

April, 2001

[www.api-delta.org](http://www.api-delta.org)



## The APInion

### “BUG MEN” ARE IMPORTANT TO THE OIL PATCH

Edward B. Picou presented a talk on biostratigraphy at our general meeting on January 23rd.

Ed began his interesting presentation reminding us that different sequences of rock strata can and often do have similar acoustic properties making them indistinguishable with the seismic method. “What you see in the seismic loop does not time the sequences. Microfossils are the only way to know the age of the rock,” Ed told us.

Ed said that a “bug man” is needed to look for microfossils. A single fossil or assemblage of fossils with specialized niche will allow the recognition of the environments of deposition used to predict the distribution and quality of reservoir, seal and source rocks needed for successful prospecting.

Geology, together with micropaleontology, can be used to make reliable correlations critical to accurate maps to use in exploration. “Biostratigraphy, the study of the distribution of fossils in the stratigraphic record, is a valuable and inexpensive correlation tool,” Ed said. Ed presented several convincing examples of the value of biostratigraphy in exploration. He stressed that paleontology is also a key tool for building age models for all time-dependent modeling that reconstructs burial history or forecasts thermal maturation of potential hydrocarbon source rocks, which is essential to exploration.

Ed urged industry-academia cooperation to salvage invaluable fossil data from many wells which lie in storage, awaiting disposal. He warned that many geologists and geophysicists, especially recent graduates ready to join the work force, do not have the background to appreciate the utility of paleontological data and this is very costly to our industry.

Ed concluded his talk by saying that to be successful in his profession, one first needs to enjoy paleontology. Ed’s depth of knowledge and expertise in the field were evident by his simple and straightforward presentation of a complex technical subject. We thank Ed for a talk especially tailored to the audience.

**API-DELTA CHAPTER  
continues the tradition:**

**15th Annual  
TEACHER EXCELLENCE  
AWARDS LUNCHEON**

**Wednesday, April 25, 2001**

**Holiday Inn Superdome  
8th Floor  
330 Loyola Avenue  
New Orleans, LA  
11:30 a.m.**

23 teachers from six parishes will be honored for their contributions to the children of the metropolitan area. Come meet the Teachers, their Principals and Superintendents!

**THE END OF SCHOOL  
DESEGREGATION?  
John Borkowski,**

**Partner, Hogan and Hartson**

*Please call Martine Sherlock at  
529-3630 for Reservations  
Please RSVP by April 20, 2001  
Cost for Luncheon \$20.00*

# Chairman's Message

Please join me in extending a heartfelt thanks to outgoing Chariman, Bart Walker, for his tireless efforts during 1999 and 2000 in serving the API-Delta Chapter. Bart was instrumental in keeping the chapter focused on its core pursuits of 1) working with the other 13 industry associations



in the city to join forces on events and projects, 2) continuing API's longstanding practice of honoring and rewarding excellence in local teachers by hosting the annual Teachers' Awards luncheon, 3) maintaining our level of support to the Louisiana Children's Museum and fostering Super Science Saturday at the museum in the spring of each year, and 4) recognizing industry's long standing leaders in the New Orleans community though the annual conferring of the API-Delta Meritorious Service Awards, and (5) nearly single handedly raising the money from willing sponsors to fund the API-Delta Chapter website located at [www.api-delta.org](http://www.api-delta.org). Thanks again, Bart!

This year should be another year of growth for the work and accomplishments that your chapter has taken on. I plan to do my best to continue the many advances we have made in recent years. Our next event is the Teacher Excellence Awards Luncheon to be held at 11:30 on April 25, 2001 at the Holiday Inn Superdome. Twenty three teachers from six parishes will be honored for their contributions to the children of the New Orleans metropolitan area. John Borkowski, a partner in the Washington, D.C. based law firm of Hogan & Hartson, will address current issues on school desegregation. Please come meet Mr. Borkowski, the teachers, their principals and superintendents and acknowledge the quiet heroes of our public school systems. The Chapter's sincerest thanks go once again to Cathy Vaughn who is instrumental in making this event an exciting and rewarding experience year in and year out!

Right around the corner on May 4, 2001, the chapter will once again host its Joint API-Delta, PLANO, and SIPES Crawfish Boil at Jaeger's Seafood & Beer Garden out at West End Park from 5:30 – 8:30. Hot crawfish and a hot buffet will be cooled with copious amounts of wine, beer and soft drinks. For \$25 per person, please join the landmen and the earth scientists at this popular event after a hard week at the office.

Please also mark your calendars for Friday, October 12, 2000 in anticipation of the API-Delta Chapter Golf Tournament to be held at the Bayou Oaks Golf Course out at City Park. This

— continued, CHAIRMAN, page 3

## API DELTA CHAPTER

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**CHAIRMAN**

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annual event is a major source of funds to the chapter that allows for donations to be made to the Louisiana Children's Museum and New Orleans area teachers. Many thanks to Leo Kerner, Bob Huffman, Gerry Authement and Bob Freeman who make this event the yearly success it always is.

The Chapter is sorry to hear that we may be losing one of our best and brightest, Andy Thomas, the 1997 Chapter Chairman, who will be moving with his family to Ohio in the next few months to take on a new position with an oil and gas business there. Andy was responsible for starting many of the new initiatives that the chapter has successfully taken and indeed, was the reason I became involved with API-Delta. Notwithstanding his pledge to maintain ties with New Orleans, as a positive, energetic member of the API-Delta's board, Andy will be sorely missed. Thanks for all of your efforts, Andy! . . . and stay in touch!

Finally, I am pleased to say that industry use of our website continues to grow. Among other things, the site provides information on careers in the oil and gas business and access to the directors, websites and calendars for the many New Orleans area oil and gas associations. Many thanks to our loyal sponsors who make the website possible! I am proud to be involved with an organization that provides assistance to the entire New Orleans oil and gas community and I thank those of you on the API board and the boards of the other societies that support our continued efforts. If you have any questions or ideas, please don't hesitate to make your voice heard. Your involvement makes a difference!

*Ben Waring  
Chairman  
API-Delta Chapter*

## **ROBERT L. FREEMAN AND EDWARD B. PICOU RECEIVE API MERITORIOUS SERVICE AWARDS**

Our general meeting was held on January 23rd. Two distinguished members of our industry, Robert L. "Bob" Freeman and Edward B. "Ed" Picou, were honored and presented with the API Meritorious Service Award. This year's award recipients were nominated and selected by all thirteen of the Greater New Orleans Oil & Gas Associations.

Andy Patrickis, President of AADE, introduced Mr. Freeman who briefly addressed the audience. Bob Freeman concluded his acceptance speech with some valuable advice: "Join industry organizations and get involved! Work for a good company, have a good boss, live to be real old and enjoy every minute of it."

Skip Koshak, Chairman of SPE-Delta Section, introduced Mr. Picou and indicated that Ed's forty year distinguished career as a paleontologist began when he was born: "Legend has it that Ed was born looking for a microscope." Ed told us that it has all "been fun." He gave some recommendations for success: "Join your profession's society, and widen your horizons by embracing other professional organizations."

Our board was privileged to be part of the award process.

## **FTC GASOLINE INVESTIGATION CLEARS OIL INDUSTRY**

American Petroleum Institute Pres. and CEO Red Cavaney said a Federal Trade Commission report "exonerates" the oil industry of allegations it sought to drive up Midwest gasoline prices last summer. "This finding joins the list of past government investigations that have exonerated our industry — and it vindicates the thousands of men and women who worked around the clock to rush fuel from other regions to help meet Midwest demand," Cavaney said. (*OGJ Online Mar. 30*)

FTC capped a 9-month investigation with a report that it found no "credible" evidence of collusion or antitrust behavior by oil companies in the gasoline price spikes last spring and summer. Cavaney said a repeat of last summer's regional gasoline price/supply problems is unlikely, adding "but you can never discount that other problems could occur," such as refinery outages or other unforeseen issues.

## **VENEZUELAN OIL HEADED FOR LOUISIANA**

Petroleos de Venezuela SA signed a 3-year contract to supply at least 50,000 b/d of heavy crude to Orion Refining Corp., Norco, La.

The contract could be increased to 110,000 b/d of heavy 16 degree-gravity crude. The crude types to be supplied include Zuata, Merey, Maralago, and Pedernales.

PDVSA has supplied heavy crude to Orion Refining since May 1998. Average sales have been 45,000 b/d during the last 2 years.

*OGJ Online*



Delta  Chapter

# GOLF TOURNAMENT

**Friday - October 12, 2001 Bayou Oaks Golf Course**



**THIS EVENT WILL SERVE AS THE API FUND RAISER TO REWARD SCHOLASTIC ACHIEVEMENT  
IN AND AROUND THE NEW ORLEANS AREA**

**FORMAT - 4-MAN SCRAMBLE, BLIND BOGEY SCORING, LOW GROSS  
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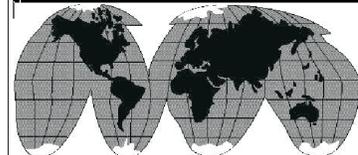
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## STRONG CENTRAL GULF SALE 178

Royalty relief incentives to drill for deep gas in shallow waters, along with the continuing attraction of deepwater Gulf of Mexico exploration, were the drivers in a strong central gulf lease sale. Apparent high bids in the sale totaled \$505,468,501. Ninety companies filed 780 bids exposing \$663,406,963 for 547 tracts. The sale offered 4,390 blocks in the central gulf planning area off Louisiana, Mississippi, and Alabama.

*OGJ Online*

## SEC. NORTON SEES BLEAK US ENERGY PICTURE

"The U.S. Energy picture does not look good," Interior Sec. Gale Norton warned Wednesday. Norton spoke at a US Minerals Management Service event honoring oil companies for safety and minerals reporting achievements. She said, "In the next 20 years, according to calculations by the Energy Information Administration, our nation's demand for oil is expected to jump 30% and natural gas by more than 50%." The reality is that our domestic production is declining. We now produce nearly 40% less oil than we did in 1970. Unless policies are changed, production will continue to decline. The projection is just over 5 million b/d by 2020, down from a high of 9.4 million b/d 30 years ago.

Failure to meet this challenge may harm our prosperity, damage our national security, and may affect the way we live our daily lives." Norton said the US must open areas with high prospects for energy production for environmentally protective development.

*OGJ Online*

## REDUCING REFINERY AIR EMISSIONS

In other industry news, the US Department of Justice reached agreements with three refiners that will reduce air emissions from nine refineries by more than 60,000 tons/year. The agreements with Motiva Enterprises LLC, Equilon Enterprises LLC, and Deer Park Refining LP will affect refineries in Delaware, Louisiana, Texas, California, and Washington.

Justice said the settlements were part of its effort to reduce air pollution that it said the refineries had released illegally. Consent decrees filed in US District Court in Houston call for the companies to spend about \$400 million to install pollution control equipment and significantly reduce emissions from process units, wastewater vents, leaking valves, and flares throughout the refineries

*OGJ Online*



## SOLVING THE ENERGY PROBLEM IN THE WEST

The Bush administration maintains that a key way to solve energy problems in the West is to make natural gas supplies more readily available for generation. To that end, federal lands have the potential to contain large oil and gas deposits, government and industry witnesses told the House Committee on Resources.

The US Geological Survey said assuming 1995-era technology, there are about 112 billion bbl of technically recoverable oil onshore and off and a remaining gas resource base of 1,074 tcf. This is five times the 21 billion bbl now considered proven reserves onshore and off. Another interior department agency, the Minerals Management Service, said there is great untapped oil and gas potential on federal offshore lands off limits to drilling because of presidential and congressional moratoria

*OGJ Online*

## US CRUDE INVENTORIES AT THEIR LOWEST LEVEL IN 26 YEARS

US crude oil inventories have declined 3 months in a row to the lowest level in 26 years, the American Petroleum Institute said in its monthly report. API said crude stocks were 276.4 million bbl at the end of February, down 10 million bbl from a month earlier, and 4.2% lower than they were at this time a year ago. It said despite the unusually large decline, crude stocks were 7.6 million bbl above the National Petroleum Council's estimated minimum safe operating level.



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# The End of School Desegregation?

## John W. Borkowski Hogan & Hartson

John W. Borkowski is a partner in the Washington, D.C. based law firm of Hogan & Hartson, and practices law primarily with that firm's Education Group. His work focuses on the issues of elementary, secondary and post-secondary desegregation, Title VI and Title IX compliance. Mr. Borkowski graduated *summa cum laude* from the University of Notre Dame and *cum laude* from the Northwestern University School of Law, where he was the articles editor for the *Northwestern Law Review*. He previously practiced law with the New Orleans law firm of Stone, Pigman, Walther, Wittmann & Hutchinson. He currently serves as an adjunct faculty member to Loyola University in New Orleans, teaching a course entitled "Educational Policy and the Law." He resides in New Orleans.



His presentation will be a discussion and analysis of recent developments in the law of school desegregation with an emphasis on how those changes affect local school districts.

***23 teachers from six parishes will be honored for their contributions to the children of the metropolitan area  
Come meet the Teachers, their Principals and Superintendents!***

**API General  
Meeting  
Wednesday  
April 25, 2001**

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