

THE LONE STAR PIPELINE



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Our Purpose

The Association of Desk and Derrick Clubs (ADDC) is a non-profit, international organization whose purpose is to promote the education and professional development of individuals employed in or affiliated with the petroleum, energy, and allied industries and to educate the general public about these industries.

Our Mission

Our mission is to enhance and foster a positive image to the global community by promoting the contribution of the petroleum, energy, and allied industries through education by using all resources available.

MEETING INFORMATION

- Our meetings are generally held the second Thursday of each month at 6:00PM at the Brookhaven Country Club | 3333 Golfing Green Dr. | Farmers Branch, TX 75234
- The cost of dinner is \$30, cash or checks made payable to Lone Star Desk and Derrick Club of Dallas | RSVPs must be made by the second Tuesday at 10:00AM unless otherwise stated.
- Prior to the meeting, there will be a Social Hour from 5:00-6:00PM with a cash bar.

U.S. oil pipeline rivals look to consolidate West Texas projects

By Rod Nickel, Bryan Sims
October 13, 2017
Reuters

HOUSTON (Reuters) - As shale oil producers have rushed back into the Permian Basin after a downturn, U.S. pipeline firms have scrambled to plot new pipelines to take all that petroleum from West Texas to refineries, export hubs and petrochemical plants.

But operators with plans for up to 20 new lines are now selling stakes in some of those projects amid concerns that production could fall short of the volumes needed to fill them.

“I suspect some projects will disappear altogether,” said Roberto Simon, Americas head of natural resources and infrastructure for investment bank Societe Generale. “Not every one is going to be viable.”



FILE PHOTO: A vehicle drives next to a series of pipes at a Dakota Access Construction site near the town of Cannon Ball, North Dakota, U.S., on October 30, 2016. REUTERS/Josh Morgan/File Photo

But operators with plans for up to 20 new lines are now selling stakes in some of those projects amid concerns that production could fall short of the volumes needed to fill them.

“I suspect some projects will disappear altogether,” said Roberto Simon, Americas head of natural resources and infrastructure for investment bank Societe Generale. “Not every one is going to be viable.”



The shakeout comes despite record crude volumes being pumped now in the Permian, the largest U.S. oilfield, after a two-year downturn that started in 2014.

Production from the Permian Basin is up 24 percent since the year began, to 2.6 million barrels per day. It has sold at a discount since August to benchmark crude oil stored at Cushing, Oklahoma, according to Reuters data, a reflection of congested pipelines.

But the competing pipeline projects, taken together, would add an enormous amount of pipeline space that even record production might not fill. If all nine new or expanded crude lines were built, it would nearly double the region's current capacity of 2.4 million barrels per day.

Rather than compete for the same customers, the pipeline firms are seeking to cut deals to ensure they can guarantee the energy supplies to fill the lines. None have formally dropped out of the competition, but a hunt for partners signal that the winnowing process has begun.

"There is a lot of money chasing the opportunity right now," said Whit Keuer, a partner in consulting firm Bain & Company's oil and gas practice. "We would expect a pretty big shakeout."

Kinder Morgan and DCP Midstream LP last week signed Targa Resources Corp as an investor in their natural gas pipeline project. Targa separately sold a 25 percent stake in its proposed gas liquids line out of West Texas to Blackstone Energy Partners.

Kinder Morgan declined to comment. DCP and Targa did not respond to requests for comment.

NuStar Energy, which plans a \$1-billion crude pipeline out of the Permian, is in talks with other companies about selling a stake and obtaining access to fuel in the region, said Danny Oliver, NuStar's senior vice-president of marketing and business development.

"If it puts us ahead of the competition and gets a deal done, we would be absolutely open to something like that," he said.

Some analysts say output can accommodate many of the new transportation lines. Permian production - which accounts for the vast majority of U.S. output gains - should rise through 2026, estimates Alex Beeker, senior research analyst at consultancy Wood Mackenzie.

Others think it could peak sooner. U.S. oil output could experience a final spike next year before growth flattens as rising costs make it unprofitable to drill many fields, Ian Taylor, chief executive of oil trader Vitol, said this week.

Gas pipeline operators are also recalibrating expansion plans.

NAmerico Partners LP, which is competing with Kinder Morgan to develop a Permian to Gulf Coast pipeline able to move nearly 2 billion cubic feet of natural gas per day, is in "very active discussion" about selling stakes, said managing partner Jeff Welch.

NAmerico would swap equity for a producer's volume commitment or join with another pipeline and gas gathering company if it would help provide access to more natural gas, he said.

Privately held Permico Energia, which is planning a liquid natural gas pipeline, is negotiating a potential sale of a stake to energy producers for cash and a supply commitment, said Chief Executive Jeff Beicker.

Permico would consider folding in its project with another pipeline if one approached Permico with a strong case for a consolidation, he said.

Some firms aren't looking for partners. EPIC Y Grade Pipeline LP, which struck a deal with BP plc last month to use its proposed 650-mile natural gas liquids pipeline, feels confident enough to go it alone, said Chief Executive Phil Mezey.

It still would welcome supply deals with more energy producers and processors, he said.

The competition for deals to fill the pipelines is so fierce that margins for operating the lines are likely to be thin without consolidation, said Libby Toudouze, portfolio manager at Cushing Asset Management, which invests in energy producers and transportation companies.

Private equity investors have so much capital to invest that they are willing to do so at prices that might not initially produce profits, she said.

"You've got some competition in there that is willing to be a loss leader," Toudouze said.



Dates and News

- October Meeting
 - Thursday, October 19th 6:00 p.m.
- October Board Meeting
 - Sunday, October 23rd 6:15 p.m.
- Industry Appreciation
 - Thursday, October 26th Amegy Bank, Dallas
- November Board Meeting
 - Sunday, November 6th 6:30 p.m.
- November Meeting
 - Thursday, November 16th 6:00 p.m.

Re-alignment of Regions Link

https://www.addc.org/download/1109/region_realignment_ad_hoc_presentation_to_addc_convention_2017_v4.pptx

Midland Chapter in the News!

<http://www.mrt.com/business/oil/article/Desk-and-Derrick-Club-works-to-foster-knowledge-10973069.php>

Energy Jobline

<https://www.energyjobline.com/jobs/>

Remember When?



Wedding at the Well



ADDC President's Letter



Board of Directors

PRESIDENT

Maggi Franks
K & E Computer Services

PRESIDENT ELECT

Christina Forth
AOG International

VICE PRESIDENT

Terry Ligon
L Chem Tech Co., Inc.

SECRETARY

Keith Atkins
Murphy USA

TREASURER

Tammy Watkins
CTKW Petroleum Land Service, LLC.

IMMEDIATE PAST PRESIDENT

Connie Harrison
Valero Energy Corp.

EXECUTIVE ASSISTANT

Linda Rodgers
Process Equipment & Service Co.

PARLIAMENTARIAN

Sheryl Minear, RP
Silver Oil & Gas, Inc.

REGION I DIRECTOR

Bev Roberts
American Refining Group

REGION II DIRECTOR

Jan Bell
Advanced Energy LLC

REGION III DIRECTOR

Claudia Prather

REGION IV DIRECTOR

Evelyn Green

REGION V DIRECTOR

Joan Cartwright
Burk Royalty Co. LTD

REGION VI DIRECTOR

Wendy Sparks
Carl E. Gungoll Exploration Inc.

REGION VII DIRECTOR

Marilyn Carter

Maggi Franks
President

5448 Longview Dr
Cross Lanes, WV 25313
(304) 206-7377 M
maggsmf@aol.com
mfranks@apprailcar.com

October 2017,

Friends and fellow members,

Whew, what a month September was! Texas, Louisiana and Florida suffered from major flooding, Montana, California, Oregon, and Washington had out of control wild fires. My thoughts and prayers go out to those hit so hard by Mother Nature.

In spite of these catastrophes, San Antonio hosted ADDC's 66th Annual Educational Conference and Convention, they did an amazing job. I can't thank Evelyn Green and her committee enough for going above and beyond. We had 231 members registered, and an incredible 41 FIRST TIMERS in attendance. Many of the first timers contributed to the meetings by introducing our speakers, or leading us in an invocation. I'm so proud of them, and hope this won't be their last convention.

Most of the RD letters contain the results of the election and proposed bylaw amendments, so I won't repeat them here. I will remind everyone that mail votes are being sent out to each club. They are: 1) the realignment of the 7 regions into 4 regions, and 2) the elimination of the position of Vice President. Most clubs will have at least 2 meetings to discuss these issues. I urge you to do so. These changes are vital to the survival of ADDC. You the members have tasked the Board to cut costs. These proposed changes will help us do just that. By now you should have received the Realignment committee's report. They did an outstanding job of explaining how and why the new region structures were determined. If you haven't seen it yet, you can find a link to it on the ADDC members' home page.

There was one more cost cutting matter the Board has taken, and was announced at Convention. This measure had to do with management of Association Distribution Office, and the use of a Webmaster. To save expenses the Board has voted to combine the positions into one the ADDC Business Manager. As of January 1, 2018, Wayne Ammons will be assuming that role. This is not a reflection on the performance of our current ADO Manager, Mark Loch. It is strictly a cost saving measure. Mark has been an outstanding employee, and it has been my pleasure to work with him over the last year. I know he will continue to serve our members with the same professionalism and enthusiasm through the remainder of his tenure. Mark was a former Association Secretary, and I know he plans on running for the Board again. He has my utmost gratitude and respect.

Until next month,

Maggi Franks

Region IV Director's Letter

Region IV Director's Newsletter



Evelyn Green

2017 Region IV Director
evelyn@gbcminerals.com

Dorothy Jordan

Corpus Christi
Dorothy.JJ@headingtonenergy.com

Tiffany Sellars

Dallas
TSellars@pittsoil.com

Helen Lovato

Fort Worth
helovato@swbell.net

Lynda McCluer

Graham
ismccluer@yahoo.com

Donna Altomari

Houston
dyatx@yahoo.com

Carla Adams

Lone Star
cadams@jdmii.com

Val Williams

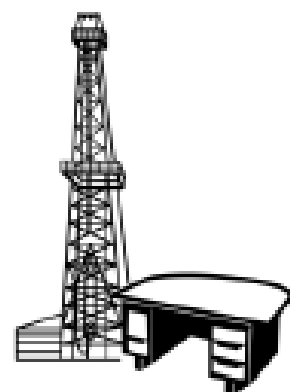
NHMC
Valwilliams1950@gmail.com

Sue Weaver

San Antonio
suew@osbornheirs.com

Lori Lawrence

Victoria
lori_lawrence@kindermorgan.com



October 2017

Thank you, thank you, thank you Region IV members for all of your help during the 66th Annual ADDC Convention. We could not have done it without your assistance. A special thanks to Sonya Edwards and Ann Ratcliff of the Graham Desk and Derrick Club – these two ladies manned the Registration Table every day! Under the leadership of ADDC President Maggi Franks, I feel like this was one of the best conventions. The members of the San Antonio Desk and Derrick Club comprised the GAC Committee and to each and every one of them, my heartfelt thanks. You made my job easy because of your hard work and dedication.

If you weren't there, let me give you just a few highlights. There were 231 members registered for this Convention and out of that number, there were 41 First Timers! Region IV had 10 First Timers – and from their comments, it will not be their last Convention.

As you know, there were five (5) Proposed Amendments and one (1) Proposed Standing Rule Amendment to the ADDC Bylaws that were to be voted on at this Convention. The results of the voting by the delegates were as follows:

Proposed Amendment 1: To Amend Article I – Name by striking the words "Association of Desk and Derrick Clubs hereinafter referred to as "Association" after the word "be" and inserting the words ADDC Energy Education dba ADDC, hereinafter referred to as ADDC." - The Amendment Failed.

Proposed Amendment 2: To Amend Article V – Association Membership, Section 1 by striking the word "clubs" between the words "of" and "organized" inserting the word "chapters". This Proposed Amendment was withdrawn by the ADDC Board.

Proposed Amendment 3: To Amend Article VII – Dues and Fees, Section 1 (a) by striking the words "Forty-Five Dollars (\$45.00)" between the words "be" and "in" and inserting the words "Sixty-Five Dollars (\$65.00)." This proposed Amendment was amended to read "Fifty-Five Dollars (\$55.00). The amendment to the Proposed Amendment passed.

Proposed Amendment 4: Amend Article XVI – Publication by striking the Article in its entirety and re-number the subsequent Articles. (This was to eliminate the DDJ Publication) This Amendment passed.

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Proposed Amendment 5: Amend Article XVIII – Insignia (Emblem) by striking the paragraph in its entirety and inserting the following paragraph: The official insignia (emblem) of the Association of Desk and Derrick Clubs shall be an oval with a black background and gold outline with gold letters “ADDC” in the center. This Amendment failed.

Proposed Standing Rules Amendment 1:

Proposed Amendment: Amend Standing Rule 10 b by striking the words “Association Board approval” between the words “receive” and “by” and inserting the words “approval from the ADDC Immediate Past President.” This Amendment passed.

Realignment of Regions:

There was another very important proposal brought before the Assembly at this Convention. There was an AdHoc Committee (special committee) that was appointed by the ADDC Board to begin a study for a realignment of the current Regions. This Committee worked very hard and diligently for several months gathering information on each and every region. Their final report was presented to the Membership during the Open Forum part of the Business Meeting. Each President was sent this information prior to convention. There was **NO VOTE** taken at Convention on this Proposed realignment.

The delegates were asked to vote to have this proposed realignment taken by Mail Ballot. Each club will be sent the actual Proposal with a deadline to vote by Mail Ballot. Each of the clubs will have ample time to discuss this with members before the Vote is taken.

The Committee recommended that the Seven (7) current Regions of the Association could be realigned into the following four (4) new Regions:

Northeast Region: Combine Region I and II. No splitting individual clubs.

West Region: Combine Region V and VII. No splitting individual clubs. Wichita Falls, currently in Region V will move to the Central Region.

Central Region: The current North part of Region IV Clubs which will include: Graham, Dallas, Lone Star, Ft. Worth will move from the current Region IV to join clubs in Kansas and Oklahoma.

Southeast Region: The current South part of Region IV Clubs which will include: San Antonio, Victoria, North Harris/Montgomery Counties and Corpus Christi will join clubs in Arkansas, Louisiana and Mississippi.

This **would not** be in effect until **January 2019**. With this realignment each new region will have approximately the same number of clubs and same number of regions. There will be only four (4) Regional Directors, instead of the current seven (7). With these changes, there would be a substantial savings to the Association for expenses paid for Regional Directors to attend the Budget and Planning Meeting in January as well as expenses for the Annual Convention.

Again, there was NO VOTE taken at convention on this matter.

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October 2017

One of the many highlights of the ADDC Convention was the election of ADDC Officers for 2018. The results are as follows:

| | |
|--------------------------|-----------------|
| President | Christina Forth |
| President-Elect | Terry Ligon |
| Vice President | Keith Atkins |
| Secretary | Evelyn Green |
| Treasurer | Wendy Sparks |
| Immediate Past President | Maggi Franks |

The following members will serve as the 2018 Regional Directors:

| | |
|------------|-----------------|
| Region I | Carrie Harmon |
| Region II | Beth Etzkorn |
| Region III | Carol Schiavone |
| Region IV | Sue Weaver |
| Region V | Andrea McGarrah |
| Region VI | Casi Nichols |
| Region VII | Tracy Fillmore |

One more item before I close – ADDC Committee Chairman and Members are needed. If you would like to volunteer for an ADDC Committee as either the Chairman or a Committee Member, please let me know. If you want more information about each Committee, you can either go onto the ADDC Website (www.addc.org) or send me an email and I will get the information for you. There should be a representative for each Committee for each Region. Region IV has such a multitude of talent to fill each of the Committees – let's get our Region filled.

Hugs to all,

Evelyn

"The biggest problem is not to let people accept new ideas, but to let them forget the old ones.

John Maynard Keynes

ADO Manager Letter



Board of Directors

PRESIDENT
Maggi Franks
K & E Computer Services

PRESIDENT ELECT
Christina Forth
ACG International

VICE PRESIDENT
Terry Ligon
L Chem Tech Co., Inc.

SECRETARY
Keith Atkins
Murphy USA

TREASURER
Tammy Watkins
CTKW Petroleum Land Service, LLC.

IMMEDIATE PAST PRESIDENT
Connie Harrison
Valero Energy Corp.

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Linda Rodgers
Process Equipment & Service Co.

PARLIAMENTARIAN
Sheryl Minear, RP
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REGION V DIRECTOR
Joan Cartwright
Berk Royalty Co. LTD

REGION VI DIRECTOR
Wendy Sparks
Carl E. Gungoll Exploration Inc.

REGION VII DIRECTOR
Marilyn Carter

Mark Loch
Association Distribution Office Manager
(ADO)

Association of Desk and Derrick Clubs
P.O. Box 847
Bethany, OK 73008

(405) 543-3464 O

Email: ado@addc.org
Website: www.addc.org

Greetings; ADDC Board and Members;

WOW!!! What a convention. The 2017 ADDC International Convention held in Beautiful San Antonio, Texas was amazing!!! There were exciting field trips to Wayne Manufacturing, Wine Tours and Fredericksburg and others. Seminars included; cyber security, shale gas overview and others as well. For those of you who attended I am sure I can speak for us all when I say we had an awesome experience. WE are all looking forward to 2018 convention in Evansville Indiana next year.

The networking, social and educational events were great as well. Attendees experienced a game night with hamburgers and hot dogs, games etc. and it was a great chance to relax and unwind and get reacquainted with friends.

The business meetings were spirited with much debate and an underlying passion and caring for our wonderful organization and the steps that need to be taken in order to grow and maintain the organization for many years to come.

Several bylaw amendments were considered, debated and voted upon. A region realignment proposal was presented and was discussed so that all delegates could report back to their respective clubs in order that a mail vote may take place.

Cost cutting measures were announced including combining the ADO Manager position and the Webmaster position in order to save money for the organization.

Overall all discussion, proposals and actions discussed by membership, delegates and the Board of Directors was aimed at improving, growing and maintaining the excellence of the ADDC for its current and future members.

Club Presidents please be on the lookout for your respective club renewal forms. ADO will be sending these to you by the end of October 2017. Please return the renewal forms as soon as possible. If you have any questions regarding the renewal process for your members or membership for perspective members please contact me at the ADO Office - 405-543-3464, I will be happy to assist you.

I hope everyone has an amazing harvest, fall and Halloween.

Until next month.

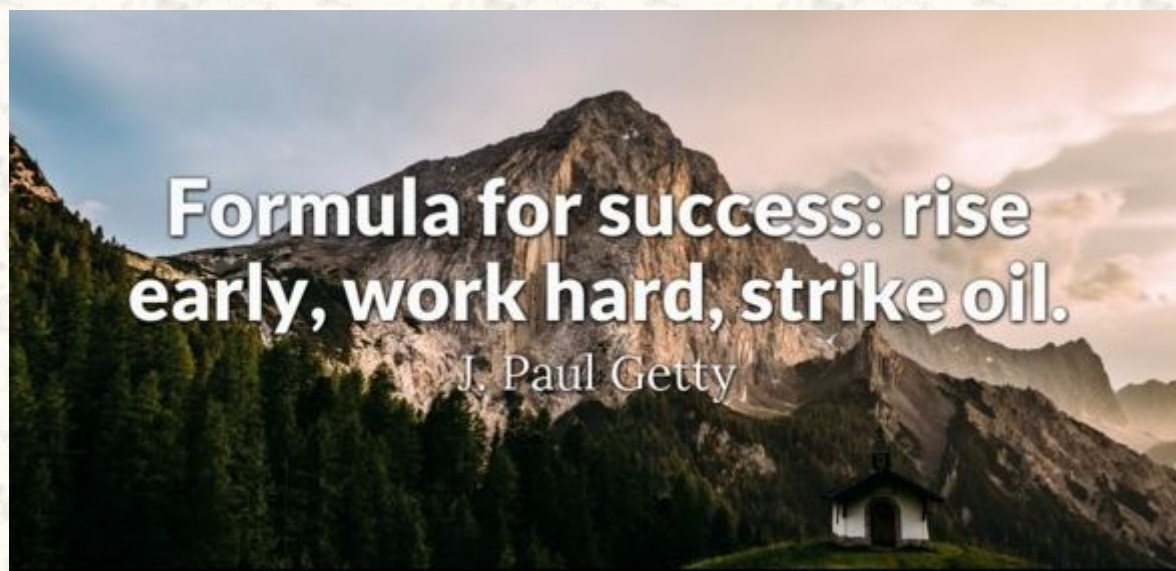
Keep your feet on the ground and keep reaching for the stars in the ADDC and beyond.

Sincerely;

Mark Loch
ADO Manager
ADDC



Lone Star Brunch Installation of 2018 Board Saturday, December 2nd Melrose Hotel, Dallas



| | | | | |
|--------------------------|---------------------------|-------------------|----------------------|----------------------------|
| PRESIDENT | FIRST VP | SECOND VP | SECRETARY | TREASURER |
| Carla Adams | Pat Blanford | John Ezell | Ann Hallam | Peggy Loyd |
| DIR. OF EDUCATION | DIR. OF LEADERSHIP | DIR. OF PR | DIR. OF RULES | IMD. PAST PRESIDENT |
| Shar Fields | Polly Marek | Ian Stageman | Rebecca Edwards | Renee Durham |

MAILING ADDRESS
The Lone Star D&D Club of Dallas
P. O. Box 600416
Dallas, Texas 75360-0416

ONLINE RESOURCES
Club Website:
www.lonestardandd.org
Facebook: [Click Here](#)
Public Calendar: [Click Here](#)
ADDC Website: www.addc.org
Club Email:
info@lonestardandd.org
Texas Energy Council Website:
www.texasenergycouncil.org





In the Spotlight



Peggy Tibbetts is a Partner and Manager of Technical Services at LaRoche Petroleum Consultants. Peggy joined LPC in 1998 after previous employment with William M. Cobb & Associates, Inc. Since beginning her career in 1974 with McCord-Lewis Energy Services, she has worked in various engineering and accounting capacities for both small and large independent oil companies including the Reserves Manager for Bridge Oil (USA) Inc. Peggy's experience includes economics, database applications, and government compliance. She is a member of the Society of Petroleum Engineers and a past Chairman of the Dallas Chapter. Peggy is also a past President of both the Desk and Derrick Club of Dallas and the Texas Energy Council. She has been a member of the Lone Star Desk and Derrick Club since its formation in July of 2014.

October Meeting – Go Drill Game

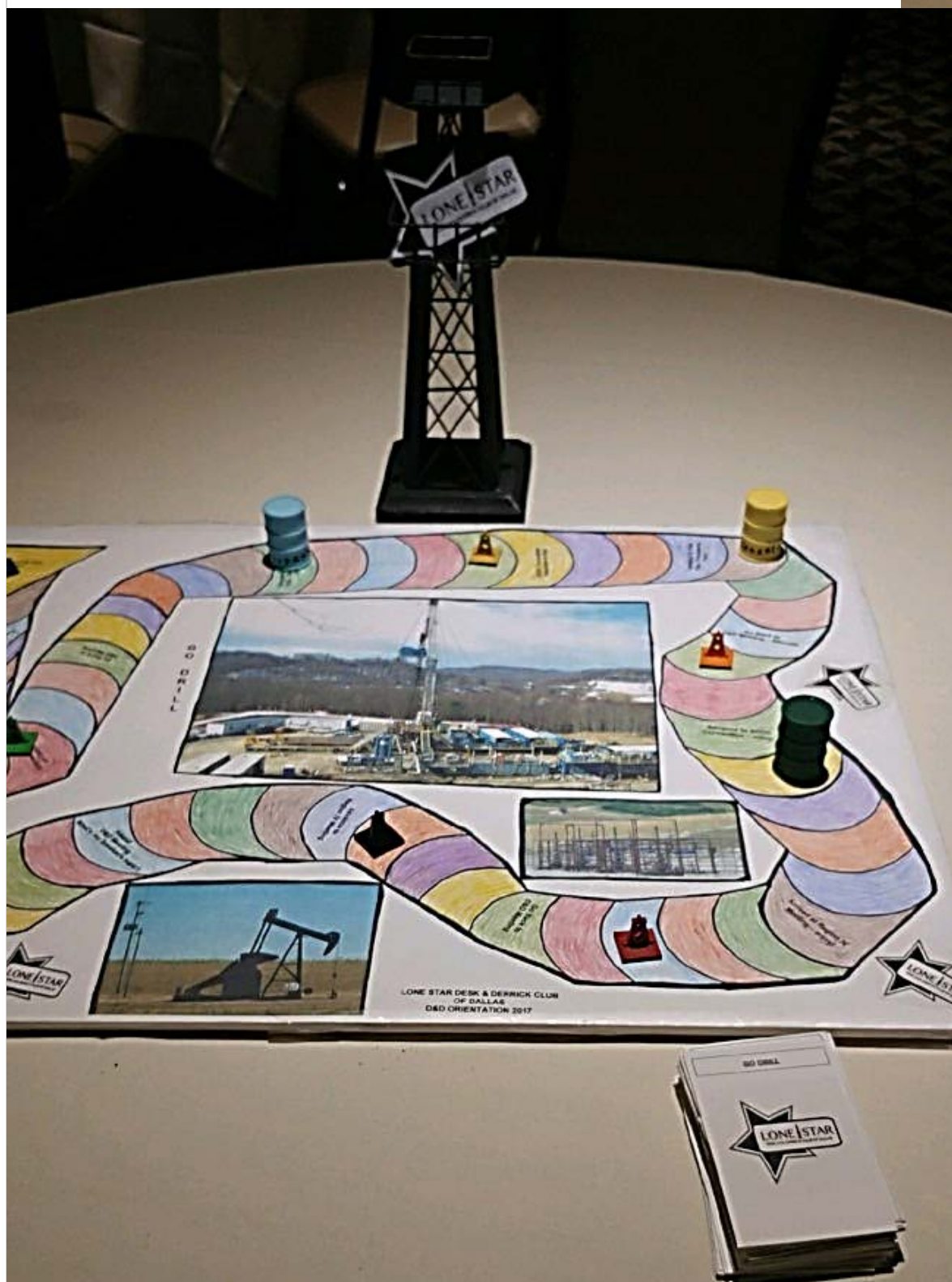
- Lone Star Desk And Derrick Club of Dallas
- Orientation – October 2017
- Created by: Peggy Loyd, Carla Adams and Pat Blanford
- Game: Go Drill
- Players: 4-8 per Board
- Game pieces: gas barrels or oil derricks
- 1 Dice/Board
- Go Drill playing Cards – questions/answers to advance around Board

- Objective: Answer oil and gas terms, oilfield equipment, oilfield personnel and abbreviations as well as Desk and Derrick/ADDC questions to advance around the “Educational Opportunities – the D&D Road Map” game board. The first one to make it back to “the office” wins the game. You actually start in the oilfield and advance back to work. The game board includes spots on the board which read: attending D&D meetings, advance to Region IV, advance to ADDC Convention, volunteer on a committee, volunteer to serve on Board, attend field trip and take pictures for bulletin, attend seminars, go back to D&D meetings – educate, etc. If you miss a question, you don’t advance. While playing, depending on the roll of the dice, you may advance forward or advance backwards. The object is to be the first to reach the office and get back to work.

- We created two Boards and had plenty of “Go Drill” cards to accommodate the number of players divided between the two game boards.

- Special thanks to P. Wayne Ammons for donating the oilfield pictures for the game board.

October Meeting Photos



October Meeting Photos



Janet



Marsha

The Winners!!!

2017 ADDC Convention Photos

