

# 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.



### Tanker Carrying The First US Barrel Of Oil To Be Exported Sets Sail

This is a photo of the *Theo T* tanker being loaded with crude oil at NuStar's North Beach Terminal at the port of Corpus Christi. The Bahamas-flagged tanker left the port Thursday afternoon.

It is carrying the first known export cargo of US light crude oil since the oil export ban was repealed last month. ConocoPhillips is selling the oil, and NuStar Energy loaded it onto the *Theo T*. The 2003-built tanker arrived in Corpus Christi last Tuesday. It is operated by Greece-based Ionia Management and owned by Afinity Maritime.

Neither NuStar nor ConocoPhillips has yet revealed the ultimate destination of the oil, though [Bloomberg reports](#) that the cargo is headed to Italy. The buyer of the [Eagle Ford light crude oil/condensate](#) is Switzerland-based Vitol Group. That's the same company that is reportedly set to purchase the 600,000 barrels of oil [Enterprise Products Partners](#) plans to ship this week.

San Antonio-based NuStar said it has heavily invested in recent years to expand its South Texas Crude Oil Pipeline System to transport crude oil from the Eagle Ford Shale play to Corpus Christi. The company has also invested in its Corpus Christi terminal operations with the addition of additional storage tanks, dock space and automated systems that enable NuStar to better accommodate and provide logistics services for its clients. This includes the ability to load export-size cargoes from its docks.

NuStar President and CEO Brad Barron commented, "Based on our investments in Corpus Christi and our South Texas pipeline system, NuStar was well-positioned, equipped and staffed to immediately begin loading cargoes for export."

He continued, "And we plan on further expanding our Corpus Christi operations to provide more options to our customers to move Eagle Ford Shale crude oil, whether it is being moved domestically or internationally. In fact, we are currently in the process of developing a second private dock in the Port of Corpus Christi."

## Are We Headed For \$200 Oil? You May Be Surprised

Posted by [OilJobsND](#) | January 7, 2016 |

The price of crude oil is low now, but the same thing that led to a huge spike in oil is happening again potentially setting us up for \$200 oil, if the perfect storm comes together.

If you look at oil prices at the current moment, the picture isn't pretty. Over the last year oil has tanked to a seven-year low, and we may not be at the bottom yet. Nobody knows when we will bottom out, but we do know that when oil prices go down they always come back up. The same thing that happened before the boom went nuts is happening right before our eyes.

Back in 2005 analysts over at Goldman Sachs predicted a huge jump in oil prices. When oil was hovering around the \$50 mark they said it would double and hit somewhere around \$110 a barrel by the year 2009. What happened was that number ended up being on the low side of where oil actually went. Sometime in 2008 when oil hit \$120 or so a barrel they changed their estimates and suggested oil may climb to \$150-\$200 a barrel.

All of this was forecasted on exactly what is about to happen to us within the next year or so. This was all based on surging demands and a weakening supply. Just the same now as back then it said demand was being fueled by China. The whole time demand was increasing, supplies were weakening because Mexico and Russia were not producing enough oil, and the spare production capacity at OPEC was low. Throw that on top of the U.S. butting heads with Iran over their nuke program, and Africa's largest oil exporter Nigeria, were under attack leading to output halts, and then Venezuela's production was also tanking due to extreme economic issues.

It was only a matter of months that oil jumped to \$130. The very same situation is happening right before our eyes, and nobody is saying a word about it. Nobody is talking about it because it's too early, we have way too much inventory of crude oil. The export ban was just lifted, what do you think is going to happen to all the crude sitting in storage? We've just found a huge market for our light sweet crude oil, you see where we're headed with this?

Back then the same situation played out, we had way too much oil so the prices tanked just like today. Well, we're over supplied and now the prices have been free-falling for months on end. All this today is the perfect combination to bring about future high demands, and near stagnant supply growth. Demand for oil took off at rapid pace in 2015 and is expected to be 1.4 million barrels per day higher, with an extra 1.4 million barrels demand expected the next year. The demand will continue to grow, and start digging into our current over-supply, or glut as you might want to call it.

With the drop in prices, production is surely going to drop throughout the country. What is going to happen, what we hope is going to happen, is that the production drops a bit too far before anybody realizes it's too late. When we see production has tanked, and our current inventories have been drawn down to far, you're going to see oil shoot up faster, and farther than you've ever seen. The oil boom we have seen over the last 7 years is nothing compared to what would come of this. If there's \$200 oil, you're going to see a quarter of a million workers get called back to work overnight. The perfect storm is brewing, we're just waiting for the clouds to roll in, and the dust to settle. When will it happen? Nobody knows, there are too many variables that play into the oil price equation. Something has to be done, our oilfield workers and families can't sit idle and wait for the news to come in.





PLEASE MAKE NOTE  
OF THE NEW MEETING  
LOCATION BELOW!

The Lone Star D&D Club of Dallas  
*Presents*

## "Distressed Oil & Gas Deals"

MR. JASON SCHUMACHER | LOCKE LORD LLP

**Thursday, January 14<sup>th</sup>**  
**6:00 PM – 7:30 PM**

### **SPEAKER BIO**

Jason Schumacher is a partner in the Dallas and Houston offices of Locke Lord LLP. Mr. Schumacher is a major deal attorney, where his practice focuses on serving clients in the energy industry and the oil and gas sector. He has vast experience in mergers, stock and asset acquisitions and divestitures, joint development projects, operational affairs, project development for energy facilities and financing arrangements for energy and oil and gas companies.

Mr. Schumacher has documented and closed transactions totaling billions of U.S. dollars and has documented joint venture arrangements and energy facility projects involving committed aggregate expenditures in the billions. Clients call on him frequently when they are involved in disputes, litigation, arbitrations and mediations involving questions pertaining to energy and oil and gas holdings and operational disputes.

Mr. Schumacher is a frequently sought-after presenter and writer in oil and gas industry, speaking and publishing in both US and globally focused events and publications. He is heavily involved in the Energy Section of the Dallas Bar Association, serving as its chair in 2012. He also serves on the board of the Texas Energy Council and was elected its president for 2013-2014 and 2014-2015.



## Brookhaven Country Club

3333 Golfing Green Drive  
Farmers Branch, TX 75234  
www.lonestardandd.org  
RSVP HERE: <http://goo.gl/jmhzCu>

**February Speaker – Rick Griffin, IHS**



# this and that ...

## MONTHLY MEMBERSHIP MEETINGS

14th

Jan

18th

Feb

17th

Mar

## MONTHLY BOARD MEETINGS

1st

Feb

29th

Feb

28th

Mar

## OIL AND GAS TERMS

### THE LETTER "E"

**eBusiness** - a means of doing business that uses electronic technologies, such as EDI (Electronic Data Interface), the internet, and web-based supply chain integration, to the benefit of the Company.

**Employee** - an individual on the Company's payroll.

**Established Reserves** - the portion of the discovered resource base that is estimated to be recoverable using known technology under present and anticipated economic conditions. Includes proved plus a portion of probable (usually 50%).

**Exploitation** - various methods of optimizing oil and gas production or establishing additional reserves from producing properties through additional drilling or the application of new technology.

**Exploration** - the act of searching for new, undiscovered oil and gas resources.

**Exploratory Well** - a well drilled in an unproved area, either to find a new oil or gas reservoir or to extend a known reservoir. Sometimes referred to as a wildcat.

## MEETING INFORMATION

- Our meetings are generally held the second Thursday of each month at 6:00 p.m. at the Brookhaven Country Club in the Fireside Room/Lounge (3333 Golfing Green Farmers Branch, TX 75234)
- The cost of dinner is \$30, cash or checks made payable to Lone Star Desk and Derrick Club of Dallas. RSVP's must be made by the second Tuesday at 10:00 a.m. unless otherwise stated.
- Prior to the meeting, there will be a Social Hour from 5:00 – 6:00 p.m. with a cash bar.

## Tidings of Goodwill

Andrea Rea is the club Goodwill Ambassador. Please contact Andrea with news on club members in the event of the following:

~Death ~Wedding Announcement  
~Illness ~Birth Announcement  
~Surgery ~Special Milestone

## Membership Reminder

Ashley Justinic recently emailed Club renewal notices. Forms are available at the registration table for your convenience (Save a stamp!)

## Volunteer Opportunities

An excellent means to meet fellow club members and get involved!  
Education, Photography & Social Committees  
Sign-up sheet at the Monthly Meeting or contact a Board Member.



# Lone Star Club News

## Sympathy

- Raylan Vaughan Marek, great nephew of Polly Marek passed away on December 8, 2015. Survived by his parents, Michael & Leah Marek. Michael is employed by Basin Oil & Gas in Fort Worth, Texas

## ADDC Sympathy

**01/06/16 – June Dodd with the Desk and Derrick Club of Baton Rouge** passed away January 4, 2016 in Baton Rouge, LA.

Condolences to:

“The Family of June Dodd”  
6920 Boone Drive  
Baton Rouge, LA 70808

**12/18/15 - Jean Hunter with the Tulsa Desk and Derrick Club** lost her husband Keith of a sudden heart attack on Wednesday, December 16, 2015 Jean and Keith were married 42 years.

Condolences to:

Jean Hunter  
31250 S. 4170 Road  
Inola, OK 74036

**12/17/15 – Mona Dickens with the San Antonio Desk and Derrick Club** lost her mother, Millie Edins, 92 on December 15, 2015

Condolences to:

Mona Dickens  
4615 Misty Run  
San Antonio, TX 78217

**12/15/15 – Sharon Hiss with the Great Bend Desk and Derrick Club** lost her father, William Meili, 91 on December 13, 2015

Condolences to:

Sharon & Rick Hiss  
131 SE 40 Rd.  
Great Bend, KS 67530

**12/06/15 – Wendy Northcutt with the Roswell Desk and Derrick Club** lost her father, William Meili, 91 on December 13, 2015

Condolences to:

Wendy Northcutt  
906 Saunders Drive  
Roswell, NM 88201

Please keep our members and other club members in your thoughts and prayers as they heal from injuries, surgeries and grief.

## Announcements

- Gailene Jaques is recovering from partial knee replacement surgery.
- Sherri Albert was in a car accident, returned to work recently.
- Sharon Rhodes was involved in a major car accident, recovering at home after surgery.
- Sue Dell Stafford had knee replacement, is in therapy, getting around with a walker. Sue Dell earned her 40 year service pin this year and takes care of her 102 year old father.

## Upcoming Events

### Region IV Convention

- May 18 – 22, 2016
- Galveston, TX
- Tremont Hotel (Strand)

### ADDC National Convention

- September 21 – 25<sup>th</sup>
- Denver, CO
- Crowne Plaza Hotel

### Lone Star Shootout

- Friday, November 4, 2016
- Dallas Gun Club

**Reminder!**

My *peace*  
I give unto you  
Let not your *heart*  
be troubled,  
*neither* let it be afraid.  
John 14:27







Lone Star Drill and Derrick  
C/O of Dallas  
P.O. Box 1488115  
Dallas, TX 75240

info@lonestardrill.org  
www.lonestardrill.org

## **“EDUCATION IS THE KEY TO THE FUTURE”**

I would like to wish everyone a happy, healthy, and prosperous New Year! I am honored to serve as your 2016 President and to work with such a cohesive Board. The Board is busy working on plans and goals. We look forward to a fantastic 2016!

As we say goodbye to 2015, I am reminded of what a wonderful year it was, our first full year for Lone Star. It was rewarding and educational and we accomplished a lot. Please join me in extending many THANKS to the 2015 President and Board for leading us to have a really good year. Everyone benefitted.

We begin 2016 with apprehension and excitement but know that with your support, enthusiasm and encouragement; we can accomplish many things. We hosted our second annual Clay Shoot raising funds for three scholarships. You dug into your pockets and helped two families with the Salvation Army Angel Tree program and volunteered your time at the Toys for Tots warehouse to help those less privileged. Thank you to all of you for whatever your contribution was. Lone Star is comprised of very caring and generous individuals. I'm very proud of how much we have been able to accomplish in a short amount of time.

Lone Star is blessed with members who have shared their knowledge, talents, and time to educate us in so many things energy related from the field trip to SMU to learning the ins and outs of the auction process to how and why drilling horizontally is more popular, to what a wellhead is, works and what it does, as well as other educational programs from non-members.

As President, my theme is "Education is the key to the Future." It was chosen as a reminder that we should continue to learn and educate ourselves to our ever-evolving industry; new technology, equipment, and opportunities. We must continue to grow – education is the key to the future.

We want you to share your ideas, knowledge and skills, as Lone Star grows. As we know our industry is in a tough spot currently and those that have been in the business very long know that it will rebound. You need to be ready, when that happens our industry grows, and grows quickly!

Everyone has a talent to contribute. What is yours? Please consider signing up to be help on a committee or chairing a committee. Volunteering is a great way to continue learning personally, professionally and can help develop new skills, fine tune your existing skills, learn more about career options, make friends, make professional contacts, and can help you to set goals, learn and accomplish personal and professional goals that will make a difference in your club, at the region or association level. Volunteerism is the greatest gift you can give! You can make a difference!

Look forward to seeing all of you.

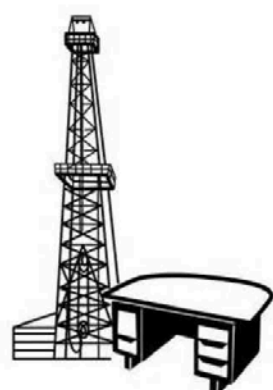
*Renee*

## Region IV Director



Mary T. Vaughan  
Region IV Director

[Mvaughan@excoresources.com](mailto:Mvaughan@excoresources.com)  
[Mvaughan827@aol.com](mailto:Mvaughan827@aol.com)



### JANUARY NEWSLETTER

#### Region IV Members

*It was the best of times ... It was the worst of times* -- words of Charles Dickens from his novel "Tales of Two Cities." Also, this can be said of our Energy industry.

*The worst of times* ... is definitely **NOW**. How many of your friends and co-workers and maybe even YOU have lost their job? It is trying times to say the least. The last prediction I read is that the oil price per barrel may hit \$70 per barrel in 2020 and won't reach \$100 until 2040.

Is this the 1980's oil glut? It could be. After 1980, reduced demand and increased production produced a glut on the world market. The result was a six-year decline in the price of oil. However, oil came back even stronger. And, as a Desk and Derrick member, you can be a viable and essential employee of your company during this time. So this brings me to...

*The best of times* ... Due to this downturn, this is the **BEST** time to belong to this Association. As The Desk and Derrick motto says "**GREATER KNOWLEDGE, GREATER SERVICE**," which is just one of many ways to be an important part of your company --

By being a part of ADDC, have you written a synopsis of what you may have learned at a seminar and/or a field trip at your Regional Meeting or at the Convention? How about letting your supervisor, manager and even your CEO know about the certification class you took and what you learned. ADDC is a viable part of the industry.

Have you seen the new ADDC brochures and do you have one -- one is for recruiting a new member or have one just for yourself and the second is to hand to a company. If not, have your club contact ADO and ask for a supply. These are just some of the valuable tools by being a member of ADDC and Region IV.

*Continuing the best of times* ... We cannot forget our own Region IV Clubs. These are the **BEST** of the **BEST**. The 2016 presidents are:

Corpus Christi

Dallas

Fort Worth

Graham

Houston

Lone Star

Ivy Young

Julie Hendon

Helen Lovato

Chelly Melton

Stephanie Walden

Renee Durham



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## ADDC Region IV President's Letter (cont.)

### JANUARY NEWSLETTER

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North Harris/Montgomery	Karol Wood
San Antonio	Sue Weaver
Victoria	Rebecca Perez
Wise County, Texas	Connie Bass

I am looking forward to working with these fine, experienced ladies.

**"Save the Date"** Region IV meeting, hosted by the Houston Club, will be in the historical Galveston Texas area from May 17 through May 22. More information will be following.

Happy New Year

*Mary*

*"You must DO the things you think you CANNOT DO"*

*Eleanor Roosevelt*







## Board of Directors

### PRESIDENT

**Connie Harrison**  
Valero Energy Corp.

### PRESIDENT ELECT

**Maggi Franks**  
K&E Computer Services

### VICE PRESIDENT

**Christina Forth**  
AOG International

### SECRETARY

**Penny Jacobs**  
Range Resources-Appalachia LLC

### TREASURER

**Terry Ligon**  
L Chem Tech Co., Inc.

### IMMEDIATE PAST PRESIDENT

**Lori Landry**  
White Knight Resources

### EXECUTIVE ASSISTANT

**Melinda Montgomery**  
Memorial Resource Dev. Corp

### PARLIAMENTARIAN

**Sheryl Minear, RP**  
Sojourner Drilling Corp.

### REGION I DIRECTOR

**Cheryl Charie**  
Range Resources - Appalachia

### REGION II DIRECTOR

**Kathy Bickel**  
Mosbacher Energy Company

### REGION III DIRECTOR

**Theresa Adams**  
D&B Marine Services, LLC

### REGION IV DIRECTOR

**Mary T. Vaughan**  
EXCO Resources Inc.

### REGION V DIRECTOR

**Monica Sanchez**  
California Resources Corporation

### REGION VI DIRECTOR

**Tammy Watkins**  
CTKW Petroleum Land Service, LLC.

### REGION VII DIRECTOR

**Cori Peever**  
Command Fishing & Pipe Recovery Ltd.

**Connie J. Harrison**  
President

Valero Energy Corporation  
Aviation Department  
1000 Skyplace Blvd  
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(210) 563-6656 M

connie.harrison@valero.com (o)

January 2016

Hello Everyone and Happy New Year

It seems like we just began 2015 and here we are starting 2016. Time seems to be flying by at a much more rapid pace. I want to invite all of you to join me in congratulating the 2015 board for their outstanding leadership and commitment to ADDC. President Lori and her board made numerous accomplishments in 2015 and it was due to their leadership and forward thinking that these things were accomplished. You, the members were also instrumental in this success by "Stepping Up" and supporting your board. My hope is that this trend will continue in 2016 and beyond. I believe with the board you have elected and you, the membership, this will be the case. I believe that there is nothing we cannot accomplish if we all come together and work to make it happen. ADDC members are an awesome, strong, professional group of individuals with one common goal and that is educating ourselves, our employers and our communities.

There are already many items that will be discussed and implemented in the coming year and I am excited to be a part of this. At Budget and Planning the board will have a brainstorming session to kick off our meeting. I encourage all of you to send me or any board member your ideas, thoughts or concerns for us to put on the table for discussion. We want to hear from all of you as this your Association and we are your humble elected servants. Please let us hear from you.

With the recent downturn in our industry, we must find new and more innovative ways to attract new members and retain our current members. I believe the changes in membership requirements that were approved at the 2015 convention will help in this area as well. Check the ADDC website for the amended bylaws.

While our employers are being more diligent with their budgets, and in some cases have chosen not to support their employees in Desk and Derrick, we need to demonstrate that we are serious about our education and professional development, and that it is prudent and worthwhile to support their employees in Desk and Derrick.

I urge each of you to remember that there is always someone watching what we do, how we go about our day to day business and that we do so in a professional manner. If we want to be taken seriously as the Professional Association that we are, we must remember to conduct ourselves professionally at ALL times. You never know who is watching.

I am honored to be serving as your President this year and I thank you for your support and your hard work for this Association. I look forward to hearing from each of you and I am always available via email, text or phone.

Have a wonderful educational year in 2016.

Connie Harrison  
2016 ADDC President



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## **2016 Board – Lone Star Desk and Derrick Club of Dallas**

- President - Renee Durham
- 1st Vice President - Carla Tracy
- 2nd Vice President - John Ezell
- Secretary - Cecelia Thorne
- Treasurer - Gailene Jaques
- Director of Education - Jenny Bueno
- Director of Leadership - Polly Marek
- Director of Public Relations - Ian Stageman
- Director of Rules - Jennifer Fenner
- Parliamentarian - Ann Hallam
- Advisor - Pat Blanford

Photos and contact information forthcoming.



