# **Gulf Coast Section**

NFWSI FTTFR



## **General Meeting**

North American Natural Gas Outlook

## **Technical Meetings & Luncheon**

**Distinguished Lecturer 2010-2011 - Near Surface External Casing Corrosion: Cause, Remediation & Mitigation** 

A Data Management Solution for Small E & P Companies

**Global Challenges of the Future Oil & Gas Industry** 

**Developing the Marcellus Shale** 

## **Social Activities**

Auxiliary YP Networking Social

## Chairman's Corner

My message for this month is focused on growing wisdom through building relationships within SPE. Remember that servitude leadership is defined as "humility plus fierce resolve," and last month I shared that "humility plus knowledge is wisdom." The proper definition of "wisdom" is the ability to discern inner qualities and relationships, and "to discern" is to detect something using means other than the eyes, or to understand the differences



by Mark Peavy, KinderMorgan CO2

between such things as right and wrong, or good versus bad.

Every day we are faced with choices. We'd like to believe that most of our decisions are wise ones, but due to our imperfect nature, we may at times make some unwise decisions along the way. The resulting consequences could have life-changing or devastating consequences. So, my dear colleagues, my challenge to each of you is to make better decisions by developing your wisdom. A wise mentor or friend could provide assistance with this effort, for it is said that "he who trusts in himself is a fool, but he who walks in wisdom is kept safe." Reach for wisdom, discipline, and understanding; let these become your coveted friends. These things lead to integrity, which is built over time and can be lost in the blink of an eye, so guard it closely.

Building relationships implies growth, and I am pleased to report on the growth of our section membership for the current fiscal year. During the first five months of the 2010-11 fiscal year we have grown by 1,142 members, from 14,032 to 15,174 (annualized growth of 19%). This includes our student chapters, young professionals, and professionals. Our student chapters have grown by 210 members, from 810 to 1,020 (annualized growth of 62%). The Young Professionals have grown by 275 members, from 2,400 to 2,675 (annualized growth of 27%), and Professionals have grown by 657 members, from 10,822 to 11,479 (annualized growth of 14%).

The exciting thing to me is that the section has added such a large number of Professionals, and that all three groups are continuing in a positive growth curve since Summer 2010 (see Figures 1-3). By projecting the 19% annualized growth rate to year-end membership, forecasted total membership is projected to be 16,773 members – a gain of 2,741 members. I find this to be difficult to achieve, until I see that there are approximately 1,500 unpaid SPE-GCS members, folks who simply decided to allow their dues to expire. The question is: why? My thought is that the SPE-GCS value proposition dropped below their perceived worth, what they are willing to pay relative to their personal gain.

#### **Reservations & Information**

For all SPE GCS topical luncheons and social activities, please register online at www.spegcs.org. You must provide your SPE member number to receive member prices. Guests who have not made a reservation online will be charged an additional amount at the door. Walk-ins are not guaranteed admittance.

• Reservations and cancellations required for all events.

No-shows will be billed.

• Walk-ins will be charged extra.

Mastercard, Visa, American Express, and Diner's Club are accepted for advance reservations only The technical and other opinions expressed by speakers at the Gulf Coast Section meetings may not have been reviewed by SPE and do not necessarily reflect the position of SPE, the Gulf Coast Section, its officers, or members. The only forum for rebuttal and discussion is during the meeting.

#### SPE Houston Office

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#### **Newsletter Committee**

ChairmanKartik RamachandranTreasurerManas GuptaFeaturesBuddy Woodroof

res Buddy Woodroof

For comments, contributions, or delivery problems, contact gcsnewsletter@spemail.org. The deadline for each issue is 6 weeks before publication on the first of each month. The SPE Gulf Coast Section newsletter is published eleven times each program year and is mailed to more than 14,000 SPE members in Houston.

#### Advertising

For information on advertising in this newsletter or on the SPE GCS web site at www.spegcs.org, please contact **Pat Stone**, Star Lite Printing, at (281) 530-9711, starlite1@sbcglobal.net or rstone51@comcast.net.

#### **Change of Address**

Society of Petroleum Engineers Member Services Dept. P.O. Box 833836 Richardson, Texas 75083-3836

> 1-800-456-6863 service@spe.org

## **General Meeting**

#### North American Natural Gas Outlook

Speaker :	<b>Keith Barnett</b> Bank of America Merrill Lynch
Date & Time:	11:30 a.m. luncheon Thursday, February 10
Location:	The Petroleum Club 800 Bell Street Houston, Texas 77002
Cost:	<ul><li>\$35 per member preregistered</li><li>\$40 per nonmembers and walk-ins</li></ul>
Registration: Deadline:	www.spegcs.org 5 p.m., Tuesday, February 8

Valet parking is available at the ExxonMobil Building for \$7. If you have special dietary needs, please note your meal request when you register on-line in the box labeled "Optional comments for the event planner."

Mr. Barnett will explore the key drivers to physical fundamentals of the natural gas market. He will provide some insights into the price outcomes that can be expected based on the impact of those drivers in 2011 and 2012.

Come prepared to think about the implications of shifting rigs from the Barnett and Haynesville shales to Granite Wash and Eagleford plays.

 Keith Barnett is director, strategic analysis for Bank of America Merrill Lynch Global Commodities. He is responsible for the long term fundamental analysis of global energy commodities and their markets.



He has more than 25 years experience in energy analysis, marketing, trading, production, drilling and other aspects of the energy business.

Keith has worked for Brown & Root, Chevron, Columbia Gas, and most recently, with American Electric Power. Keith led the natural gas task force for Edison Electric Institute for several years and testified before FERC (Federal Energy Regulatory Commission) and the U.S. Senate Energy sub-committee on natural gas and power related matters.

He was the power generation lead on the National Petroleum Council 2003 Natural Gas Study. He also served on the Coordinating sub-committee and other sub-groups of that study. He served on the NPC's Global Oil & Gas study prior to joining Merrill Lynch in early 2007. He is a board advisor to a private E&P company.

#### Continued from page 2

My challenge to you, the members of this section, is to continue to help us drive our value proposition upward for all current and future members through world-class dissemination of technical information. Let's regain a significant number of these unpaid members. Jeanne Perdue, SPE-GCS Membership Director, said that "we are growing gangbusters," and it sure appears that we are in a definite up cycle. Let's keep it up.

A significant milestone for our section regarding the dissemination of technical content occurred in December with the first section webinar for the ethics class. Subsequent to this successful pilot, a Board of Directors subcommittee has been formed to help provide guidance, policy, and implementation for this new tool. Additionally, all monthly Board of Directors meetings will be open to the membership in this format. Wouldn't it be interesting to see an electronic library compiled of all of our monthly meetings and workshops created via webinar technology that resides within the section available at our fingertips? Rather than listening to iTunes, one could listen to SPEGCS iTech.

I'd like to close with a well-deserved congratulations to the 2011 SPE-GCS Engineer of the Year nominee, Susan Howes, and the Young Engineer of the Year, Deepak Gala. Both of these members deserve a round of applause for their enthusiasm and dedication to the section and the Society of Petroleum Engineers. Deepak will be recognized at the Young Engineer of the Year banquet to be held on Wednesday, February 23, 2011, at the Intercontinental Hotel.

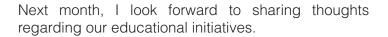




Figure 1. Professional Members

## Monthly Board Meeting

The Gulf Coast Section board of directors meeting will be held from 7:30 to 10:30 a.m., Thursday, February 17 at the SPE Houston office, 10777 Westheimer Road, Suite 1075 (77042). Board meetings are open to any SPE member, but you must register in advance because seating space is limited. If you would like to attend, please register online at www.spegcs.org or contact Sharon Harris at 713-457-6821 or sharris@spe.org.

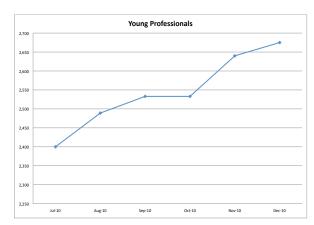
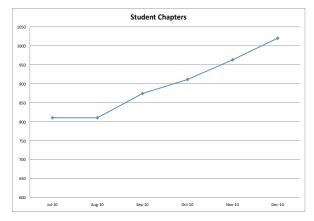
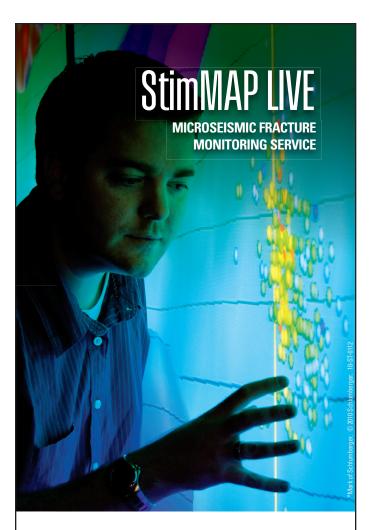


Figure 2. Young Professionals







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## Young Engineer of the Year Awardee



Deepak M. Gala

**Deepak M. Gala** is the US engineering lead for Drilling Hazard Mitigation group at Weatherford International Ltd., based in Houston, TX. He has over six years of experience in the oil and gas industry in US and one year experience in the chemical industry in India. Prior to joining Weatherford's Secure Drilling Services group in 2006 as underbalanced systems engineer, he was employed with Cudd Well Control as a well control engineer. At Cudd, he was exposed to well control engineering, rig inspections, snubbing, and coil tubing operations.

Outside of his Weatherford responsibilities, he is also heavily engaged with the various industry associations and initiatives. He has co-authored over 15 technical publications, regularly teaches SPE-sponsored courses on underbalanced drilling and managed pressure drilling and serves on various regional and international SPE committees. He is the co-author of a chapter on underbalanced drilling in the SPE's textbook Advanced Drilling & Well Technology, and is working on a new textbook that discusses drilling hazards solutions. He serves as an associate editor for SPE Drilling & Completions Journal & technical editor for SPE Economics and Management Journal. He was recently selected to participate on a newly formed SPE Sustainability committee and Young Professional Coordinating committee. He served on the editorial board for The Way Ahead magazine till 2010. In 2008, he received the Outstanding Technical Editor Award for Drilling and Completion Journal. In 2010, he received the SPE Young Member Outstanding Service Award.

Deepak earned a BS degree in chemical engineering from Mumbai University, an MS degree in natural gas engineering from Texas A&M University-Kingsville & an MBA degree in finance from Tulane University. His professional memberships include SPE, IADC, AADE, GARP & ICoTA.

Please join us at the Young Engineer of the Year Banquet at Intercontinental Houston Hotel on Wednesday, February 23, 2011 from 6:00 p.m. to 10:00 p.m. To register for this event, go to:

http://www.houstonengineersweek.org/events\_view. aspx?eventid=40

#### 2010-2011 SPE GCS

#### **Board of Directors Nominees Selected**

The SPE Gulf Coast Section board of Directors approved the following slate of officers and directors as nominees for 2011-2012 at the December 2010 board meeting. According to SPE GCS bylaws (see Bylaws 2009 under About SPEGCS/Governance on www.spegcs.org), this slate will stand as elected unless an alternative candidate (or candidates) is put forth by February 15, 2011. If, by that date, a petition for an alternative candidate is signed by 100 active SPE GCS members, an election will be held at a meeting in May with at least 50 active SPE GCS members in attendance. Other open board positions for 2011-2012 will be appointed by the incoming section chair.

#### Nominating Committee

Jane Moring	Immediate Past Chair
e e	
Skip Koshak	Vice-Chair
Jeanne Perdue	Membership Chair
Robert Bruant	Director
Cindy Reece	At-Large Member

#### **Succession Planning Committee**

Jane Moring	Immediate Past Chair
David Tumino	Vice Treasurer
Hiep Vu	At-Large Member
James Montagna	At-Large Member
Mark Peavy	Current Chair
Sid Smith, Jr.	GC Regional Director

The following slate was recommended by the GCS Nominating Committee, which received guidance from the Succession Planning Committee.

#### Vice Chair

#### Stephen A. Baumgartner, Marathon Oil Company

Steve is a senior technical consultant for Marathon Oil Company in Houston. He joined Marathon in 2007 and is currently a member of the Shale Technology Development Team in Upstream Technology. The team develops and drives technical excellence, expertise and understanding of unconventional shale plays through the effective application of technology, knowledge transfer and development of technical professionals. Steve has held positions in pressure pumping services research and development, operations, technical sales and management throughout his career and has worked and lived in several domestic and international locations. He is a graduate of Grove City College with a BS in chemical engineering.

He is an active member of the SPE and has coauthored Society of Petroleum Engineers technical papers, industry technical publications and internal technical publications on well stimulation chemistry and well stimulation treatment design, execution and evaluation. He has prepared and presented numerous well stimulation and completion seminars, workshops and schools. Steve has served on the Well Completions, Production Operations, Reservoir Monitoring, and the Production Monitoring and Control program committees for the SPE Annual Technical Conference and Exhibition. He was co-chairperson for the 2010 Tight Gas Completions Conference and is co-chairperson of the 2011 Americas Unconventional Gas Conference and Exhibition. He is past chairman and an active member of the GCS Westside Study Group committee and is a Director on the GCS board of directors.

#### Vice Treasurer John Medler, Schlumberger

John Medler has been a member of the SPE GCS since 2002. He has served on the Golf committee since that time in the capacity of treasurer for four years, chairman for two years and senior advisor for two years. During that time the committee produced events that contributed on average over \$50,000 each year toward the SPE scholarship program. He has spent over 30 years in the energy business in upstream, downstream and midstream sectors, and is currently with Schlumberger IndigoPool group. He is a registered professional engineer and has held a NASD Series 65 license as well as a secondary teaching certificate.

#### Secretary Rob Bruant, BP

Rob Bruant is a reservoir engineer/petroleum systems analyst for BP America, Inc., currently supporting BP's Gulf of Mexico-Southern Green Canyon assets. He has served as secretary for the SPE GCS Emerging Leaders Program, chairperson for the GCS Magic Suitcase committee, and GCS director. He has received the SPE GCS Service award, the SPE North American Region Service award, and the SPE Outstanding Technical Editor award. Bruant received a BA in geosciences from Franklin and Marshall College and a PhD in hydrology from The University of Arizona. Prior to joining BP, he was a research associate and instructor in the department of civil and environmental engineering at Princeton University.

#### Director

#### Marise Mikulis, Baker Hughes/Rice

Marisé Mikulis is the director of Baker Hughes' Production Decision Services program. This group is part of the company's Intelligent Production Systems Group that provides asset-scale systems for improving production optimization and reservoir management. In that regard, PDS operates in tandem with BHI's well monitoring and control, artificial lift and chemical treatment products and services. She is responsible for developing the portfolio of services and products that combine BHI's rich production experience with the data delivered via our monitoring technology to help improve the quality of our clients' production programs and digital oilfield pursuits. She brings more than 25 years of experience in the oil and gas industry as well as the tech sector. Prior to joining Baker Hughes, she was Microsoft's Worldwide Oil and Gas industry manager, incubating and growing the now highly successful Energy Industry Business unit. She also has held management positions at companies such as Petroleum Geo-Services and Energistics/POSC. She began her energy career with The Superior Oil Company in Lafayette, La. Mikulis graduated cum laude with a BS in geology and mathematics from Tufts University. She currently serves as an adjunct professor at Jones Graduate School of Management at Rice University in Houston. She is a member of SPE and the Gulf Coast Section, as well as AAPG and the Houston Geological Society.

#### Director Jeff Whitaker, Welltec

Jeff Whitaker is a global account manager for Welltec specializing in developing markets for new and existing technology on a global level for large, international oil and gas operators. He previously served with Expro Americas as technical manager of Downhole Video Services. He has over 30 years experience with the oil and gas industry working for Schlumberger, Shell Oil, Downhole Video, Expro, and now Welltec. He has been involved with the SPE for many of those years and has spent much time involved with the Westside Study group serving in all officer roles and often times gets involved with various other opportunities.

#### Director Mike Sullivan, Chevron

Mike Sullivan is a reservoir diagnostics consultant for Chevron's Energy Technology company in Houston Texas. He serves as a global consultant for issues relating to open hole petrophysics, cased hole logging, pressure transient testing, reservoir surveillance, and integration of dynamic data in the reservoir characterization process. Previously, he was the reservoir surveillance coordinator for Chevron's Tengiz field in Kazakhstan. He had previous assignments as an openhole petrophysicist at ChevronTexaco E&P Technology Company in Houston and as a casedhole petrophysicist for Chevron in Angola. He has held a variety of positions in the petroleum and production engineering since 1979. Sullivan has authored several papers including a Distinguished Author series article in the July 2007 JPT. He has received several best paper awards and was 2009/2010 SPE Distinguished Lecturer on "Using PLT Calibrated Permeability to Improve Carbonate Reservoir Characterization". In 1990-91, he was Chairman of the Central Alberta section of the SPE. He graduated from Montana Tech with high honors in petroleum engineering.

## **Community Services**

**Volunteers** are needed for classroom presentations for K-12 Energy4Me and for Magic Suitcase. New ideas are always welcome on how to engage and encourage the young to participate in science, technology, engineering and mathematics (STEM). Please contact Xuan Harris at xuan.harris@gmail.com





## AUXILIARY

## **Membership**

February 2011		SPE G Decem
DATE:	Friday, February 11, 2011	Decem
	11:00 AM To Be Announced	SPE-G
	To Be Announced To Be Announced	New M Reinsta
DEADLINE:	Tuesday, February 8 Deadlines are FIRM	Transfe Gulf C
<b>CONTACTS:</b> Evelyn Earlougher 281-419-1328 eearlougher@comcast.net		Transfe Other S Unpaid  Studen
Nancy Hill nancyhill2444@sbcglobal.net		- Texas - UH/R - HCC - Unass

Please get in touch with one of the ladies above for details on our February meeting.

#### **Monthly Membership Report Gulf Coast Section** nber 2010

	Total	<b>YP</b> (subset)
SPE-GCS Members	14,154 ↑↑	2,675 ↑↑
New Members	112↓	56 ↑
Reinstated Members	5↓	2↓
Transferred to Gulf Coast Section	68 ↑	24 ↑
Transferred to Other Sections	52↓	17↓
Unpaid	1,452 ↓↓	483 ↓
Student Members - Texas A&M - UH/Rice - HCC - Unassigned Total Grand Total Paid:	Paid 802 ↑↑ 179 ↑ 24 - 15 ↑ 1,080 ↑↑ 15,174 ↑↑	<b>Unpaid</b> 132 ↑ 58 - 2 - 6 - <b>198</b> ↑
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   Basic Drilling Technology, 28 Mar 1 Apr 11-15 Apr
- Operating Company/Service Company Dynamics: How E&P Gets Done, 27-29 Apr NEW
- · Overview of the Petroleum Industry, 5-6 May
- Geology, Geophysics and Petrophysics
- Applied Rock Mechanics, 4-6 Apr
- Compressional and Transpressional Structural Styles, 4-8 Apr
- Well Log Interpretation, 4-8 Apr
- · Wireline Formation Testing and Interpretation, 4-8 Apr
- Mapping Subsurface Structures, 25-29 Apr
- Foundations of Petrophysics, 25-29 Apr
- · Seismic Velocities and Depth Conversion, 25-29 Apr

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#### **Drilling, Completions, and Production**

- Casing and Cementing, 28 Mar 1 Apr
- · Managing Wellsite Operations, 4-8 Apr · Direction, Horizontal, and Multilateral Drilling,
- 11-15 Apr
- Practical Drilling Skills, 25-29 Apr
- · Production Operations 1, 25 Apr-6 May
- Hydraulic Fracturing Applications, 25-29 Apr

#### **Reservoir Engineering**

- Oil and Gas Reserves Evaluation, 28 Mar 1 Apr
- Well Test Design and Analysis, 11-15 Apr Applied Reservoir Engineering, 25 Apr – 6 May
- Petroleum Business
- Fundamentals of International Oil and Gas Law. 11-15 Apr

#### HSE

• Basics of HSE Management, 4-8 Apr · Risk Based Process Safety Management, 11-15 Apr

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## **Completions & Production Study Group**

#### **Distinguished Lecturer 2010-2011 Lecture Season**

#### Near Surface External Casing Corrosion: Cause, Remediation & Mitigation

Speaker :	<b>Jerald Dethlefs</b> ConocoPhillips
Date & Time:	11:30 a.m 1:00 p.m. Wednesday, February 23
Location:	Greenspoint Club 16925 Northchase (77060)
Cost:	\$35 per member preregistered \$40 for nonmembers and walk-ins
Registration: Deadline:	www.spegcs.org Noon, Monday, February 21

Surface casing failures on a group of relatively new wells prompted an investigation into the cause. External corrosion had occurred on the surface casing near the cement top between the casing and conductor and was caused by repetitive wetting events from water entering the unsealed annulus. Testing of water and cement samples indicate that the presence of oxygenated water and chemical salts that leach from the cement creates a low-resistance electrolyte resulting in an extremely corrosive environment. The oxygenated water in this environment creates an electro-chemical cell that corrodes the surface casing. Elevated casing temperatures and a high temperature gradient between the casing and the conductor accelerates the corrosion rate by creating a thermo-galvanic corrosion cell.

This presentation will:

- Discuss the extent of shallow external casing corrosion observed in the field
- Detail the mechanisms leading to the external corrosion
- Detail the mechanical repair procedures used to return the wells to service
- Discuss mitigation methods and remedial treatment to inhibit corrosion on new and existing wells.

This lecture illustrates that well barrier problems are not limited to being internal and deep in the well and require expensive (i.e., rig) methods to repair.

Inexpensive repair approaches "outside the box" of traditional methods can be done safely, reduce risk and provide economic value for the company. The corrosion mechanism discussion should be applicable to most oil and gas operating areas around the globe.

**Jeraid Dethiefs** is a well integrity and diagnostics engineer with ConocoPhillips in the Global Completions and Production Engineering Group in Houston, Texas.

He has twenty-five years of experience with well operations, intervention, production operations, and drilling. For the past eleven years, his focus has been on well integrity issues including policy, diagnostics, best practices, program management and regulatory compliance. He has a BS in general engineering, a MS in civil engineering and an MBA.



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## THEN & NOW



by Buddy Woodroof, ProTechnics Features Editor

#### February 1951

Advertising Age, a magazine that keeps tabs on periodicals of all kinds, reports that in 1950 the magazine with the most total pages of advertising was not Life or Saturday Evening Post but the Oil and Gas Journal. • A survey of the most frequently misspelled words in both general and technical writing revealed the following oft-misspelled words: accommodate, occurred, accelerated, embarrass, separate, desiccant, interpret, incidentally, affects and effects, benefited, changeable, fulfill, grievous, harass, indispensable, noticeable, occasioned, parallel, permissible, precede, referred, seize, supersede, recommend, commitment, descent, existence, prejudice, proceed, stationary, dependent, exaggerate, principle and principal, serviceable, borne, iridescent, furthest, and sizable. (Yes, we have spell-checker now, but one day we might just have to hand-write an important document, so brush up!)

East Texas crude oil - \$2.65/bbl

#### February 1971

Alarmed at the growing crude oil gap it feels is developing in the U.S., Shell Oil Co. reports plans to break out of its domestic cocoon and move exploration efforts outside North America for the first time. • Senator Gaylord Nelson, a Democrat from Wisconsin, replaces Al Gore of Tennessee on the Senate finance committee...one oil industry critic replacing another! (This must have given Al the time to invent the internet and discover global warming.) • The active rig count in the U.S. drops to a modern-day low of 886, the lowest total since the war year of 1943. • In a move designed to bring pressure to bear on OPEC to ease its price-pushing tactics, Great Britain grants Russian-owned Nafta a license to import 30,000 BOPD of Soviet crude for a year.

U.S. active rig count - 886

#### February 1991

Persian Gulf ties to the former Communist bloc are growing as Saudi Arabia, Kuwait and the U.A.E. report plans to lend the U.S.S.R. \$4 billion to accelerate perestroika (Remember that word?). • Key senators propose energy legislation requiring oil companies to contribute 9% of their total crude imports to the Defense Department or Strategic Petroleum Reserve. • U.S. independent producers, not major oil companies, reportedly profited the most from crude price increases following Irag's invasion of Kuwait, according to the EIA.

> Light sweet crude oil - \$22.23/bbl U.S. active rig count – 997

#### The Rest of the Yarn

This month we begin a look back at another one of the "Big Four" oilmen who laid the foundations of a flamboyant lifestyle that would come to define the image of Texas Oil, namely Sid Richardson.

For a man who would one day be proclaimed America's richest citizen, who at his death controlled more petroleum reserves than three major oil companies, Sid Richardson left few footprints on history. He attracted no biographer. In life he earned exactly one magazine profile of note, and while he gave newspaper interviews over the years, they consisted largely of aphorisms and apochryphal stories. Oil industry histories largely ignore him. A lifelong bachelor who lived before the age of prying reporters, Richardson disdained letter-writing, preferring the telephone or delegating the preparation of important documents to one of his assistants. He once told evangelist Billy Graham, "Don't put anything in writing. If you use the telephone, they can never use it against you."

Since his death, Richardson's heirs have adorned several Texas universities with Sid Richardson buildings: a Sid Richardson Hall at the University of Texas, a Sid Richardson College at Rice University, a Sid Richardson Physical Science Building at Baylor University, and a Sid Richardson Science Center at Texas Christian University. Yet his family went out of its way to obscure the facts of Richardson's career. A portrait of Richardson hangs in the Permian Basin Hall of Fame and Museum in Midland, but Richardson's is the only biographical file at the facility that is restricted—reviewable only with the family's approval. Next month, Sid's humble beginnings; lessons learned from his father; and his early friendship with Clint Murchison. (Article excerpted from "The Big Rich.")

#### History Quiz

When Standard Oil was dissolved, it was done on a state-by-state basis. What present day operator results from a merger of the companies that were originally Standard Oil of New York and Standard Oil of New Jersey.

If you would like to participate in this month's quiz, e-mail your answer to contest@spe.org by noon February 15. The winner, who will be chosen randomly from all correct answers, will receive a \$50 gift card to a nice restaurant.

#### Answer to January's Quiz

In 1999 there were 26 rigs working in the deepwater (1,000 ft or more water depth) Gulf of Mexico. That number climbed to a record-setting 40 in the year 2000. At the close of the year 2000, there were 7 rigs working in the 5,000 ft or greater ultradeep water depths.

#### Answer to December's Quiz

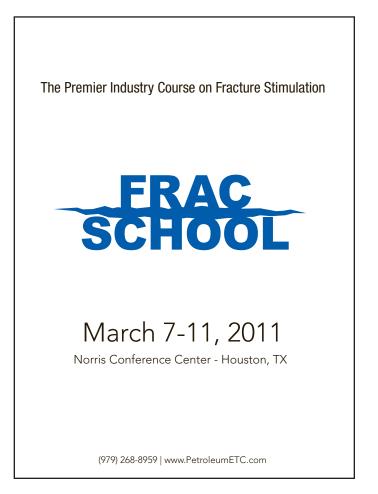
Due to the fear of explosions, oil was initially not a common cargo on ships. The first successful bulk oil tanker, introduced in 1878, was the Zoroaster.

## Congratulations to December's winner – Kitty Duhon with Oxy USA











#### **Deepwater Completions & Production Technology Symposium**

Sponsored by the SPE-GCS Completions & Production Study Group

#### Mark your calendars! Tuesday, February 15, 2011

9 am – 4 pm

Woodlands Waterway Marriott

#### Cost: \$100

Did you miss the SPE-ATCE Conference in Florence this year? If you did, then come join us as we bring a little bit of Italy to you, with this special SPE-GCS Completions & Production Study Group sponsored symposium. This symposium will bring several outstanding author-presenters who presented their papers at the SPE-ATCE in September; they will speak on topics of interest in the deepwater and offshore completions and production technology arena. Among the confirmed presenters are subject matter experts from several operating companies who will discuss produced water treatment practices, NPT reduction strategies, subsea boosting, gravel pack and screen reliability and IPR, highly overbalanced perforating, and well productivity enhancements through specialized stimulation practices. **Sign up now. Limited capacity!** 

		TENTATIVE AGENDA	
Time	SPE Paper	Title	Speaker
8:30 – 9:00 am		Registration	
9:00 – 9:10 am		Welcome	Kevin Renfro, Anadarko
9:10 – 9:20 am		Introduction	James Pappas, RPSEA
9:20 – 10:00 am	134505	Treating Produced Water on Deepwater Platforms: Developing Effective Practices Based Upon Lessons Learned	Ted Frankiewicz, SPEC Engineering Services
10:00 – 10:40 am	134393	The Development of Subsea Boosting Capabilities for Deepwater Perdido and BC-10 Assets	Dusty Gilyard, Shell
10:40 – 11:00 am		Break	
11:00 – 11:40 am	133409	Saving 70% Rig Completion Time on 13 Multizone Wells with Single-Trip Multizone Systems in Mahakam Delta Offshore Indonesia	Jed Landry, Superior Energy
11:40 am – 12:20 pm	135102	Extending Openhole Gravel-Packing Capabilities: Initial Field Installation of Internal Shunt Alternate Path Technology	TBD, ExxonMobil
12:20 - 1:20 pm		Lunch	
1:20 – 2:00 pm	135294	Comparison of Inflow Performance and Reliability of Openhole Gravel Packs and Openhole Standalone Screen Completions	Robert Burton, Conoco Phillips
2:00 – 2:40 pm	135441	Improving Well Productivity Through Openhole Frac-Pack Completion Design	TBD, ExxonMobil
2:40 – 3:00 pm		Break	
3:00 – 3:40 pm	134378	Deepwater Workover Experience with Extreme Hydrostatic Overbalance, 2002—2009	Greg Myers, Shell
3:40 – 4:20 pm	134254	Planning and Execution of Highly Overbalanced Completions from a Floating Rig: The Ursa-Princess Waterflood Project	Chuck Hinnant, Shell
4:20 – 4:30 pm		Wrap up	Syed Khundmiri, TAMU
4:30 pm		Adjourn	

## Digital Energy Study Group

#### A Data Management Solution for Small E & P Companies

Speaker :	<b>Steven B. Jacques</b> Laredo Energy
Date & Time:	11:30 a.m 1:00 p.m. Wednesday, February 16
Location:	Courtyard on St. James 1885 St. James Place (77056)
Cost:	\$35 per member preregistered \$40 for nonmembers and walk-ins
Registration: Deadline:	www.spegcs.org Noon, Monday, February 14

Laredo Energy, a geographically focused South Texas natural gas producer, has begun to solve their data management problems with a PPDM master data store and a combination of commercially available and custom-built software applications. In partnership with the PPDM Association, EnergyIQ, Neuralog, ESRI, Safe Software, and Microsoft, Laredo has increased productivity and gained more trust in the accuracy of their data. Numerous project files created well data silos with inconsistent information. There was no "most trusted source" of well data. Each data vendor has strengths in capturing and delivering different information items, and Laredo has some proprietary information that conflicts with vendor data. The master data management solution provided the foundation for a custom application to deliver this "most trusted data" to the end-users, and has set up the company to implement a data interoperability regime to supply project data stores in the near future.

**Steven B. Jaques** is Laredo Energy's vice president of Information Systems and one of the company's founders. He was previously employed as vice president of Information Systems and Human Resources for Michael Petroleum Corporation.

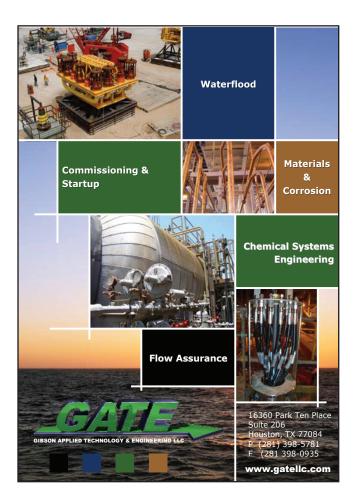
He began his career in the energy industry as a programmer for Upstream Energy Services. He is a graduate of the University of Houston-Downtown, where he received a BBA in finance.

Steven has over 14 years' experience managing data and information systems in the exploration and production industry. In addition, he has participated in the development of several in-house and commercial software products for the E&P industry.



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## Drilling Study Group

#### Climbing the Ladder to Cultural Maturity in HSE: Shell's Journey to Goal ZERO

Speaker :	<b>Nicole Baird</b> Shell International Exploration & Production Company
Date & Time:	11:30 a.m 1:00 p.m. Wednesday, March 9
Location:	Greenspoint Club 16925 Northchase (77060)
Cost:	\$35 per member preregistered \$40 for nonmembers and walk-ins
Registration: Deadline:	www.spegcs.org Noon, Monday, March 7

Over the past few years in Shell, a significant movement towards building a sustainable culture around Health, Safety & Environment (HSE) has been achieved as part of our organization's journey towards "GOAL ZERO". For us, a sustainable culture around HSE means the progression upwards towards an environment of generative behaviors ("it's the way that it's done here) which is achieved through the realization that simplicity drives compliance and compliance is fundamental to achieving a highly reliable organization. Additionally, from a GOAL ZERO perspective, we know that violations are a major cause of incidents and procedural complexity is a major source of violations. This keynote address will delve into the journey that our Wells organization has made, as part of achieving GOAL ZERO, and provide insights & learnings in terms of where we are headed and the challenges that we will face.

**Nicole Baird** currently holds the position of vice president, Global Wells Business & Performance Improvement for Shell. In this capacity, she has the responsibility for global strategies associated with Shell's real-Time Operations Centers, rDtL (revitalized



Drilling the Limit) Performance Implementation & Execution, as well as development of Wells IMIT portfolio to ensure efficiency of both engineering staff and operations. In her career, she also has served as a drilling & completion engineer, deepwater drilling engineer, rig supervisor/company representative and shallow hazards coordinator.

She holds a BS in chemical engineering from the University of Southern California and an MBA from Tulane University.

Some estimate that 90% of U.S. onshore gas wells are producing below the critical rate, are liquid loaded, and production is impaired.



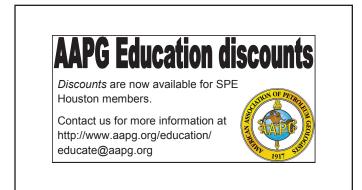
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## International Study Group

#### **Global Challenges of the Future Oil & Gas Industry**

Speaker :	<b>Dr. Behrooz Fattahi</b> 2010 SPE President Aera Energy LLC
Date & Time:	11:30 a.m. luncheon Thursday, February 10
Location:	WestLake Club 570 WestLake Park Blvd (77079)
Cost:	\$35 per member preregistered \$45 for nonmembers and walk-ins
Registration: Deadline:	www.spegcs.org Noon, Tuesday February 8

The balance between the global supply and demand for crude oil is becoming progressively tighter, increasingly requiring our industry to face new and unique challenges. Our industry of tomorrow will have to address the demands of operating in adverse environment, development of new technologies and expediting implementation in the field, as well as optimization of processes and enhancing collaborative efforts to reduce cost,

This presentation provides an overview of initiatives that must be directed at addressing the key issues, as well as SPE's engagement in facilitating the industry dialogue on global exchange of knowledge.

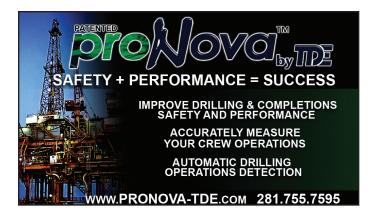


**Dr. Behrooz Fattahi** holds Ph.D. degrees in Aerospace Engineering and in Mechanical Engineering, both from Iowa State University. He works as the Heavy Oil Development Coordinator for Aera Energy LLC, an affiliate of Royal Dutch

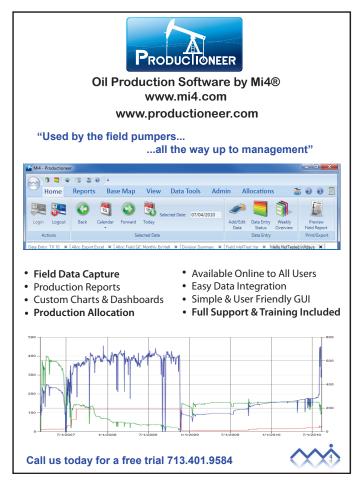
Shell and ExxonMobil companies. Prior to joining the oil industry, he conducted research for the National Aeronautics and Space Administration, and the National Science Foundation, and taught a variety of courses in fluid dynamics and solid mechanics at Iowa State University. He entered the petroleum industry in 1977 by joining Shell International. Behrooz is a past member of the American Institute of Aeronautics and Astronautics, and American Association of University Professors. He served as the executive editor of the SPE Reservoir Evaluation and Engineering Journal, director the SPE Western North America Region, president of SPE Americas Inc., and vice president-finance. He is a member of the Board of American Institute of Mining, Metallurgical, and Petroleum Engineers (AIME), and the United States National Petroleum Council.

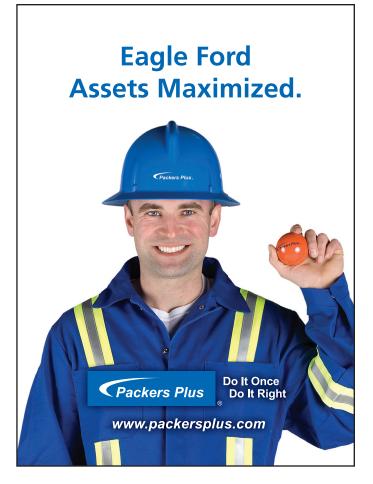
He served as the chairman of the board, and the 2010 president of SPE International, as well as member of the Executive Committee of the SPE Foundation.





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- Masters Sponsorship (\$5,000) This sponsorship receives four (4) foursome teams and all the items the Bachelors Sponsorship receives, with prizes and gift in accordance with sponsorship level, In addition, Your Company Name distinguished on a scholarship, the option to help select the recipient, specifying the engineering discipline, and to present the scholarship at the SPE awards banquet.

We hope that you choose to take part in this worthwhile endeavor. Please contact myself Shawn Skobel <u>Shawn.Skobel@Halliburton.com</u> at 281.988.2348 or Cameron Conway <u>cconway@kb-machine.com</u> at 281.217.0660.



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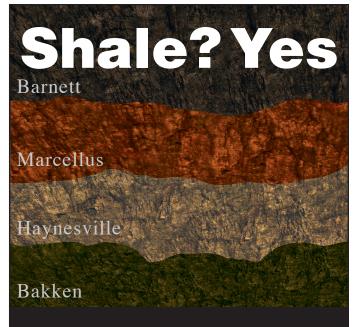
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## Northside

## **Study Group**

#### Developing the Marcellus Shale: Facing the Challenges of Pennsylvania

Speaker:	<b>Chris Doyle</b> Anadarko Petroleum
Date & Time:	11:30 a.m. luncheon Tuesday, February 8
Location:	Greenspoint Club 16925 Northchase (77060)
Cost:	<ul><li>\$30 per member preregistered</li><li>\$35 for nonmembers and walk-ins pregistered</li><li>\$40 per members/nonmembers post registration</li></ul>
Registration: Deadline:	www.spegcs.org Noon, Friday, February 4

Please register early to help us better plan and streamline the luncheon. Walk-ins accepted on a space-available basis.

Parking: Use the contract entrance. Push the button on the kiosk and tell security you are with the SPE Northside Study Group in the Greenspoint Club.

With much excitement and industry interest comes many challenges in developing a new unconventional resource play. Building partnerships with all key stakeholders is critical in executing a successful development program. This presentation will review Anadarko's Marcellus Shale integrated development program in Pennsylvania and the associated technical, operational and regulatory challenges. **Chris Doyle** is general manager – Appalachian Basin for Anadarko Petroleum Corporation. Over the past 15 years, he has held various positions of increasing responsibility within operations, finance, and planning including



international assignments in Algeria and London.

Prior to his current assignment, Chris served as business advisor for Anadarko's Southern Region with responsibilities ranging from regional planning to contract negotiations. In 2007, Chris was named director of enterprise risk after serving as one of three integration managers for Anadarko's 2006 acquisitions of Kerr-McGee and Western Gas Resources. He also spent two years in strategic planning following a variety of operational assignments in the Mid-Continent US, West Texas, Gulf of Mexico, and North Africa asset teams.

Chris holds a BS in petroleum engineering from Texas A&M University and an MBA from Rice University. He was named as a Jones Scholar and received the M. A. "Mike" Wright Award in recognition for leadership, exemplary service, and significant contributions to the Jones School.

# Are Your Fracturing Proppants Performing Effectively?

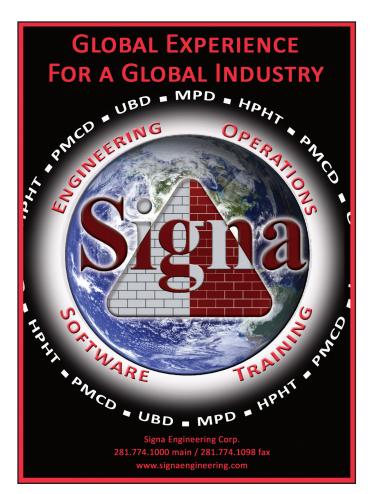


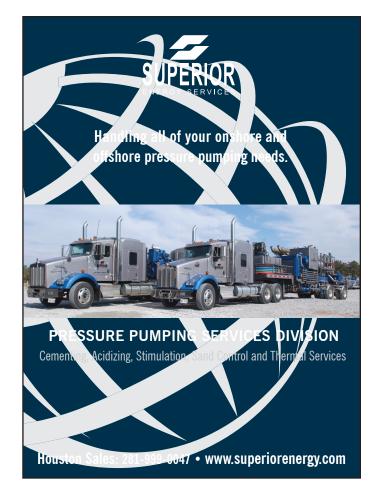
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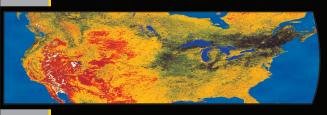












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## Permian Basin Study Group

#### TAP - Treat And Produce (TAP\*) Completion System

Speaker :	Paul Jobe Schlumberger Completions
Date & Time:	11:30 a.m. luncheon Tuesday, February 15
Location:	Westlake Club 570 Westlake Park Blvd (77079)
Cost:	\$35 per member preregistered \$40 for nonmembers peregistered Add'l \$5 for walk-ins (\$40 members/\$45 nonmembers)
Registration: Deadline:	www.spegcs.org Noon, Friday, February 11

The Treat And Produce (TAP\*) Completion System is an innovative completion method designed to allow a theoretically unlimited number of zones to be fracture stimulated in a single, continuous operation. TAP completions offer benefits including a significant reduction in completion time and cost, and the ability to tap reserves that might otherwise have been bypassed.

When the fracturing process is complete, the well can be produced with the darts in place, each dart having a flow area equivalent to 2 7/8" tubing. If wellbore access is needed for future interventions, such as running production logs, a milling operation can be used to remove the darts, or dissolving darts can be utilized.



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**Paul Jobe** is the completions domain champion for North America for Schlumberger Completions, as well as principal production а stimulation engineer for Schlumberger Data and Consulting Services in Oklahoma City.



He holds a BS in petroleum engineering from New Mexico Institute of Mining and Technology in Socorro, NM. In 1993, he joined Dowell, a division of Schlumberger as a field engineer.

For more than 17 years, he has provided expertise in stimulation design and optimization, on-location consulting and technical support, and evaluation of fracturing treatments using production analysis and hydraulic fracture modelling. In 2004, he joined the Oklahoma City Solutions Group as a production stimulation engineer, where he provided stimulation design and technical support, as well as bringing together multiple facets of geology, petrophysics, and geomechanics to provide complete solutions to clients' needs. Since 2005, his focus has been on completion and stimulation strategies for shalegas reservoirs, and has been involved in gas-shale completions in almost every major shale-gas basin in the U.S. In 2010, he joined Schlumberger's Completion Segment to bring his reservoir and stimulation experience to the multi-stage fracturing completions market in North America.



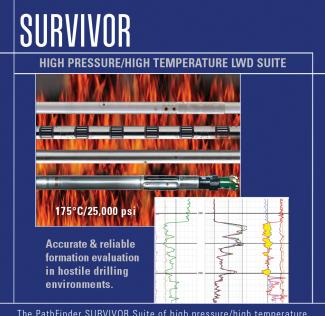
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## Reservoir Study Group

#### Listening to the Reservoir -Interpreting Data from Permanent Downhole Gauges

Speaker :	Roland N. Horne Stanford University			
Date & Time:	11:30 a.m. luncheon Thursday, February 24			
Location:	Courtyard on St. James 1885 St. James Place (77056)			
Cost:	\$35 per member preregistered and prepaid \$40 for nonmembers pregistered and prepaid \$45 for walk-ins			
Registration: Deadline:	www.spegcs.org 11:30 a.m., Tuesday, February 22			

The permanent downhole pressure gauge is a class of tool recently harnessed in the industry. These tools are installed during the well completion and provide a continuous record of pressure changes during production. Permanent downhole gauges have the potential to provide more information than the traditional well test, which is carried out for a relatively short duration. Permanent downhole gauges may provide useful information regarding changes in reservoir properties or well condition with time as reservoir is produced.

However interpretation of permanent downhole gauge data is a new problem. Firstly, unlike the traditional well test where "disturbances" in reservoir (i.e. rates) are created and pressure and rates are both known, in the record from the permanent downhole gauge the changes in rates may not be properly known. Moreover, the dynamic changes in the reservoir, along with changes in the flowing temperature or in the gauge itself, make the data more complicated to interpret.

Main Idea: Permanent downhole gauges are being applied widely now, yet there is still much to be done to capitalize fully on all the advantages they can offer. **Roland N. Horne** is the Thomas Davies Barrow Professor of Earth Sciences at Stanford University, and was the chairman of Petroleum Engineering from 1995 to 2006.



He holds BE, PhD and DSc degrees from the University of Auckland, New Zealand, all in engineering science. Horne has been an SPE Distinguished Lecturer, and has been awarded the SPE Distinguished Achievement Award for Petroleum Engineering Faculty, the Lester C. Uren Award, and the John Franklin Carl Award. He is a member of the U.S. National Academy of Engineering and is also an SPE Honorary Member.



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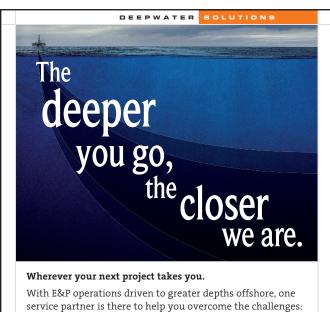
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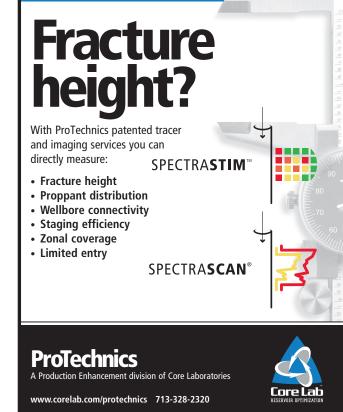


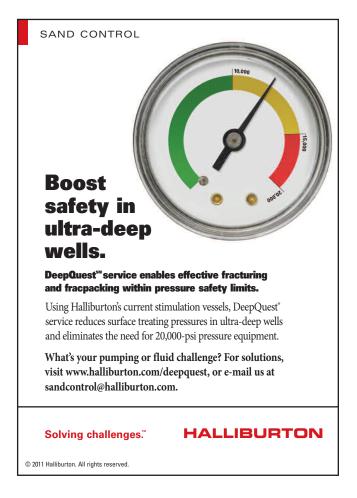


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## Westside Study Group

#### Proppant Selection and Its Effect on the Results of Fracturing Treatments Performed in Shale Formations

Speaker :	John Terracina Momentive Oilfield Technology Group
Date & Time:	11:30 a.m. luncheon Wednesday, February 16
Location:	Westlake Club 570 Westlake Park Blvd (77079)
Cost:	\$35 per member preregistered \$40 for nonmembers and walk-ins
Registration: Deadline:	www.spegcs.org Noon, Monday, February 14

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Since the introduction of hydraulic fracturing, the industry has been attempting to establish laboratory testing parameters that assist operators and service companies in their effort to select the optimum proppant for a particular field application. An example of this effort is the development of the "long-term baseline conductivity laboratory test" for proppants. While this test is a huge leap forward in subjecting proppant to simulated downhole conditions, it still does not adequately address many additional factors that can impact the effectiveness of the proppant such as:

- a) Proppant fines generation and migration in the fracture
- b) Proppant resistance to cyclic stress changes
- c) Proppant embedment in the fracture face
- d) Proppant flowback and pack rearrangement in the fracture
- e) Downhole proppant scaling.

Most proppant choices are currently based on which one has the highest baseline conductivity, along with its cost and availability. While this approach seems logical, it runs the risk of overlooking or under-valuing other critical factors affecting proppant performance in downhole environments.

To better define what constitutes the most effective proppant for a particular application, field cases will be presented that focus on the impact of proppant selection in a number of wells completed in various shale formations. The analysis will examine the production history associated with a variety of proppant choices. In an effort to better understand the production results, a series of lab tests will be performed on the proppants utilized in the field cases. These tests will attempt to establish how these factors (such as proppant fines, cyclic stress, embedment, proppant flowback, and scaling) could be used to explain and support the results of the field cases.

**John Terracina** is the fracturing technology manager for Momentive's (formerly Hexion) Oilfield Technology Group in Houston. Before joining Momentive, he worked at Halliburton's Research Center in Duncan, OK for 30 years. He has ten patents on fracturing and has written over 30 technical papers. He has been a member of SPE for over 30 years and served as Chairman of the SPE Southwest Oklahoma Chapter. John is a Technical Editor for SPE's Editorial Review Committee.

John graduated from Northeast Louisiana University with a BS degree in chemistry.

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12 Locations 145 MWD Systems 500+ Drilling Motors 400 Personnel

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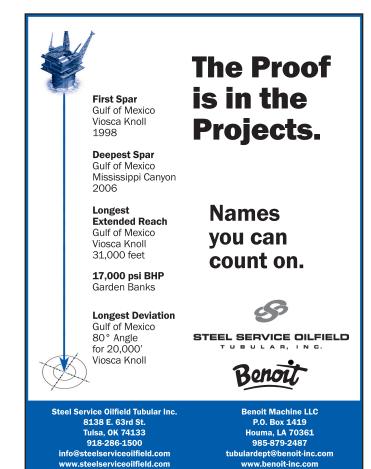
#### One Horizontal & Directional Drilling Company Focused on Performance

**Nevis Energy Services Inc.** has operated as the US Division of Phoenix Technology Services since 2002. We want our clients to see the depth of our expertise and how this creates advantages for their drilling applications. Therefore, as of September 1, 2010, Nevis will operate as Phoenix Technology Services USA Inc., unifying our name with our other operations worldwide.





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## **Young Professionals**

#### 2011 Health, Safety, Security, & Environmental Conference 1<sup>st</sup> Annual Young Professionals Session

Date, Time & Location: 21 March 2011, 10AM-4PM, Westin Galleria Hotel, Cost for YP Session: \$50 Registration Link: <u>http://www.spe.org/events/hsse/2011/pages/general/registration.php</u>

The session will kickoff with brief presentations from industry experts to provide background on some of the challenges associated with aligning industry HSSE performance expectations. Participants will then break out into teams to develop an approach or idea to address this challenge. What would be your approach/ideas to drive better performance and gain industry alignment in regards to HSSE? Industry is often judged (by regulators, public, and governments) by the lowest performers. Is there a way to build a more consistent and collaborative culture across industry so that everyone shares the same objectives of reducing safety incidents to zero and protecting the environment? And if so, can this be done without sacrificing individual companies' competitive advantages or antitrust concerns? The topic scope includes all aspects of Health, Safety, Security, and Environment as well as all types of industry companies, including operators, drillers, and service companies.

#### Speaker List

Industry Collaboration

Jack Toellner, Senior Technical Advisor-Safety, ExxonMobil • Environmental Industry Trends Judy Freeman, Principal, Green SEED Energy • Safety/Security Industry Trends Tom Knode, HSE Manager, Halliburton

Generations in the Workplace

Mike Thompson, Safety Manager, BP

#### **Development Dinner: Mergers and Acquisitions**

**Coming off SLB/Smith; Baker/BJ; XOM/XTO; what's next and what is to be made of all this consolidation?** *Date, Time & Location: 15th Feb 2011, 6PM-8.15PM, Westlake Club (570 Westlake Park Blvd, Houston TX, 77079) Registration Link: http://www.spegcs.org/en/cev/reg/1913/* 

Times: - 6:00- 6:30 PM Registration and Cocktails, 6:30 - 7:00 PM Dinner and Introductions, 7:00 - 8:15 PM Presentation, Q/A Speaker to be announced soon. Please contact Stephen Ingram (stephen.ingram2@halliburton.com) if you have any questions.

#### Networking Event: Young Professionals Videogame Happy Hour

Date, Time & Location: 24th February, 2011, 5:30PM-9:00PM, Joystix Arcade & Bar, 1820-B Franklin Street, Houston, TX 77002 Registration cost: **FREE**, Registration Link: <u>http://www.spegcs.org/en/cev/reg/1922/</u>

The Joystix showroom has over 250 videogames, from new games to your favorite classics like Skeeball, Area 51, Paperboy, and more. A full service bar and lounge is next door with plenty of room to meet and mingle with fellow YPs. AXL Industries has generously sponsored catering from Alamo Tamale, an assortment of door prizes, and a free drink ticket for all pre-registered guests. For questions or inquiries, please contact please contact Heather Ardeel (heather.ardeel@crzo.net). Event sponsored by AXL Industries, a Houston-based HSSE firm providing customized solutions for your environmental, geotechnical, and compliance needs.

**Emerging Engineers Conference (EEC):** The SPE-GCS young professionals encourages you to share your knowledge, ideas, expertise, innovations, best practices and case studies by submitting an abstract to the 2011 Emerging Engineers Conference (EEC) Poster Session to be held in Houston on June 2nd. The EEC is the most highly attended conference among young professional in SPE-GCS, and this is an excellent opportunity to showcase your success in a poster session. Please submit an abstract (500 words max) of a project you have made a significant contribution to Jonathan Wood (jwood@chevron.com). Please include your company, years in the oilfield, and contact information with your abstract. This poster session will provide project exposure among your peers as well as prominent industry speakers that will be attending the event. The deadline to submit an abstract is Friday April 29, 2011.

**SPE GCS Young Professionals Executive Club:** The Executive Club aims at recognizing our dedicated members who are truly tomorrow's leaders. Being a part of the SPE YP Executive Club is easy! It's a simple 3 step process - Participate, gain points & win gift cards, prizes and recognition every quarter! We certainly hope you become either a Platinum, Gold or Silver member of the Executive Club soon.

• Attend SPE YP events (100 points per event attended) • Volunteer for SPE YP events (50 points per hour volunteered) • Bring your friends to attend SPE YP events (100 points per referral). Please contact Sandeep Pedam (spedam@slb.com) if you have any questions. Executive club announcement for the first quarter of 2011 will be done on 13<sup>th</sup> April 2011.

**Email Blasts and Social Networks:** To ensure you receive our monthly email blasts sign-in at www.spegcs.org. Click on "Member Services", then "My Email Alerts". Check the "Committee-Young Professionals" box! For more information on SPE GCS Young Professionals, please check us out on LinkedIn, Facebook, Twitter & Youtube.

Interested in finding out more about the SPE Young Professionals Committee or joining the board next year? If so, we invite you to attend our monthly board meetings! Use this as a time to get plugged in more or to meet some new faces in the organization. Please contact Andrea Hersey (Andrea.Hersey@momentive.com) for more information or check the GCS calendar for upcoming meetings. We look forward to meeting you!

## Society of Petroleum Engineers TRAINING COURSES

#### Not all skills are learned on the job. Learn them from professionals with real industry knowledge.

Visit the SPE Training Courses website at <u>www.spe.org/go/trainingcourses</u>. for a full list of training courses and current schedule.

Production Optimization and Recovery Enhancement Using Artificial Intelligence and Data Mining Shahab Mohaghegh

7-8 February 2011 Houston Training Center

Introduction to Managed Pressure Drilling Deepak Gala

Asset Management: Tools, Process, and Practice Alok Jain

9-10 March 2011 Houston Training Center

15-16 February 2011

**Houston Training Center** 

Managing Your Business Using PRMS and SEC Standards John Etherington and Rawdon Seager

22 March 2011 Houston Training Center

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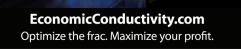
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## February Events

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8 Northside, p21	9	10 Gen Mtg, p3 International, p17	11 Auxiliary, p8	12
13	14	15 Permian, p23	16 Digital Energy, p13 Westside, p27	17 Board Mtg, p4	18	19
20	21	22	23 C & P, p9	24 Reservoir, p25 YP, p29	25	26
27	28					