the industry, as are the possibility that policymakers will respond to the warnings.

Michael C. Lynch, President of Strategic Energy and Economic Research, is a research affiliate at the Massachusetts Institute of Technology's Center for International Studies. Mr. Lynch takes a more optimistic view in the discussion of World Reserves. He challenges the notion that global petroleum reserves are the main constraint, and argues that the principal danger is that of market volatility brought about by governments' interference in world oil markets.

Henry Phillips has been cursed by many a weekend handyman, but it's not really his fault.

The fact is, the special cross-slotted screws that Phillips invented were never intended for home use.

In the early 1930s, the American automotive industry was becoming increasingly automated. Power screwdrivers were used by assembly line workers, but they often ended up slowing down the process. It was difficult to quickly fit the screwdriver into the slot, since it only fit two ways, and they stripped easily if "overscrewed." Phillips' design made his screw self-centering, was easier to fit (with four entry positions), and it was also able to withstand the additional torque exerted by power drivers. The new type of screw was also designed to be self-ejecting, so that the driver popped out of the head when the screw met resistance, so as to prevent overscrewing.

General Motors was the first automaker to use the new screws, introducing them in the 1936 Cadillac. A few years later, virtually all autos contained Phillips screws. During World War II, Phillips' fasteners were used in Jeeps, tanks, and aircraft. They were efficient to work with, and held tightly in place. But they were invented to be inserted and stay in place, which is why they're notoriously difficult to remove.

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9th Annual Fin, Feather, Fur Food Festival – 2004

With the great support from our industry, this event always has a big turn out. This year we were blessed with good weather and every year we have the best & tastiest dishes. We want to thank our teams for their wonderful food and all their hard work. We know that it takes a great deal of thought and time to prepare, set up, serve and clean up. We do appreciate each and every one of our teams.

A great amount of thanks also goes out to our sponsors. Thanks to Kenny Savitts and Mike Morgan of Specialty Rental Tools and Bush Vinson of Choctaw Services for sponsoring the beer and soft drinks. Thanks to Pokey Orr of Total Premier Services for the festive Mardi Gras cookbooks; Steve Andrews with MI/Swaco for the tickets; Bobby Ladner with Sonoco for the trash bags & paper towels; Leo Biggers with Frank's Casing Crew for the tables; Ronnie Luquette with Cetco/Lafayette Well Testing for the labor crews and thanks to Phil McIntrye with SPS International for trophies & aprons. Thanks to Randy Bayer with Dril-Quip for the delicious ice cream, what a refreshing treat. Thanks to Shell E & P for the music. Thanks to our Event Coordinator – Jody Blaylock with Sun Drilling Products and also for donating the trash containers. Thanks to Mike Morgan with Specialty Rental Tools for rounding up the great set of judges. Thanks to our judges which were: Pat Gallagher with Annadale Plantation; Michelle Luquette with Fazzio's Restaurant; Clark Roberts with Topper's

Restaurant; Carroll Trauth Gales with Red Maple Restaurant and Iler Pope with Café Atachafalaya. Thanks to Bill Folsom with Taylor for securing the sponsors and all his hard work. Thanks to ChevronTexaco, for supplying us with the team and sponsor banners. We would be able to locate the teams without them. Thanks to Mike Cole with Weatherford for taking the team photos.

And least but surely not last a special thanks to our Chairman – David Gautreaux with Stokes & Spiehler for putting it all together and keeping all of us on the right path. Additional thanks to David and his company for donating the plates and utensils.

Now to the meat of the matter — and the winners are:


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So mark your calendars now for the 10th Annual Fin, Feather, Fur Food Festival, which will be held on June 2, 2005. We again want to thank all our teams, sponsor and committee for their hard work and support.

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