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The APInion

Editor: Erik Rike

API Delta Chapter Meeting

**Wednesday,
January 26, 2000**

Holiday Inn Superdome
330 Loyola Avenue
11:30 a.m.

**OUR OIL & GAS
COMMUNITY IN NEW
ORLEANS
by John Melton,
CEO of TDC Energy
and
Meritorious Service
Award Presentations
to John Melton &
Andrew Thomas**

*Cash Bar
Cost: \$20.00 per person
Phone Martine by noon,
Monday, January 24, 2000 for
reservations: 529-3630*

NEW ORLEANS OIL & GAS COMMUNITY

Can we maintain New Orleans as an oil and gas producing center? Hear what John Melton, CEO of TDC Energy, has to say about that at the January meeting of Delta Chapter API. John will discuss New Orleans as an oil and gas hub and the attendant future that holds.

Melton will tell us how cooperation and joint efforts of the oil and gas organizations can help, stressing the need for voluntary leadership in our city area. It won't make it less and will possibly make our organizational life better by joint functions that bring in highly



John A. Melton

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MERITORIOUS SERVICE AWARD PRESENTATIONS

Andrew R. Thomas is being honored by API in appreciation of his contributions to the Delta Chapter and particularly his work to broaden the membership to encompass all professions within the exploration and production industry, and moving the chapter toward being an "umbrella" to all within the E&P business. He served as Company Liaison (1995); Vice-Chairman (1996); and Chairman (1997). As an attorney and geophysicist, he has defended the rights of royalty owners. He helps disadvantaged children attend the Academy of Sacred Heart, and has been a Court Appointed Special Advocate representing abused or neglected children.



Andrew R. Thomas

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Chairman's Message

The Board wishes each of you a Happy New Year and hope the New Millennium is exciting and benevolent to you and your family. The past year has been one filled with change in our industry. Sometimes we focus on the negative. With the start of the new year, it is time to focus on positive results.



Our upcoming January general meeting is just such an occasion. We have selected two gentlemen, John Melton and Andrew Thomas, to receive Meritorious Service Awards from the American Petroleum Institute. John and Andy have not only been successful in their professional careers, they have contributed more by serving in oil and gas associations, and by giving their time to our community in a variety of ways. Please attend the January 26th meeting to honor these gentlemen and to listen to John Melton talk about the future of the oil and gas industry in New Orleans.

I leave you with this thought for the New Millennium. Is it enough to just perform your job well, or do we owe something more for having the opportunity to work in this industry? Shouldn't we all promote our profession, our industry, and our community? Take a look at your own situation. Are you a member of an association, and do you actively participate in that organization? If you participate, you will be surprised by the added benefits that develop. Don't just be a member; make a difference and be a part of the program.

*Bart Walter
Chairman*

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Gerry Authement <i>Nominating</i>	Baker-Hughes INTEQ 561-7965/Fax: 566-7240 gerry.authement@inteq.com
Fred Pontesso <i>Nominating</i>	586-2623/Fax: 586-2828

qualified speakers, possibly political representatives.

John is uniquely qualified to discuss these matters, considering his philosophy of increasing profitability with employees motivated by an atmosphere of caring mentors rather than drivers. Important is being sensitive to employee wholeness and their mental and physical well-being. His TDC employees enjoy the ability to practice their management and leadership ability by accepting key positions in IPAA, LIOGA, API, COPAS, NGA and the Louisiana State Bar Association. This results in higher quality of professional life in the New Orleans oil and gas community.

At the meeting, a highlight will include API Meritorious Service Awards to Andrew Thomas and John Melton.

**MERITORIOUS SERVICE AWARD
PRESENTATIONS,**

continued from page 1

We are honoring John Melton in recognition of his demonstrated corporate success as CEO of TDC Energy, by being sensitive to employee wholeness and their mental and physical well-being. At any given time, his small company has provided an officer or director to IPAA, LIOGA, API, COPAS, NGA and the Louisiana State Bar Association. He has personally served as Governor of the Southeast Region of IPAA. John's charities include service to East St. Tammany Mental Health Association, and he is an Executive Board Member of the New Orleans Boy Scouts.

New First Edition Publications Available from API

ISO 13702: 1999, Petroleum and Natural Gas Industries—Control and Mitigation of Fires and Explosions on Offshore Installations—Requirements and Guidelines, First Edition, 1999 (Based on API RP 14G, Third Edition, 1999). This standard describes the objectives, functional requirements and guidelines for the control and mitigation of fires and explosions on offshore installations used for the development of hydrocarbon resources. It is applicable for fixed offshore structures and floating production, storage and take-off systems. (Order Number V13702, \$91.00)

Publication 2377, 1998 Summary of Occupational Injuries, Illnesses and Fatalities in the Petroleum Industry, April 1999. This annual summary reports on cases recordable in 1998 under the U.S. Bureau of Labor Statistics; record-keeping guidelines. The survey is based on data submitted to the American Petroleum Institute by 118 oil and gas companies, employing 212,850 persons. The report includes information regarding injuries, illnesses, fatalities, lost workday cases and incidence rates by function. (Order Number K23771, \$65.00)

Statistics Report

*(from API's Upstream Fax,
December 3, 1999)*

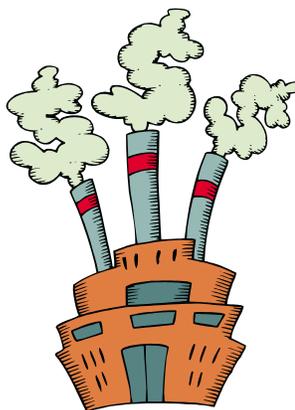
Buoyed by increases in natural gas development spending, U.S. drilling expenditures rose 9.6 percent in 1998 from the previous year—the highest level since 1985. According to the recently released 1998 Joint Association Survey on Drilling Costs, total drilling expenditures were estimated to be \$17.6 billion in 1998, compared to \$16 billion during the previous year. Together, spending to drill and equip wells domestically was particularly robust in 1997 and 1998, at \$33.6 billion vs. \$21.5 billion spent during 1995 and 1996. *Contact Jeff Obermiller, Policy Analysis and Statistics, 202-682-8508 or .*

Useful Metric Conversions

- 1 million microphones = 1 megaphone
- 1 million bicycles = 2 megacycles
- 2000 mockingbirds = two kilomockingbirds
- 10 cards = 1 decacards
- 1 millionth of a fish = 1 microfish
- 453.6 graham crackers = 1 pound cake
- 10 rations = 1 decoration
- 10 millipedes = 1 centipede
- 3 1/3 tridents = 1 decadent
- 10 monologs = 5 dialogs
- 2 monograms = 1 diagram
- 8 nickels = 2 paradigms

OIL MARKET IN 1999

"Twenty-four dollar oil with a 20% cut in production is a lot better than twelve dollar oil with no cut in production," must be the conclusion of the key OPEC cooperating companies that have brought oil prices back up to a respectable level. Bob Tippee, Editor of *Oil and Gas Journal*, explained this at the November 1999 joint meeting of API, IPAA, SIPES, and SPE, with nearly 150 in attendance. There's really no mystery, said Bob, when you note that oil stocks increased by 0.6 and 1.2 million bbl/day in 1997 and 1998; while after the last cut agreement, stocks decreased by 1.7 million bbl/day. Stocks have gone down while demand has grown and prices rose accordingly, said Bob.



The real bright spot is that we appear to be seeing a demand rebound, according to Tippee. A one million bpd growth is apparent from the 4th quarter of 1999 to the 1st quarter of 2000, but additionally, the Asian economy grew 4.1% in 1999, with 4.3% growth projected in 2000. Japan grew at 1% in 1999, with 1.5 % projected in 2000. Europe and Latin America are both looking better. All this while OPEC compliance is unprecedented. The driver is simple; budget pressure demanded discipline over emotion when OPEC revenue fell to \$80 billion in mid-1998, the lowest point since 1972 (before the embargo). OPEC's main producers are heavily dependant on oil revenue. For Saudi Arabia and Kuwait, it is 90% of government income; for Qatar and Iran, it is 70% and 85% of total export earnings, respectively.

The smaller producers can cheat, and it doesn't matter. The producers are now reluctant to exercise market power and risk \$10 oil again. A major lesson seems to be that at \$10-\$12/bbl, all producers hurt, and output will be cut. Thus, we seem to have a price floor, says Tippee, which eases the oil industry's panic factor.

Gas consumption has grown at more than 3% per year for 15 years; a continual growth of 3% is projected to 2020. Incentives of producers are aligned as never before, while demand is rising. That's a rosy picture, Bob explained. But oil is not the only game in town.

There is a potential downside. If the price of oil continues to rise, unfavorable government action can be expected, competitive energy sources will become more attractive, and the environmentalists will win more concessions. It's a sweet situation at present. But remember, "Lord, please give me just one more boom, and I promise not to — it off!"

MMS Best Practices Workshop

(from API's Upstream Fax, October 29, 1999)

MMS, the Offshore Operators Committee, and other associations sponsored two Safety and Environmental Program (SEPM) Best Practices Workshops in New Orleans and Houston in October 1999, attended by 400 operators, service company personnel and regulators.

API members, Oxy and Mobil, were two of the pace-setting companies making presentations on best practices.

Contact Tim Sampson, 202-682-8152 or sampson@api.org.

Gulf of Mexico Brochure

(from API's Upstream Fax, November 12, 1999)

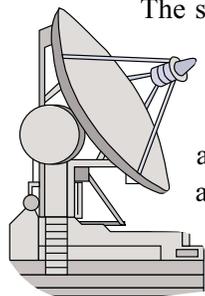
API recently released a brochure titled Meeting the Environmental Challenge: Oil and Natural Gas Operations in the Gulf of Mexico. This brochure summarizes the findings from over 200 government, industry, and academic studies on the effect of industry operations on the Gulf of Mexico. The research demonstrates that our industry is a good steward of the Gulf of Mexico. Copies of the brochure may be ordered from the Upstream Department, and it will be available on API's web site in the near future.

Contact: Glenda Smith, Upstream, 202-682-8317 or smithg@api.org.

NASA LightSAR Project Could Benefit Oil & Gas Exploration

*(from API's Upstream Fax,
December 17, 1999)*

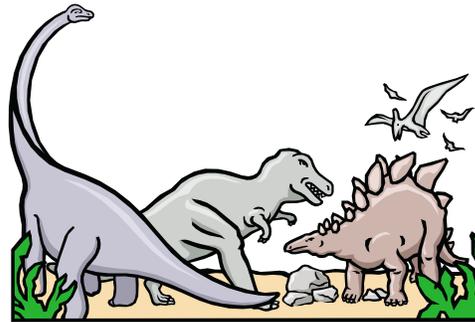
A joint government/industry project to build a radar satellite, LightSAR is being promoted by NASA and several API members. Work on the \$400 million project with industry input began in 1996 to produce an all-weather, day-night satellite-based global remote sensing capability for use by government and industry.



The satellite will provide extraordinary high resolution radar images to identify and track oil spills and map surface deformations as little as two millimeters. The latter capability could be a significant aid to petroleum geologists looking for oil/gas when coupled with other geological and geophysical data. The government is seeking funding of the "space phase" of the project from the Oil Spill Trust Fund. Industry partners are being sought to fund the construction and operation of the ground-based facility phase. If attainment of funding is successful, the estimated launch date is 2005

Contact Ken Leonard, Upstream, 202-682-8057 or .

CALLING ALL VOLUNTEERS! 2nd Annual API Delta Chapter SUPER SCIENCE SATURDAY "DINOSAURS"



Saturday, April 8, 2000
10:00 a.m. to 2:00 p.m.
Louisiana Children's Museum

Participants needed to:

- ▶ Organize hands-on activities/experiments (e.g. test water samples)
- ▶ Provide materials for a hands-on activity or experiment
- ▶ Organize a 20 minute science presentation, show, etc.
- ▶ Organize a demonstration (e.g. drill bits, plate tectonics)
- ▶ Provide volunteers to staff activity stations
- ▶ Be an ambassador of goodwill for the petroleum industry

Join in the fun of helping children learn more about the fields of engineering, earth and environmental sciences, and the local petroleum industry.

Bring your children or grandchildren to assist you. Everyone will have fun volunteering with this fun and educational activity!

Contact: Becky Manzer, LCM Program Coordinator, 586-0725, ext. 222

Looking Ahead

January 19, 2000
Board Meeting

January 26, 2000
General Meeting (Meritorious Awards Luncheon)

April 16-19, 2000
AAPG 85th Annual Convention, New Orleans

April 26, 2000
General Meeting (Teachers' Awards Luncheon)

November 14, 2000
General Meeting (Tentative date for Joint Association Meeting)

GAS IS CHEAP

People have been complaining about the rising price of gasoline recently, but evidence is strong that gas was a good value (especially if you were to take the \$0.30, \$0.40 per gallon tax off at the pump)!



Obviously others need a little convincing. So the article in a recent *Autoweek* magazine brought it all to light.

What if you were to buy a gallon of...

Diet Snapple—16 oz. for \$1.29 =
\$10.32 per gallon

Lipton Ice Tea—16 oz. for \$1.19 =
\$9.52 per gallon

Gatorade—20 oz. for \$1.59 =
\$10.17 per gallon

Ocean Spray—16 oz. for \$1.25 =
\$10.00 per gallon

Quart of Milk—16 oz. for \$1.59 =
\$6.32 per gallon

Evian Water—9 oz. for \$1.49 =
\$21.19 per gallon

STP Brake Fluid—12 oz. for \$3.15 =
\$33.60 per gallon

Vicks Nyquil—6 oz. for \$8.35 =
\$178.13 per gallon

Pepto Bismol—4 oz. for \$3.85 =
\$123.20 per gallon

Whiteout—7 oz. for \$1.39 =
\$254.17 per gallon

Scope—1.5 oz. for \$0.99 = \$84.84
per gallon

You get the idea. So next time you're at the pump, be glad your car doesn't run on Nyquil or Scope!

API Delta Chapter Sponsored Training

*Fabrication, Inspection, and
Maintenance of Pressure Vessels*

*Gas Lift for High Volume
Producers*

Special API Chapter Tuition: \$905

Please refer to the API web site (www.api-delta.org) for details on presenting company, dates and location.

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Delta Chapter
P. O. Box 50110
New Orleans, LA 70150

- Education
- Community Relations
- Industry Affairs
- Golf Tournament/Fund Raising

*"Before I criticize a man, I will walk a mile in his shoes.
That way, if he gets angry, he's a mile away and barefoot."*

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API MONTHLY MEETING

**WEDNESDAY
JANUARY 26**

HOLIDAY INN SUPERDOME

11:30 A.M.

**OUR OIL & GAS
COMMUNITY IN
NEW ORLEANS**

 **JOHN MELTON**

&

**MERITORIOUS
SERVICE AWARDS:
JOHN MELTON &
ANDREW R. THOMAS**



**AMERICAN PETROLEUM INSTITUTE
P. O. Box 50110
New Orleans, LA 70150**

OSHA Strikes Again?

A recent item on OSHA's web site inferred an expansion of their coverage to include employees working at home. And, yes they were concerned with not only the old regulations, but an extension of the Ergonomics Rules to the home offices. Do you have someone working out of his or her home? Some of the suggested areas of concern were:

- Proper temperature being maintained?
- Excessive noise?
- Adequate ventilation?
- Level of lighting—bright enough? Too bright?
- All electrical cables secured and stored correctly? Grounded?
- All circuit breakers and fuses labeled as to intended service?
- If work area in a basement, are stairs safely designed with proper handrails?
- At a computer workstation, is the screen free from glare? Is the chair adjustable? Can the employee demonstrate how to adjust it? Is the top of the VDT screen at eye level?

No concern was expressed for the fact that this would limit some companies from hiring telecommuters. In the name of safety, throwing the workers back out on the interstate highways each morning and afternoon (especially in larger cities), would have a huge impact.

After a furor went up, Secretary of Labor Alexis Herman withdrew the item, saying that OSHA will not be visiting homes to inspect. But someone in OSHA was ready to start!

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