

Published by the Desk and Derrick Club of Tulsa
www.tulsadandd.net

Editor Kathy Staton



Congratulations
TO OUR

2018

TULSA OFFICERS & BOARD

| | |
|------------------------|--|
| <i>President</i> | <i>Dorothy Lenhart</i> |
| <i>Vice President</i> | <i>Atlesia Bailey</i> |
| <i>Secretary</i> | <i>Open</i> |
| <i>Treasurer</i> | <i>Kendra Ware</i> |
| <i>Directors 18-19</i> | <i>Kathy Staton</i> <i>Open</i> |
| <i>Directors 17-18</i> | <i>Pam Sanders</i> <i>Karen Chism</i> |
| <i>Imm Past Pres</i> | <i>Jonathan Slay</i> |
| <i>Parliamentarian</i> | <i>To be appointed by President</i> |

Inside this issue:

| | |
|--------------------------------|-------|
| Index | 1 |
| November IAL Meeting | 2 |
| President's Letter | 3-5 |
| 2017 Officers and Chairs | 6 |
| October Meeting Recap | 7 |
| October Meeting Pics | 8 |
| Black Gold Golf Recap & Photos | 9-10 |
| Oct Social @ Flying Tee | 11 |
| Winter Social | 12 |
| Leaders Letters | 13-14 |
| Tulsa Member – Julia McCormick | 15 |
| November Announcements | 16 |
| November Calendar | 17 |





NOV Luncheon Meeting

Wednesday, November 8, 2017
at 11:30 a.m.

The Summit Club

15 W. 6th Street
31st Floor of BOA Building
Downtown Tulsa
***Free Parking**

Luncheon Includes: Buffet, Tea,
Coffee & Dessert

NOW ACCEPTING CREDIT CARDS!

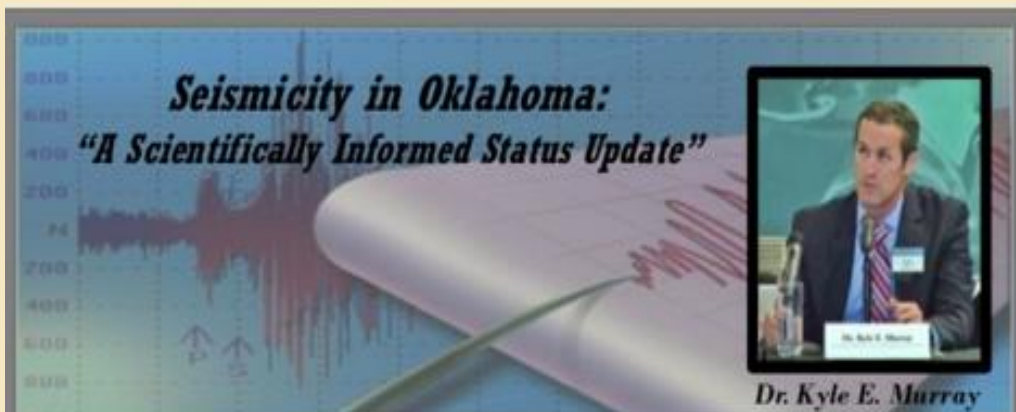
Cost:

Members-\$27
Non-Members-\$32

Make your reservations

reservations@tulsadandd.net

***Parking garage entrance off
Boulder. Get ticket and have it
validated at check-in.**



Desk and Derrick Club of Tulsa

presents the annual

Industry Appreciation Luncheon

Wednesday, November 8, 2017, 11:30 AM
at the Summit Club in Downtown Tulsa

Dr. Kyle E. Murray, Oklahoma Geological Survey, presents *Seismicity in Oklahoma: A Scientifically Informed Status Update*. Dr. Murray will discuss subjects affecting the Oklahoma oil and gas industry including oil & gas production, economic implications on water management, produced water, saltwater disposal, pressure monitoring, seismic history, and mechanisms for induced seismicity

Every year it is a privilege for the Desk and Derrick of Tulsa to host this event.

Reserve your seat now and invite your colleagues

All attendees need to make a reservation.

Wednesday, Nov. 8, 2017 at 11:30 a.m.
The Summit Club
15 W. 6th Street, BOA Building, Tulsa
Luncheon Includes: Buffet, Tea, Coffee & Dessert
Cost: Members-\$27 Non-Members-\$32
Make your reservations **NO LATER THAN**
5:00 p.m. on October 31, 2017
Email reservations@tulsadandd.net
Or **Reserve and Pay ONLINE!**
NOW ACCEPTING CREDIT CARDS!
Free Parking – BOA parking garage entrance off
Boulder or ONEOK garage at 112 W 6th St. Get
ticket and have it validated at check-in.

About the Speaker –

Dr. Kyle E. Murray earned a PhD in Geological Engineering from Colorado School of Mines in 2003, and has worked as a consultant or academic researcher for more than 20 years. He is currently employed as a Hydrogeologist for the Oklahoma Geological Survey (OGS), which is part of the University of Oklahoma (OU) Mewbourne College of Earth and Energy. His research team investigates physical and chemical properties of geologic materials that store and produce fluids, and conducts regional-scale studies of water, earth, and environmental resources. Water management in the energy industry is his current primary research area. Because of recent seismic activity in Oklahoma, Dr. Murray is partnering with other geoscientists to understand relationships between geologic factors, resource management, and seismicity.



Lodging for the speaker provided by
Holiday Inn Tulsa-City Center!

GOOD NEWS! You may
now reserve your spot for the
luncheon and pay [online](mailto:reservations@tulsadandd.net)!

If you have need for **CE
hours**, please inquire at
check-in or email:

deejansen142@gmail.com

Members and guests **must** make a reservation for meal functions. Please RSVP to the Contact Chairperson @ reservations@tulsadandd.net **OR online** no later than the Friday prior to the meeting. Members may attend the meeting only – no meal, for no fee, but **please** do let the Contact Chairperson know ahead of time.

All attendees need to make a reservation.



PRESIDENT'S LETTER

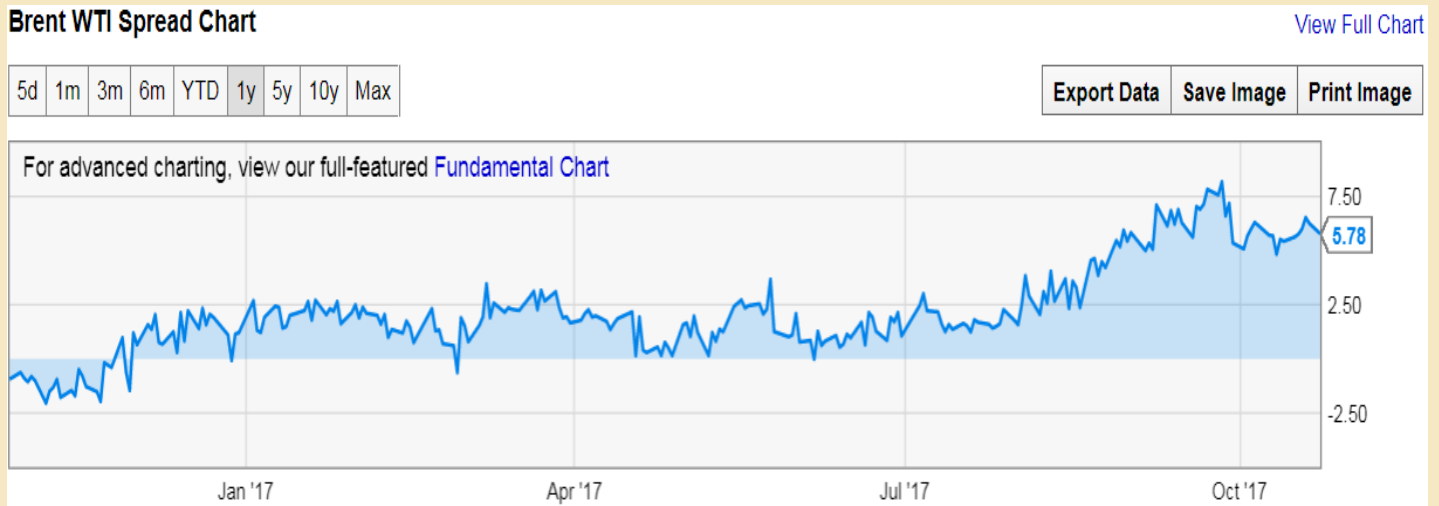
Dear members,

ADDC means Energy Education, and this President's letter aligns with our club's mission. This is part two of my miniseries on oil commodity pricing. Grab a cup of coffee as we enjoy another learning moment together today. Fall colors are turning and for the oil market, that means Thanksgiving is nearly here and things are looking up. In October, oil prices jumped ~\$5/bbl. We are now in a period of oil inventory drawdown as stored oil sells at higher prices and greater oil volumes are exported out of the U.S.



Since a low of \$45/bbl in June 2017, Brent oil futures pricing has taken off like a rocket.

The supply-demand equilibrium continues to tighten as demand for U.S. oil has grown substantially since the late-2015 change in laws that allowed the U.S. to export oil. Brent pricing is at a 2-year high, at \$60/barrel. The rather large gap of \$6 between the international Brent price and the U.S. WTI price of \$54 means that foreign countries are quickly placing more orders to buy U.S. oil priced at the cheaper WTI price. The increase in exported U.S.-produced oil will cause U.S. supply and demand to further "tighten," causing drawdowns of oil inventory that has been stored in Cushing, OK. The \$6/bbl WTI-Brent spread versus the \$1.69/bbl average in early 2017, per the EIA, is due to expectation of the U.S. producing and exporting more in 2018, especially in exports shipped to Asia.





PRESIDENT'S LETTER cont.

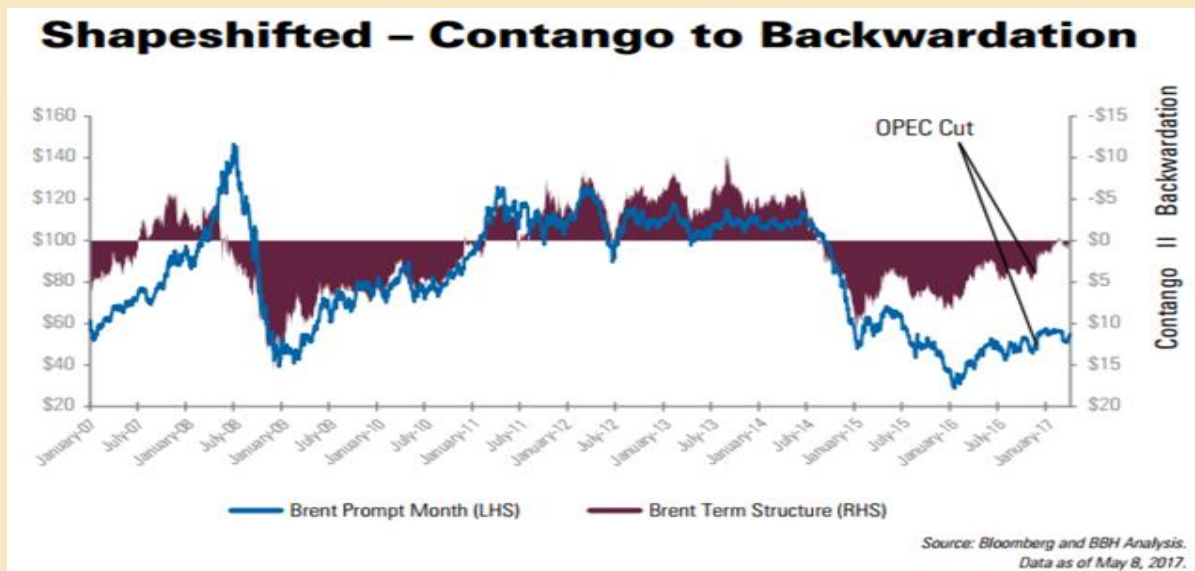
The above chart from Ycharts shows the Brent to WTI spread has widened in the past twelve months, making U.S. oil more attractive to export to foreign countries, which helps reduce excess inventory in the U.S.

In my August President's letter, I mentioned the concept of contango. To recap, a situation called "**contango**" arises when contract prices on future deliveries are higher than the current month's deliveries. When a large price gap (contango) exists, storage owners like those in the port of Catoosa have incentive to fill or hold inventory waiting to sell it at a higher price later. The degree of contango is thus a qualitative indicator of the level of a market's "oversupply."

Heading into November, the global oversupply is diminishing, so the futures pricing has flipped and we are now in a situation called "**backwardation**." Whereas the 2014-2017 contango market showed next month's future deliveries selling at a discount to later deliveries, Nov 2017 is now in backwardation where today's spot prices are *higher* than the contracts for future months' deliveries. For example, refinery storage owners are jumping with joy as their bet to store up oil when the market price was \$45/bbl will pay off handsomely at \$9/bbl of extra profit as they now sell at the current market's price of \$54/bbl. With spring 2018 deliveries expected to be priced lower than today, storage owners are hurrying to sell all that they can at today's higher prices.

| CONTRACT | LAST |
|----------|--------|
| JAN18 | 60.460 |
| FEB18 | 60.190 |
| MAR18 | 59.980 |
| APR18 | 59.800 |
| MAY18 | 59.620 |
| JUN18 | 59.440 |

The above chart shows Brent oil prices for deliveries in the first half of 2018, declining from the current \$60.53 spot price as of 10/31, meaning market prices are presently in backwardation (theice.com).





PRESIDENT'S LETTER cont.

The above chart from BBH in May 2017 shows the backwardation state of the oil market in 2011-2014, and contango state in 2015-2016. Nov 2016 OPEC production cuts indeed reduced global supply, dampening the future delivery prices. Future market prices trending downward eventually led to the current Nov 2017 state of backwardation.

Why is the recent flip from 3 years of contango to backwardation important to the broader oil market? (see PIMCO link)

1. OPEC's limiting of production volume of its member countries is successfully reducing the "overhang" or excess inventory. This allows OPEC to have an advantage of being able to sell all of their inventory at today's spot prices (\$54 WTI) while U.S. producers are trying to buy volume hedges (derivative contracts) to ensure their future production realizes at least as much as today's prices, no less. (Per the EIA, Sep 2017 was an all-time high of number of derivative contracts enacted). "A prolonged, backwardated market structure is what OPEC needs to reach its objective of reducing global [inventory] stocks because carrying inventory becomes financially burdensome in a market that lacks contango" (BBH).
2. The downward slope (aka inverted slope) of future delivery prices, from Nov onward, historically implies a green light to investors to buy and hold oil stocks, rather than sell their stocks, because future stock growth is far more likely to be positive in a backwardation situation where stock prices tend to lose value when commodity prices are in a state of contango. Positive news!
3. Producers (drillers) react to higher market prices, as we have in Nov 2017, by ramping up production, which reduces longer-term delivery prices, sustaining the backwardation state.
4. Signs of OPEC production cut effectiveness indicate it is highly likely that volume cuts will be extended well into 2018, with cooperation from Russia and Iran.

Slowdowns to the optimism here includes U.S. shale producers' ability to shut in production quickly if prices fall, but that is offset by OPEC's spare capacity to pump out more production as prices rise.

As we look ahead to Thanksgiving, I am thankful to see the massive storage volumes finally getting drawn down, and U.S. oil exports increasing to decrease oversupply and stabilize prices above \$50. U.S. producers, which many of our D&D members are employed by, have an increasing hope of *positive* cash flow and a positive profit margin going forward, which means more stability and new job opportunities coming in 2018. The October pop in oil prices allows the commodity market to self-correct by selling through some excess inventory, and getting us back on track to a more stable price and job environment. In a nutshell, to go forward towards more stable prices, in the near term the delivery prices must first turn slightly backward from the current spot pricing. To learn more, check out the EIA and PIMCO links below. Have a great week!

Jonathan Slay

References:

Brent to WTI Spread. 12 month history. Y Charts.
https://ycharts.com/indicators/brent_wti_spread

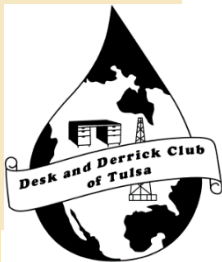
Brent delivery prices in 2018.
<https://www.theice.com/products/219/Brent-Crude-Futures/data>

Short-term energy outlook, Oct 11, 2017. U.S. Energy Information Administration (EIA).
<https://www.eia.gov/outlooks/steo/marketreview/crude.cfm>

Oil Market shifts from Contango to Backwardation. Pimco.com. Nicholas Johnson.
<https://blog.pimco.com/en/2017/10/Oil%20Market%20Shifts%20From%20Contango%20to%20Backwardation%20Implications%20for%20Investors>

Backwardation. Investopedia.
<http://www.investopedia.com/terms/b/backwardation.asp>

Shapeshifters: Yearning for Backwardation. BBH. <https://www.bbh.com/blob/22038/0b04369a1bbf98d9ecf4694a7a53b2ff/shapeshifters--yearning-for-backwardation-pdf-data.pdf>



Desk and Derrick Club of Tulsa

2017 Officers and Chairs

Officers/Board

| | |
|--------------------------|---------------|
| President | Jonathan Slay |
| Vice-President | Jill Klein |
| Secretary | Jake Sherman |
| Treasurer | Alesia Bailey |
| Director 2016-2017 | Pam Sanders |
| Director 2016-2017 | Kendra Ware |
| Director 2017-2018 | Kathy Staton |
| Director 2017-2018 | OPEN |
| Immediate Past President | Vicki Barnes |
| Parliamentarian | Val Bode |

Standing Committees

| | |
|------------------|---------------------------|
| Bulletin | Kathy Staton |
| Bylaws | Val Bode |
| Contact | Karen Chism |
| Convention | Jill Klein |
| Education | OPEN |
| Membership | OPEN |
| Orientation | Jill Klein, Vicki Barnes |
| Program | BOARD |
| Public Relations | Jake Sherman, Kendra Ware |
| Roster/Website | Val Bode |
| Social | Jake Sherman, Kendra Ware |

Special Committees

| | |
|--------------------------------------|--|
| Abbreviator | Gaye Marrs |
| ADDC Awards | Vicki Barnes |
| ADDC Nominating | Cheryl Wooten |
| Student Outreach/Scholarship | Pam Sanders |
| Fundraising | OPEN |
| Golf Tournament | Vicki Barnes |
| Historian | OPEN |
| Industry Appreciation Luncheon (IAL) | Jill Klein |
| Nominating | Dorthie Parker, Beth Hesling, Laura Louser |
| Scrapbook | OPEN |
| Tally | Val Bode |
| Vision | Laura Louser |



October Meeting Recap

Like Pieces of the puzzle-You are essential.

What's something you are good at?

- Organization
- Greeting people
- Helping people

Where do you want to go on a field trip?

- The Elsing Museum of minerals at ORU
- To see a seismic shoot
- Digging for quartz crystals

Desk and Derrick Needs YOU!

What is your favorite thing about D&D?

- People
- Quality speakers
- Volunteering
- Different professional disciplines

What kind of speaker would you like to hear?

- Marketing
- Land
- Best Practices

Our October meeting was fun! We played a wild candy game. Everyone was included. We discussed all kinds of issues including the ones above and these:

What is your favorite charity? Single parents, children, Laura Dester Shelter, Parent Child, D&D Magic Suitcase

Wild Candy! Tell us anything! D&D needs to educate in elementary schools. Members enjoy helping people reach their goals

October Meeting Pics





**The Tulsa Geological Society
&
Desk and Derrick Club of
Tulsa
18th Annual
Black Gold Golf Tournament
Recap by
Jake Sherman**



As a participant, I thought that the golf tournament was a big success! I loved that it was limited to 18 teams and we didn't have to double up on holes. This made for a nice small group feeling and kept it very relaxed. It also kept us on a good, even pace. We never had to wait for the group in front of us to clear the hole before taking our next shot. My team wasn't very good, but we quickly fell into a good rhythm of harassing each other and cracking jokes! The pace seemed to increase after we had a few beers.

The Forest Ridge Golf Club proved to be a great location. I was very surprised to have one of their employees pick me up at my truck and give me a ride to my golf cart. I've never experienced this at a golf tournament! It was a very well maintained course. Everything was green and it was a beautiful course. Although it was a little windy and overcast, the temperature was great. I think that most people will agree that one of the best parts about the tournament was the excellent steak dinner after the tournament. This was also a tournament first for me. The door prizes made for a nice dessert. There were a lot of prizes. I would guess that at least 30% of the attendees won something. I came away with a nice 3 wood, which was perfect because my son was nice enough to break mine the last time I took him golfing.



BLACK GOLD TOURNAMENT PICS

The Tulsa Oil Drop
NOVEMBER 2017





October Social at the Flying Tee

Several members and five guest attended the October Social at the Flying Tee on the Riverwalk in Jenks. The food was excellent and a great time was had by all. There are plans to do this again in the Spring. Please plan to join us then. Thank you, **Jonathan Slay** for planning this event!





UPCOMING EVENTS

Let's Go Bowling!

Plan to attend our 2017

Winter Social &

Officers Installation

Place: Dust Bowl

211 S. Elgin, Tulsa, OK

Date: December 13, 2017

Time: 5:30-8:30 pm

Cost: \$5.00 (members & guest over age 7)

Appetizers and Pizza will be served

The Dust Bowl welcomes kids until 8:00 pm

Players will pay for shoe rental and drinks.

Make your reservations by Dec. 8th

reservations@tulsadandd.net



Leaders Letters



Board of Directors

PRESIDENT

Maggi Franks
K & E Computer Services

PRESIDENT ELECT

Christina Porth
AOG International

VICE PRESIDENT

Terry Ligon
L Chem Tech Co., Inc.

SECRETARY

Keith Atkins
Murphy USA

TREASURER

Tammy Watkins
CTKW Petroleum Land Services, LLC

IMMEDIATE PAST PRESIDENT

Connie Harrison
Valero Energy Corp.

EXECUTIVE ASSISTANT

Linda Rodgers
Process Equipment & Service Co.

PARLIAMENTARIAN

Sheryl Minear, RP
Silver Oil & Gas, Inc.

REGION I DIRECTOR

Bev Roberts
American Refining Group

REGION II DIRECTOR

Jan Bell
Advanced Energy LLC

REGION III DIRECTOR

Claudia Prather

REGION IV DIRECTOR

Evelyn Green

REGION V DIRECTOR

Joan Cartwright
Bark Royalty Co. LTD

REGION VI DIRECTOR

Wendy Sparks
Carl E. Gungrell Exploration Inc.

REGION VII DIRECTOR

Marilyn Carter

Maggi Franks
President

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

November 2017

Dear friends and fellow members,

November is a time of reflection and thanks. I have been reflecting on my time as ADDC President, and how I am thankful for the experience. I am humbled by the faith you have put in me, and the friendship and support you have shown. I would have never thought 12 years ago that a group of strangers could become my second family. So thank you for being part of my life.

As we come closer to the end of the year there is some "Year End" business that must take place. If you are a committee chair, please start forwarding any files to the 2018 committee chairs. Clubs, as you elect and install your new, or newly recycled boards, please be sure to fill out the proper forms (ADO 30) and send them to both ADO and the Webmaster.

I am happy to say that Mark and Wayne were able to get out the membership renewals in October. Great job gentlemen! With the renewals each of the club presidents should have received a list of former members. Please think about contacting them and see if they'd like to rejoin. Invite them to your Christmas events, or to the March meeting for Desk and Derrick Month. Remind them of the benefits of membership: education, networking and friendships. It never hurts to ask, and the worst they can say is "no." The answer will always be "no", unless you ask.

Please remember the Dues for 2018 have gone up to \$55.00 for the Association. This does not include the regional or club portions, so please check with your club's treasurer for the correct amounts.

Let me wrap up this letter with a quote from one of my favorite philosophers – Marcy from the Peanuts:

But Thanksgiving is more than eating, Chuck. You heard what Linus was saying out there. Those pilgrims were thankful for what had happened to them, and we should be thankful, too. We should just be thankful for being together. I think that's what they mean by Thanksgiving, Charlie Brown. --Marcy

Until next month,

Maggi Franks



Region VI Director's Newsletter



Wendy Sparks
Region VI Director

wsparks@ceqx.net
wsparks@yahoo.com

Missy Jack
Butler County

Casi Nichols
Enid

Pam Hitz
Great Bend

Kay McKinley
Liberal

Michelle Burgard
OKC

Jackie Shaver
Red Earth

Jonathan Slay
Tulsa

Abby Bock
Wichita



ASSOCIATION OF
DESK AND DERRICK
CLUBS

Region VI Members;

It is that time of year! Each club should be holding their elections for the 2018 club officers. Please remember that once you have held your elections, the NEW OFFICER FORM ADO31 needs to be sent to ADO, Casi Nichols (Region VI Director-Elect) and retain one for your club files. THANK YOU to all who have stepped up to the challenge for 2018. Whether this is your 1st time on the board or your 41st time, it all begins with the members at the club level.

It is time to start thinking about 2017 contest entries. Casi Nichols will be the Contest Chair this year and will have her mailing instructions posted on the website soon. DEADLINE IS DECEMBER 15, 2017. You can also find the entry form on the website and instructions under the "FORMS" and then scroll down to "CONTEST ENTRY FORMS". A letter was sent out this month with the mailing address.

There was much discussion in the business meeting over the Proposed Bylaw Amendments. Below are the results:

Amendment 1 Name: 12 in favor; 34 opposed. FAIL

Amendment 2 Association Membership: STRIKE

Amendment 3 Dues and Fees: (an amendment to the original amendment was passed to change to a \$10 increase instead of \$20. 33 in favor; 13 opposed. PASSED

Amendment 4 Publication: 45 in favor; 1 abstain. PASSED

Amendment 5 Insignia: 23 in favor; 22 opposed; 1 abstained. FAIL

Standing Rules 1 trademark approval process: 43 in favor; 3 opposed. PASSED

By now all Presidents should have received a ballot for the mail vote. These votes are for the region realignment and the elimination of the office of Vice President. As per the instructions, the submission envelope must be postmarked no later than DECEMBER 1, 2017 - there are no exceptions. Presidents, please discuss with your clubs and get your votes in as soon as possible so all voices may be heard.

I hope everyone has a fantastic Thanksgiving! There is ALWAYS something to be thankful for!!

"There is no dishonor in losing the race. There is only dishonor in not racing because you are afraid to lose"~ Garth Stein

Regards,

Wendy Sparks



In Sympathy

DebiCormick.com

Julia Ann McCormick, 95, passed away on Tuesday, October 10, 2017 in Tulsa, Oklahoma. She was born June 9, 1922 in Plainville, Indiana to Gladys (Dyal) and Hermel McCormick. As a small child, her father moved his family from Indiana to Oklahoma City to accept a new job in automobile finance. They lived in Oklahoma City, Amarillo, and Tulsa.

In 1940, Julia graduated from Classen High School. Shortly after graduation the family moved to Tulsa, OK and Julia attended Tulsa University... Not long after Julia enrolled in college, World War II began and the family moved to Chicago where her father was transferred for his job.

Julia went to work for the Pennsylvania Railroad. At the close of the war, her mother and father returned to Tulsa and Julia remained in Chicago.

In 1952, Julia returned to Tulsa and began working for Pan American Petroleum. Shortly after being employed she was transferred to Fort Worth, TX and remained there until 1971 when she moved back to Tulsa, OK to be with her family.

Upon her return to Tulsa, Julia started working for Williams Company where she was an Executive Secretary until she retired in 1980.

Julia was active in Desk and Derrick Club, having served as the President of both Fort Worth and Tulsa organization. She was an avid bridge player and loved to travel. Julia will be remembered as independent, lively and fun-loving.

She was a member of the Boston Avenue United Methodist Church where she sang in the choir for many years.

I have to say she had the best sense of humor, she always made me laugh.

She was also generous and made me especially happy when getting a Christmas card saying she had made a donation to the Food Bank, or other charitable organization in my name.

She was a 'hoot' and will be greatly missed!

Dee Jansen



Several members of the club contributed to send a beautiful plant to the service. A Club donation to the Educational Trust, to which Julia was a founding member, was also made in her name.



CLUB NEWS FOR NOVEMBER

A Get Well card was sent to Tulsa's own Joyce Kunkel. We continue to keep her in our thoughts as she recovers from surgery.

A note of sadness to report. Jean Cooper's (Red River club member and past club president) husband, Daryl Cooper passed away on Oct. 14th. Notes of condolence can be sent to: Jean at 11911 Longfellow Circle Shreveport, LA 71106

From the Enid Club: Sue Goodpasture lost her husband Marvin. Please keep Sue and family in your thoughts and prayers during this time. Cards can be sent to Sue at: 416 Redwood Enid, OK 73701

Belated condolences to Amy Alonso, Tulsa Club, for the passing of her grandmother this last spring.

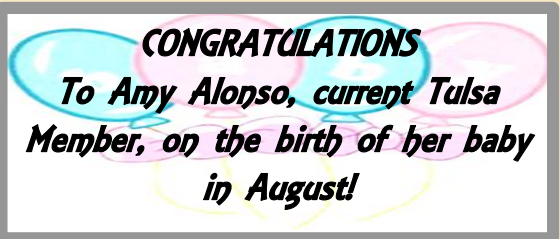


| NOVEMBER 2017 | | | | | | |
|--|-------------------|---------|---|----------|---|--|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| | Board Mtg. | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | Membership Mtg. IAL Luncheon | 9 | 10 | 11 Veteran's Day |
| 12 | 13 | 14 | 15 | 16 | Amy Alonso  | 18 |
| Kris Russell  | 20 | 21 | DEADLINE for TOD submissions | 23 | 24 | 25  |
| 26 | 27 | 28 | 29 | 30 | | |



P.S. Check out these interesting and informative websites:

www.tulsadandd.net
www.addc.org



Note: All submissions to The Tulsa Oil Drop can and shall be edited as necessary. Viewpoints expressed by submitter are those of the and not necessarily of The Desk and Derrick Club of Tulsa or the Association of Desk and Derrick Clubs (ADDC). Editor's Email: kstaton@impxp.com.