

# Compact Comments



July 2005

## ENERGY MANPOWER PUBLICATION IS A TEXTBOOK CASE

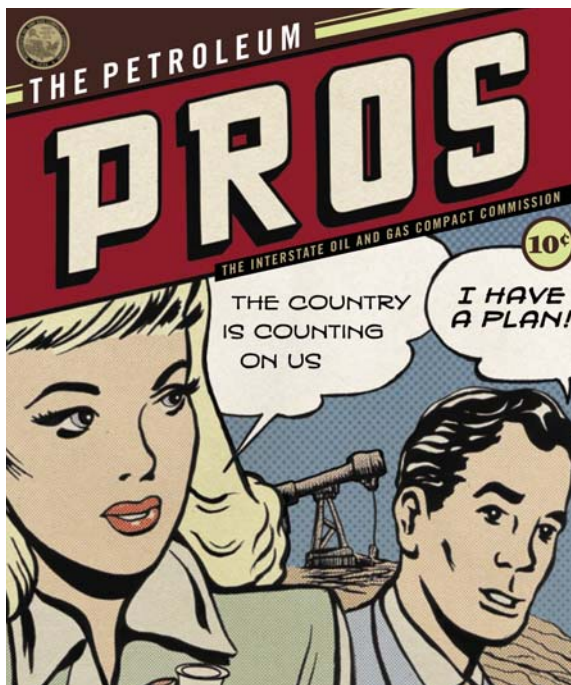
IOGCC's publication "The Petroleum Pros," developed by the Blue Ribbon Task Force led by North Dakota Gov. John Hoeven, will be recognized for its exemplary design and appear in the second edition of the textbook, *Public Relations Publications: Designing for Target Publics*, to be released in July 2006.

The publication documents the falling number of petroleum-specific degrees awarded and illustrates action plans to combat the growing problem. Hoeven submitted comments on the manpower issue at a U.S. House Subcommittee on Energy and Mineral Resources hearing in 2004.

Hoeven, who chaired the IOGCC in 2003, has been a strong advocate in combating the manpower problem. He launched a successful campaign that filled 77 percent of North Dakota's oil and gas industry positions with qualified candidates in just two months.

"It is clear that addressing the manpower issue is an opportunity for states, the federal government and industry to each contribute to a long-term solution," the governor said in his comments to the subcommittee.

The IOGCC is one of few organizations honored by selection for the new edition of *Public Relations Publications*. Log on to [www.iogcc.state.ok.us](http://www.iogcc.state.ok.us) to download the full publication.



"The Petroleum Pros," selected for a textbook example, illustrates solutions states, federal government and industry can take to alleviate the manpower problem.

## TWENTY-SEVEN STATE INSPECTORS CERTIFIED

This summer IOGCC has recognized 18 state oil and natural gas inspectors for successfully completing the organization's National Inspector Certification Program and will recognize 9 more this month.

The program has created national standards for state regulatory agencies to certify personnel responsible for inspecting oil and gas wells.

Since the program's inception five years ago, more than 100 certifications have been awarded.

Eighteen North Dakota inspectors were acknowledged June 21 in New Town, ND, for completing the program. Glen L. Wollan, David J. McCusker, Darrell Nodland, Scott Dihle, John Axtman, Jason Erickson, Thomas K. Delling,

Jesse Frank, Scott Ladner, Todd C. Holweger, Rick Hutchens, James Dufty, Mark Bohrer, Bruce Hicks, Kelly Triplett, James R. Legers, Bruce Juenker and Robert Garbe were presented with certificates by North Dakota IOGCC Official Representative Lynn Helms, director of the state's oil and gas division.

Nine certificates will be awarded during an Oklahoma ceremony July 19. Gayland Darity, Tom Searcy, Starrling K. Neal, Phil Jones, Daniel Miller, Grant Ellis, Brad Ice, Richard Kersey and David Howard passed the examination.

Retired state oil and gas directors Wes Norton, Don Basko and Bill LeMay have been instrumental to the program's success.

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### IOGCC OFFICERS

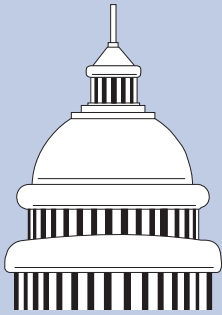
**Chairman**  
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Gov. Dave  
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**Executive  
Director**  
Christine Hansen



## ON THE HILL

By Kevin Bliss

The U.S. Senate passed, 85-12, a largely bipartisan energy bill June 28, allowing Senate Energy and Natural Resources Committee Chairman Pete Domenici to meet his goal of passing a bill before the July 4 recess.

Congress is now under pressure to meet President Bush's August deadline for signing an energy bill into law. This gives yet-to-be-named House and Senate Energy Conferees little time to meet and agree upon a conference report on the Senate and House passed energy bills prior to that deadline. Given the significant differences between bills, this could prove to be a tall order.

The MTBE issue has been controversial and many believe was the reason an energy bill did not pass in the last session of Congress. Passage of an energy bill is still far from a certainty.

Avoiding many controversial issues, the Senate measure was the product of a bipartisan process designed to produce a bill that could pass easily.

The IOGCC will advocate for the Senate to accept House language on a number of oil and natural gas-related issues, such as hydraulic fracturing and stormwater. The good news is that where both bills contain a provision, the provision is likely to make it into any conference report. Included in this category is the orphaned and abandoned well provision that authorizes a \$5 million program for the IOGCC to supplement state plugging funds. An appropriation is necessary for this to occur.

Senators addressed the Arctic National Wildlife Refuge issue in the form of a budget resolution, thereby avoiding a contentious debate – and likely filibuster – of the energy bill. For development in ANWR to become a reality, however, the House must also address the issue in a budget resolution rather than as a part of energy legislation.

Concerning oil and natural gas R&D, the Senate Committee on Appropriations approved a bill that partially restores R&D funding to the U.S. Department of Energy's Fossil Energy Research and Development "Natural Gas" and "Petroleum-Oil" Technology accounts. The Senate is expected to take up the bill soon. As in the House, this action rejects the administration's budget request for FY 2006, which proposed cutbacks that would have terminated the two fossil energy R&D programs and effectively eliminated DOE's Office of Oil and Natural Gas.

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## CNN FEATURES OFFICIAL REPRESENTATIVE'S BUSINESS ODYSSEY

Recent oil prices prompted CNN Headline News to take an "up close and personal" view of Kentucky IOGCC Official Representative Bill Daugherty's business, NGAS Resources Inc.

The interview, which aired June 15, gave viewers a glimpse of the challenges Daugherty has faced since the day he launched his energy company in 1984 and the success recent oil prices has brought him. NGAS stock has jumped 1,500 percent since 1999.

The recent surge in the oil and gas industry has given Daugherty cause to celebrate. In 1998, NGAS Resources drilled only five wells. In 2004, the company drilled 155.

"It's given me the opportunity to grow the company and that's an immense amount of fun," Daugherty said in the interview.

When Daugherty began Daugherty Petroleum, Inc., in 1984 as a subsidiary of NGAS Resources oil prices began to fall.

"Little did I know that that was probably the worst time in the history of oil and gas to start a company," Daugherty said. "(But) I'll guarantee you one thing, if oil drops to \$10 a barrel, it's going (to go) back up."

## PROJECT PROGRESS: UPDATE

IOGCC's Produced Water Management research project has identified potential regulatory barriers and proposed initiatives of various state agencies that could affect water management practices.

From the research conducted during the past nine months, a draft summary document was produced that describes, summarizes and analyzes various produced water treatment systems developed by oil and gas producers, research organizations, water treatment service companies and universities.

In addition, continued work on a variety of water management practices has been researched. Scheduled visits began in June 2005 in the states of Oklahoma, Kansas, Montana, Wyoming and Alaska.

The IOGCC Federal Lands Access project has involved contacting over 50 representatives from various federal and state agencies and performing independent internet research. At this point the IOGCC has identified over 35 National Environmental Policy Act Program (NEPA) documents and 12 guidance manuals that address oil and gas development impacts and scenarios.

The IOGCC has evaluated these documents and identified relevant methodologies used to predict oil and gas impacts. The methods for variations, regional influences, significant

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## ON THE HILL

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Also, the IOGCC's request for a line item appropriation was included in the Senate Energy and Water Appropriation bill. This would not have happened without many of you who wrote to your senators to support this appropriation. Although this provision was in the Senate bill, it is absent from the House bill, and ultimate success will depend upon a positive decision in the House-Senate Energy and Water Appropriations Conference. The conference committee is usually comprised of the members of both the House and Senate Appropriations subcommittees. We will again need your help to support this very important appropriation request.

### ***Congressional Energy Staff Profile***

Lisa Epifani is the majority counsel to the Senate Energy and Natural Resources Committee. As counsel, Epifani is responsible for advising Chairman Pete Domenici and the Committee on Electricity and Oil and Natural Gas Policy. Her duties include drafting legislation, managing legislative and oversight hearings, and evaluating and coordinating views and proposals of government officials and energy stakeholders.

Prior to joining the Senate Energy Committee in 2003, Epifani worked in private practice as well as serving as a political appointee of President Bush at the U.S. Department of Energy as Senior Legislative Advisor in the Office of Congressional and Intergovernmental Affairs.

The IOGCC appreciates Epifani's assistance on the committee.

## INSPECTORS

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For more information, contact your state oil and gas director or the IOGCC at 405-525-3556 if your state does not currently participate. Log on to [www.iogcc.state.ok.us/CSRO/CSROMainPage.htm](http://www.iogcc.state.ok.us/CSRO/CSROMainPage.htm) for a program description.

## Did you know.....

- The United States is the third largest producer of crude oil in the world, producing an average of 5.4 million barrels per day in 2004.
- Saudi Arabia and Russia are the first and second largest crude oil producers, producing an average of 9.1 million barrels per day and 8.8 million barrels per day in 2004, respectively.
- The United States produces more than twice the amount of crude oil produced by Iraq, which produces 2 million barrels per day.

\*Source: Energy Information Administration, May 2005 International Petroleum Monthly, "World Crude Oil Production (Including Lease Condensate), 1970 - 2004"

## PROJECT PROGRESS: UPDATE

*Continued from Page 2*

environmental parameters affecting impacts and applicability to resource (oil or gas, conventional or non-traditional) development have also been evaluated.

The IOGCC has scheduled field inspections and verifications with the states of Wyoming and Montana.

Web sites including basic information about the projects have been developed as part of the technology transfer and communication phases and can be found at [www.all-llc.com/iogcc/prodwtr](http://www.all-llc.com/iogcc/prodwtr) and [www.all-llc.com/iogcc/nepa](http://www.all-llc.com/iogcc/nepa).

The U.S. Department of Energy's National Energy Technology Laboratory provided funding for these grant projects. For further information, contact the Project Manager, Mark Carl, at (405) 525-3556, ext. 119.

## BRIEFLY

### IOGCC APPOINTMENTS AND OTHER NEWS

- Acting Deputy Assistant Secretary for Fossil Energy Mark Maddox recently announced his resignation from the U.S. Department of Energy. Maddox has served the Office of Fossil Energy since 2003 and will remain in his position until a successor is confirmed.
- U.S. Secretary of Energy Sam Bodman announced that Craig Stevens has joined the U.S. Department of Energy's Office of Public Affairs as press secretary. In this role, Stevens will serve as the primary day-to-day spokesman for the activities and policies of the department.
- Keith Thomas, former IOGCC federal projects manager, has been named assistant general counsel for the Oklahoma Corporation Commission's Oil and Gas Conservation Division.

# IOGCC ANNUAL MEETING

"TECHNOLOGY: REVOLUTIONIZING ENERGY AND REGULATION"



JACKSON HOLE, WY  
SEPT. 17 - 20, 2005

LOG ONTO [WWW.IOGCC.STATE.OK.US/WYOMING2005.HTM](http://WWW.IOGCC.STATE.OK.US/WYOMING2005.HTM)  
FOR THE LATEST INFORMATION.

## Calendar of Events

**Annual Meeting**  
Sept. 17-20, 2005  
The Snow King Hotel  
Jackson Hole, Wyoming

**Midyear Issues Summit**  
May 1-3, 2006  
Grand Hotel  
Point Clear, Alabama

**Annual Meeting**  
Oct. 15-17, 2006  
Omni Hotel  
Austin, Texas



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