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A Message from the Chair

Dear fellow SPE members,



A recent report by the U.S. Department of Energy shows that the increased environmental regulation of the U.S. oil and gas industry could have a severe impact on the economics of operations affecting energy supplies and prices. The DOE study, "Potential Economic and Energy Supply Impacts of Proposal to Modify Federal Environmental Laws Applicable to the U.S. Oil and Gas Exploration and Production Industry," estimates that the increased regulations and oversight some groups are urging Congress to impose on the industry would result in an increase of \$10 billion spent annually by domestic oil and gas producers. According to Barry Russell, President and CEO of Independent Petroleum Association of America (IPAA), "if implemented, the proposals of anti-development interests would have a severe and negative impact on the nation's supply and economy at a time when we cannot afford either." He continues "The analysis done by DOE is further proof of the importance of American oil and natural gas production, and the role this industry plays in driving economic growth."

According to IPAA, some of the key findings of the Project BRIEF (Bringing Real Information on Energy Forward) report include:

- 1.2 million Americans are directly employed by domestic oil and natural gas producers
- In 2007 alone, the industry invested a record \$226 billion in domestic exploration and production, driving countless state and local economies
- In 2007, the oil and gas industry paid public and private landowners \$30 billion in royalties
- State regulation of the domestic energy activities protected the environment and public health for over a century
- Potential new regulations now circling around Washington could:
 - Force the closure of more than half of America's oil wells and a third of gas wells
 - Cost the federal government \$4 billion in revenues, state treasuries would lose \$ 785 million

Continued on next page . . .

A Message from the Chair continues

Continues from page 1...

- Slash domestic oil production by 183,000 barrels (7% of lower-48 Production) per day, natural gas by 245 billion cubic feet per year

For details, please visit DOE website:

http://www.fossil.energy.gov/programs/oilgas/publications/environment_otherpubs/Impacts_of_Modify_Fed_Environmental_Law.html

In order to grow, the US economy needs energy from all sources. As experts say, the promise of a green energy future is not going to be fulfilled overnight. America will continue to rely on petroleum for decades to come. There are 5,000 independent oil and gas companies in the U.S. with, on average, 12 employees. These independent oil and gas businesses (not the big one) develop 90% of the nation's oil and gas wells, produce 82% of American natural gas and 68% of American oil. If energy is the "lifeblood of the American economy," then small businesses serve as its backbone creating new jobs, generating new revenues, and putting the economy on a path back to economic prosperity. In today's political climate, it is easy to forget that America's independent producers are small businesses too. Investment, jobs, and exploration and production of America's natural resources by independent energy producers, can help significantly restore the U.S. economic prosperity.

Currently, the oil and gas industry is at an intersecting crossroads.. In the public policy arena, the industry is in transition. On one hand, our industry takes pride in its educational initiatives to increase public awareness and in the progress made over the past several years in bringing a better public understanding of the challenges facing the nation. On the other hand, we must face with the harsh realities of a political landscape in which the industry is under assault. However, our industry has a rare opportunity to reposition itself from the defensive and reactive posture of the past 30 years into a more positive, productive, and forward-looking force by working together to achieve our collective goals.

Jalal Torabzadeh
LASPE Chairperson 2008-2009

LA SPE Petroleum Technology Forum June 9

West Seno – Unocal’s Last Big Construction Project

The next Petroleum Technology Forum will be held on Tuesday, June 9, 2009 at the Long Beach Petroleum Club, 3636 Linden Avenue, Long Beach, CA 90807. The speaker will be Michael E. Utt. Abstract and speaker bio follow.

<u>Location:</u> Long Beach Petroleum Club 3636 Linden Avenue Long Beach, CA 90807	<u>Time:</u> Registration: 11:30 AM Buffet Lunch: 11:30 AM Presentation: 12:00-1:00 PM	<u>Cost:</u> \$20.00 members, Free for students.
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West Seno – Unocal’s Last Big Construction Project Presented by Michael Utt

Abstract:

A few years ago, Unocal Corporation built the first deepwater oil & gas production system in Indonesia. The West Seno field is located almost on the equator in the Makassar Strait, east of Borneo, west of Sulawesi. The water depth is over 1,000 meters. West Seno was Unocal’s first floating production system. It consists of a tension-leg drilling and production platform designed for tender-supported drilling, a spread-moored barge floating production unit, and the associated pipelines. Mike will explain how the project was designed, constructed, installed and commissioned in just over 2 years. This required coordination of fabrication work at multiple sites in several countries, and the development of some new technology. As it happened, West Seno was Unocal’s the last major field development.

Biography:

Mike Utt is a native of Corvallis, Oregon. He graduated from Oregon State University in 1969, and entered the U.S. Navy. He was commissioned an officer in the Navy Civil Engineer Corps, and spent most of his active duty time in San Diego. Upon leaving the Navy in 1972, he returned to Oregon State, where he earned a Master’s degree in the Ocean Engineering program.

He joined Union Oil Company of California in 1974. His first job was as an engineer in the Reservoir, Ocean and Arctic Engineering group of the Research Department in Brea, California. In 1986, he became Supervisor of Ocean & Arctic Engineering. In the following years he held several management and technical positions, all related to oil and gas drilling and production technology. In 1995, he moved to Sugar Land, Texas with Unocal’s Exploration & Production Technology group. He retired in 2004 from the position of Manager, Deepwater Technology, in Unocal’s Engineering & Construction organization.

Mike is currently a self-employed engineering consultant, based in Yorba Linda, California.

Katherine Wallgren, Forum Chairperson, Katherine_Wallgren@oxy.com

**Photos of the May Technology Forum
“A New Diagnostic Analysis for Waterflood Performance”
Dr. Zhengming Yang**



Dr. Yang presenting



A good turn out of interested members at the presentation.

Young Professional Beach Volleyball Event Report

Thursday May 21st, LA SPE Young Professionals welcomed students from the Colorado School of Mines (CSM) for a sunny afternoon of beach volleyball. As part of a summer field course, the students spent the day learning about the Wilmington Field and touring the THUMS Islands. Following a very informative day, Young Professionals hosted an outdoor beach volleyball tournament in Belmont Shores to introduce the students to our local chapter and as always allowing networking between young professionals in the LA area. With perfect California weather and a competitive yet friendly spirit in the air, teams battled for bragging rights. The event had a great turn out with around 50 Petroleum Engineering students and several local young professionals. The games were followed with pizza at the nearby Round Table where students and young professionals had a great time networking and discussing early career experiences.

Thanks to everyone who attended. The professors at the Colorado School of Mines would like to express their appreciation to everyone involved. We are looking forward to planning the next SPE Young Professionals Event!

Some images from the event:



Image 1: Safety Meeting Before Touring Island White

More photos on next page...

LASPE Young Professionals continues

LASPE YP photos continue...



Image 3: Beach Volleyball with CSM students



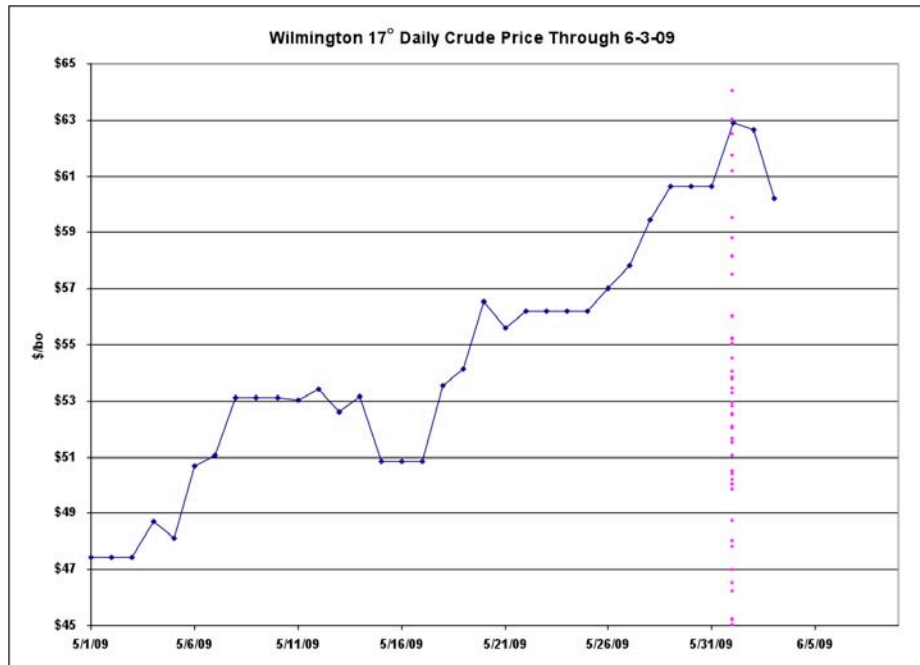
Image 3: Belmont Pool in the background

LASPE 2009 Crude Price Challenge

LASPE 2009 Crude Price Challenge Update!

Well, here's the final result. Wilmington 17^o crude has been steadily increasing in price since May 1st with only 5 down days during the month. The price peaked at \$62.90/bbl right on June 1st before dropping off to a price of \$60.20/bbl on the 3rd. Two people forecast a price of \$63.00/bbl on June 1st, only 10 cents off the mark. Since one of them entered a day sooner than the other, that person gets the big prize – up to \$75 worth of gift certificates plus a cool and handsome engraved glass mug memorializing their excellent forecasting abilities. Come to the June 9th Forum and congratulate the winners.

Thanks to all who participated and watch this space next year.



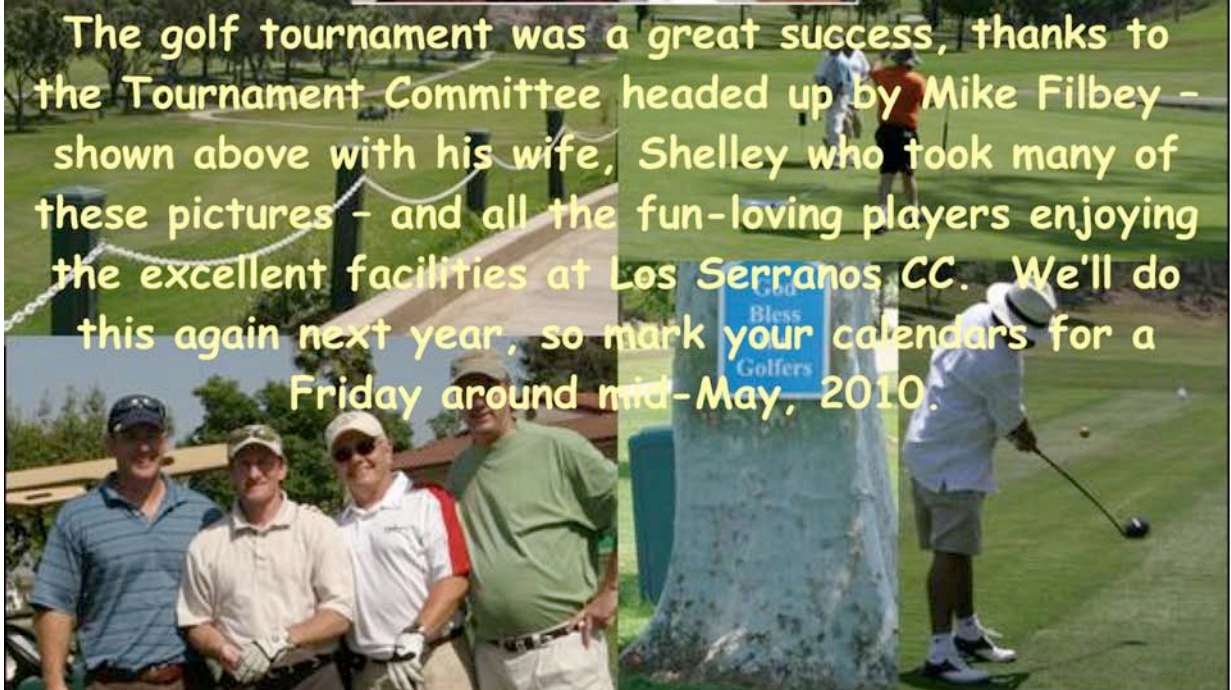
Thanks to Pacific Section of the AAPG

SPE would like to thank the Pacific Section AAPG, which sponsored a generous amount of \$500 to the LASPE Energy Day - MESA Day that was held on March 28, 2009. Thanks to all PSAAPG members who helped out at the event, especially Don Clarke, who presented the LA Basin Geology and oilfields talks, and Chris Phillips, who presented 3-D geologic modeling. The program is a great way to show that we support our future engineers and geologists. Thanks again to all the volunteers who made the event a success.

Annual Golf Tournament a Success!



The golf tournament was a great success, thanks to the Tournament Committee headed up by Mike Filbey - shown above with his wife, Shelley who took many of these pictures - and all the fun-loving players enjoying the excellent facilities at Los Serranos CC. We'll do this again next year, so mark your calendars for a Friday around mid-May, 2010.



Science Fair Report

2009- Science Fair News

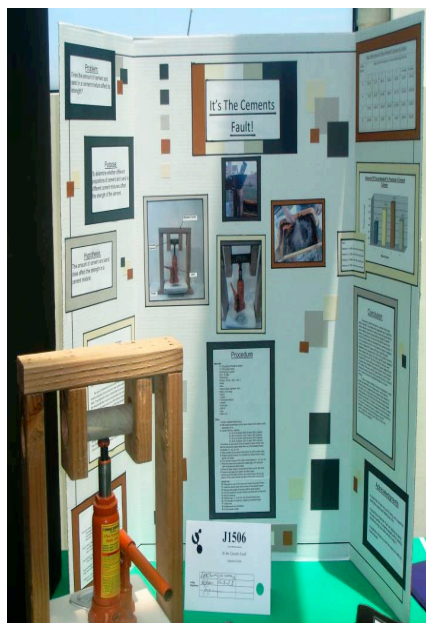
The 58th Annual California State Science Fair was held on May 19th, 2009, at the California Science Center in Los Angeles. The winners were chosen on their outstanding technical achievement in projects relating to the development of oil and/or gas resources, mechanics, subsurface fluid flow, and production of those or other energy resources through wellbores. Jack Smith, Christina Saldivar and Ed Santiago awarded the students with a SPE certificate and \$300 check.

SPE would like to congratulate the California state science fair winners:

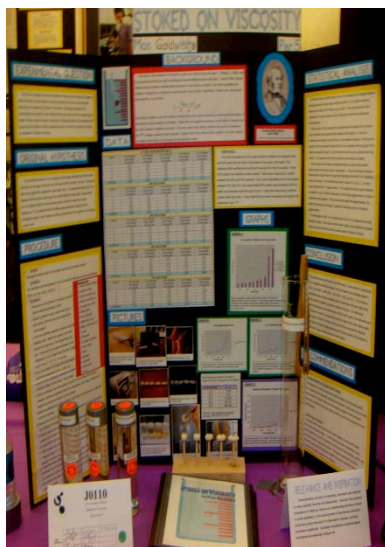
Anakaren Chable- “It’s the Cement’s Fault”, Riverside County

Mac Goldwhite- “Stocked on Viscosity”, Los Angeles County (Also winner of the 09 La County Fair)

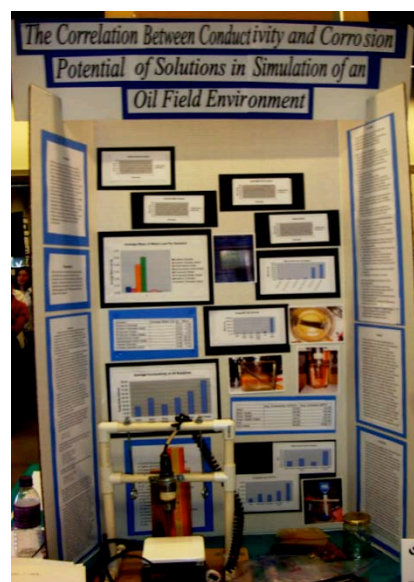
Nicholas L Okita- “The Correlation Between Conductivity and Corrosion Potential of Solutions in Simulation of an Oil Field Environment”, Kern County



Anakaren Chable: “It’s the Cement’s Fault”



Mac Goldwhite: “Stocked on Viscosity”



Nicholas L Okita: “The Correlation Between Conductivity and Corrosion Potential of Solutions in Simulation of an Oil Field Environment”

LASPE Scholarships Awarded

Scholarship Report

At the May 12, 2009 Board Meeting, The Scholarship Committee presented its recommendations for the award of Dr. Bruce W. Davis Memorial (USC), Graduate, Undergraduate, and Mei Chang scholarships. A total of \$11,000 is being awarded for the 2009/2010 school year. We are pleased to announce the following scholarship award winners:

Dr. Bruce W. Davis Memorial (USC):

Parham Ghods	USC	\$1000
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Graduate:

Dianeh Babu Gunasekaran	USC	\$1000
Nelia Jaffroodi	USC	\$1000
Hamid Reza Jahangari	USC	\$1000
Mohammad Javaheri	USC	\$1000
Reza Rastegar Moghadam	USC	\$1000
Tayeb Ayatollahy Tafti	USC	\$1000

Undergraduate

Carlos Brañez	CSU Long Beach	\$500
Ali Rassamdana	UC Riverside	\$500
Alex Smith	Cal Poly Pomona	\$500
Brian Troutner	CSU Long Beach	\$500

Mei Chang Scholarship:

Jessica Cook	CSU Long Beach	\$500
Yu-Jen Kao	UC San Diego	\$500
Danielle Romero	CSU Fullerton	\$500
Zach Smith	UCLA	\$500

Scholarship awards will be presented to the students at the LASPE Monthly Technology Forum on June 9th, 2009 at the Long Beach Petroleum Club.

LASPE's Scholarship program is financed by the golf tournament proceeds plus some reimbursement from SPE International.

Polytechnic High School Tours Island White

SPE, THUMS, Tidelands sponsor Long Beach Poly High's Tour of Island White

Mike Phillipow teaches two geology classes at Long Beach Polytechnic High School. The curriculum includes three geology field trips each year. Every other year, the cost of these trips is funded by LASPE. Mike has been honored as AAPG's Teacher of the Year and his class is one of the few High School Geology Classes in the United States.



On May 29th, Mike's class visited THUMS' Island White on a tour led by Oxy's "Doc" Dorsey and Kate Wallgren. Rick Finken from the City of Long Beach was also there. There were 30+ students, Poly's Principal, Shawn Ashley, and Dr. Kelly Whitten an intern at Poly. Besides learning about oil operations, the students learned the types of jobs available on the Islands and in the office and most importantly, the level of education needed for each.



After the tour, Tidelands hosted lunch at their safety facilities on Pier G. Scott Hara, Mark Birk and Teresa McCoy of Tidelands, Don Clarke, Pacific Section AAPG President and Dr. Sam Sarem, SPE Western Regional Director-Elect joined the students at lunch to chat and answer questions about the oil biz. The students are all seniors with most heading for college and all were very interested in learning how to get ready for life in the real world.

Minutes of May 12 Board Meeting

LASPE Board Meeting Minutes

May 12, 2009

- 1) Meeting called to order at 10:15 AM on Tuesday, May 12, 2009. Attendees were Rick Finken, AB Goras, Scott Hara, Vanessa Perez, Sam Sarem, Jalal Torabzadeh, Raj Upadhyay, Mike Utt, Bob Visser, Rudy Weibel, and Eric Withjack.
- 2) The meeting agenda was approved.
- 3) The Secretary was not in attendance, and the minutes of the April meeting were not available to be approved.
- 4) Announcements:
 - a. Sam Sarem announced that the Orange County Engineering Council will have a special presentation of 8 Science Fair winners at Westwood College in Anaheim on Thursday, May 14. Anyone interested in attending can contact Sam for parking information.
 - b. Bob Visser and Eric Withjack had both attended the 2009 Offshore Technology Conference. The attendance was approximately 66,000. There was a good slate of technical papers, and the attitude was generally positive despite the current downturn in the industry. Bob Visser pointed out that deepwater projects have not been slowed down by the current situation. Eric Withjack noted that there were a number of environmentally-oriented papers in the technical program.
- 5) Treasurer's Report: For April 2009, income exceeded expenses by \$13,146. For the seven month total, income has exceeded expenses by \$8,277. As of the end of April, total LASPE assets were \$85,698. Expenses for April included a \$1,000 donation to the LB Poly Geology Program, \$600 in Science Fair Prizes, \$2,313 in support for USC and CSULB students attending the WRM and \$380 in newsletter and website expenses. These expenses were more than offset by Golf Tournament deposits of \$17,439. Golf Tournament receipts through May 5th totaled \$25,329 vs. expenses (including the \$2,500 reservation fee made last November) of \$3,343. The Tournament now has 200 golfers and should clear \$10,000 - \$12,000 based on plans discussed at the Tournament Committee meeting on May 4, 2009.
- 6) Jalal Torabzadeh and Sam Sarem provided a report on the recent teleconference of the Western North America Region. Of immediate interest is the proposed change to hold the 2010 Western Region Meeting in southern California, in coordination with the Pacific Section of the AAPG. See the following item.
- 7) The 2010 Western Region Meeting. For several reasons, including the ability to share the effort with the Pacific Section of the AAPG and other professional societies, it has been proposed to change the schedule of the next Regional meeting to late May 2010 in southern California. There have been preliminary discussions between LASPE and the AAPG's Pacific Section. The PSAAPG has committed to dates (Thursday May 27 through Saturday May 29, 2010) and a venue (the Anaheim Marriott Hotel.) The hotel is adjacent to the Anaheim Convention Center, but the intention is to hold the meeting entirely in the hotel's facilities. The hotel has 10 conference rooms large enough for technical meetings, of which the PSAAPG plans to use 6. The PSAAPG will be the lead organization, and the Geological Society of America (GSA) will share top billing; if the SPE joins the meeting, PSAAPG will treat us similarly to other professional societies that fall under their banner for the meeting, such as SEPM and SEG. . The registration cost proposed by PSAAPG is \$200, relatively inexpensive by SPE standards.

Minutes of May 12 Board Meeting

May 12 minutes continue...

Because the proposed Regional Meeting is only a little over 12 months away, some decisions have to be made right away. If the decisions are positive, more action is required in the next few weeks. The Board discussed the associated problems in some detail, but there was no opposition expressed to hosting the Regional Meeting on the proposed schedule.

The Board voted to recommend that action to the Western North America Region, which will consider that recommendation at a meeting during the week of May 18. If approved by WNAR, the final decision will be up to the SPEI Board, which will meet on June 18 through 21.

Following that decision, the Board discussed candidates for the important positions of General Chairman and Program Chairman of the meeting. Several candidates' names came up, including some people not in the meeting. No decisions were finalized, but Chairman Torabzadeh pointed out the need to fill those positions very soon.

- 8) Student Chapters: Due to upcoming final exams, the Student Chapters were not represented at the meeting.
- 9) The annual LASPE Golf Tournament will be held at Los Serranos Country Club in Chino on the afternoon of Friday, May 15. Sign-up information is available on the Section's website at <http://www.laspe.org/>. Sign-ups to date exceed 200, with a total capacity of 288 golfers. As noted in the Treasurer's Report, income from the Tournament is expected to be less than last year.
- 10) Outreach: A "Read-In" is planned for the International Elementary School (K-5) in Long Beach on June 4. Vanessa Perez and Scott Hara are planning to participate, and there are opportunities for more volunteers.
- 11) Scholarships: In the absence of Jack Smith, Vanessa Perez reported on the results of the recent meeting of the Scholarship committee. The Scholarship committee recommended approval of all of the submitted applications including the Mai Chang, Undergraduate, and Graduate Student categories. The Board approved that recommendation for scholarships totaling \$11,000.
- 12) Young Professionals: A Young Professionals Beach Volleyball event is scheduled for Thursday, May 22 in Long Beach. Details are in the May Newsletter.
- 13) Continuing Education: Jalal Torabzadeh reported that SPE International is making some changes in their Continuing Education program, to improve their competitiveness with other organizations. The list of courses has been published for the upcoming ATCE in New Orleans, scheduled for early October in New Orleans.
- 14) The meeting was adjourned at 11:36 AM.

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