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MISSISSIPPI GEOLOGICAL SOCIETY *eBulletin*



missgeo.com

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PRESIDENT'S LETTER
Lisa Ivshin



Fellow members:

Happy New Year!

The Christmas Party at the Colonial Country Club hosted by MAPS, MGS, MIPRO, and Mississippi Oil and Gas Lawyers Association was great! A lot of familiar faces, good music, good food, somebody did a great job putting it together. I hope everyone had an enjoyable Holiday Season and wish you a great 2009.

We did not have a meeting in December but we do plan to go back to a full schedule in January. We have good speakers, Alvin worked hard to get them to come and make presentations. On January 8th we will have Jeff Requarth and John Morris of Savannah Oil and Gas talk about their recent exploration success in North and South Winchester Field, Wayne County, Mississippi. I know we all appreciate the good work Alvin has done. Joe has been working hard as well and gives a whole new meaning to the job of the 1st Vice President.

If you checked your e-mail you know that the January 8th luncheon meeting will take place at Holmes Community College (Ridgeland Campus) at 11:30 and will be catered by Hamel's Restaurant.

Please check the Mississippi State Oil and Gas Board's new web site <http://gis.ogb.state.ms.us/MSOGBOnline/> and let me know what you think about the new site.

Once again, on behalf of the MGS Board of Directors, I wish all of you a Happy, Healthy and Successful New Year.

We will resume our monthly meetings starting January 8th, 2009. I look forward to seeing you all there!

Sincerely,
Lisa

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MGS Membership Application

Members in good standing.

MGS Advertising Notice

MGS Boland Scholarship Fund

MGS Honorary Members

**Shale hit big time in 2008 –
2009 outlook uncertain**

MGS MEETING SCHEDULE

When	What	Where
September 11, 2008	Fall BBQ	Jackson Yacht Club
October 9, 2008	Larry Baria & Ezat Heydari "Shale Layers in the Alabama Smackover Formation and the Implications for Sea Level Change in Regional Correlations"	River Hills
November 13, 2008	Dudley J. Hughes "The Global Warming Debate"	River Hills
December 6, 2008	MAPL / MGS Christmas Party	Colonial Country Club
January 8, 2009 11:30 – 1:00	Jeff Requarth and John Morris of Savannah Oil & Gas— Perseverance and Technology: Recent Exploration Success—North and South Winchester Field, Wayne Co., MS	Holmes Community College (Ridgeland Campus)
February 12, 2009	Tom J. Pickens — An Integrated Approach to Evaluate a Shale Gas Play.	River Hills
March 12, 2009	Honors Meeting: Boland Scholarships	River Hills
April 9, 2009	TBA	River Hills
May, 2009	Spring Fling	Jackson Yacht Club

OFFICERS MEETINGS

August 5, 2008

September 2, 2008

October 7, 2008

November 11, 2008

December 2, 2008

January 6, 2009

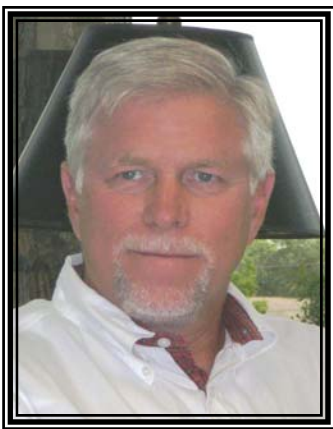
February 3, 2009

March 3, 2009

April 7, 2009

May 5, 2009





Perseverance and Technology: Significant Recent Exploration Success Winchester North and South Fields, Wayne County, Mississippi

**Speakers: Jeff Requarth and John Morris,
Savannah Oil & Gas**

Abstract

Discovered in 2006, North and South Winchester Fields located in Wayne County, Mississippi are currently producing at a combined rate of over 4,000 barrels of oil per day and 11 million cubic feet of gas from 10 wells. The two Smackover "salt wall" fields are situated along the steeply dipping east flank of the North-South trending Winchester salt ridge. The "salt wall" trap places upper Smackover reservoir against Louann Salt, which serves as an effective lateral seal. The vertical seal is provided by Haynesville evaporites. The final components of the petroleum system include a world-class source rock in the lower member of the Smackover Formation and extensively dolomitized grainstones of the upper Smackover serving as the reservoir compartment.

Winchester Field, which lies between and within one half mile of both North and South Winchester Fields, was discovered by the LL&E #1 Jordan well in 1968. The authors drilled a successful offset to this field in 1989, followed by four development and exploratory dry holes in the Winchester area. It was not until 2005, when a 43 square mile 3D was shot to image the steep flanks of the Winchester Salt Ridge (20-60 degrees), that the authors were able to accurately map the Smackover structure and locate the discovery wells. Although both North and South Winchester Fields are small in size, both less than 300 acres, they are expected to recover over 11 million barrels of oil equivalent.

This talk will review the Jurassic "salt wall" play in the Mississippi Salt Basin. The geology, geophysics, and engineering of North and South Winchester Fields will be covered. Finally, we will chronicle the persistence of the "lone prospector" and how much smarter we all appear with the help of properly acquired and processed 3D seismic. ♦

*"...how much smarter
we all appear with the
help of properly
acquired and processed
3D seismic."*

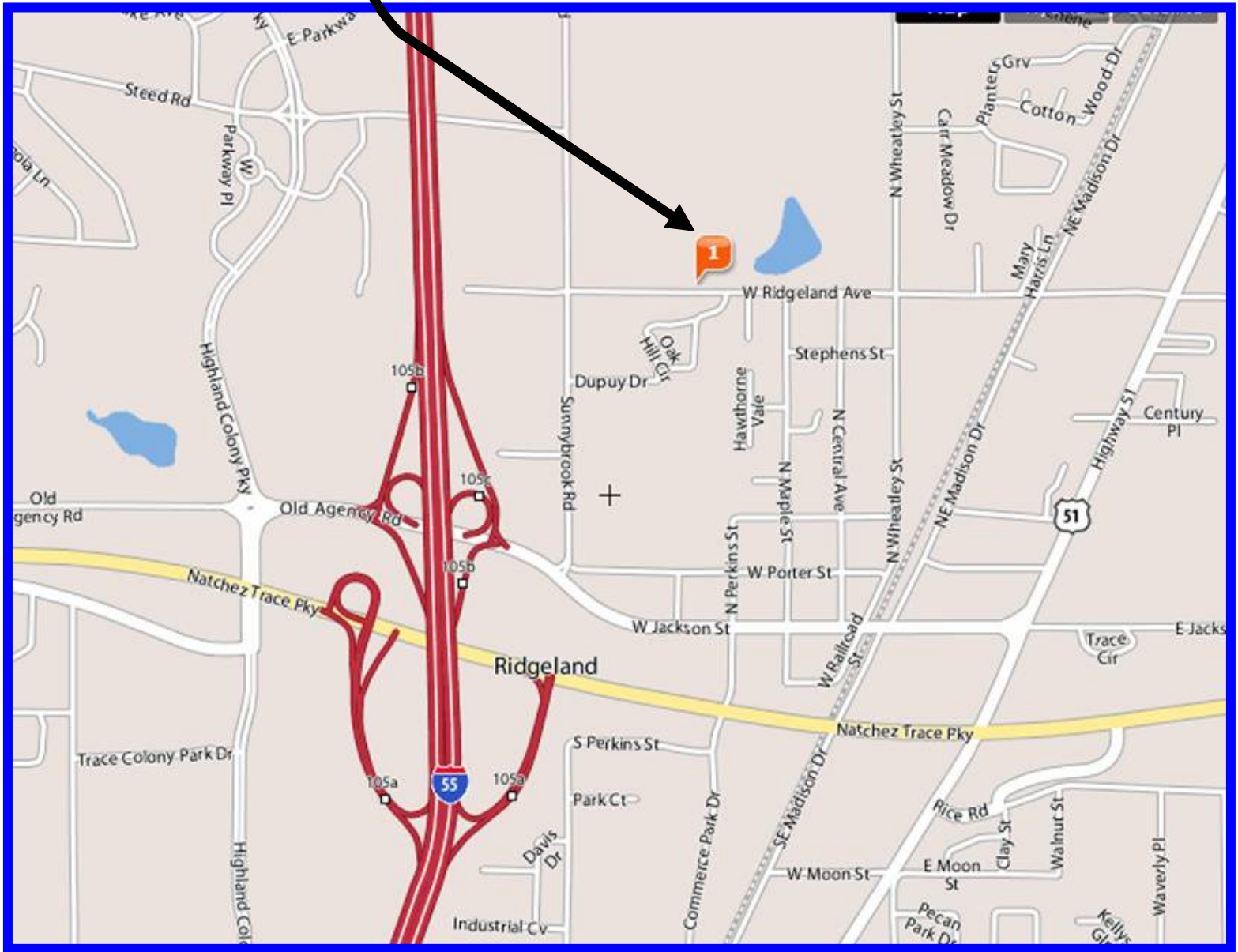
Jeff Requarth earned his BS in Geology from the College of Wooster and his MS from Bowling Green State University. He began his career with Amoco Production Company in Houston, TX. Through the 80's and early 90's, he worked for and managed a number of small exploration companies. In 1996, Jeff, along with his partners John Morris and Mike Moore, formed Savannah Oil and Gas, where he serves as President. Savannah has concentrated on exploration, development, and property acquisition in the Southeastern states of Mississippi, Alabama, and Florida. Jeff is a member of AAPG, HGS and OEI. He is a Certified Geologist through AIPG and Registered Professional Geologist in the State of Mississippi.

John Morris earned a BS in Geology from Long Island University. He began his career with Damson Oil Corp. in Houston. He later spent a number of years with Weeks Exploration Co. and eventually Santos USA. In 1996, he formed Savannah Oil & Gas, L.L.C. with partners Jeff Requarth and Mike Moore. Savannah has primarily concentrated its efforts on exploration and production in the Southeastern states. John is a Registered Professional Geologist with the State of Mississippi and a member of HGS and AAPG. ♦

**Perseverance and Technology:
Significant Recent Exploration Success
Winchester North and South Fields, Wayne County, Mississippi**

**Speakers: Jeff Requarth and John Morris,
Savannah Oil & Gas**

**Holmes Community College
412 W. Ridgeland Ave.
Ridgeland, MS 39157
(Ridgeland Campus) 11:30 – 1:00. Jan 8th.**



The Bureau of Land Management would like to extend an invitation to the Mississippi Geological Society Membership for a program in Jackson on January 13, 2009 at the Museum of Natural Science.

It is free.

One presentation will be at noon with brown bags welcome.



**United States Department of the Interior
Bureau of Land Management**

Eastern States

Jackson Field Office

411 Briarwood Drive, Suite 404

Jackson, Mississippi 39206

<http://www.es.blm.gov>



IN REPLY REFER TO:

To: Interested Parties
RE: Bureau of Land Management "Surly Surveyor" Program
When: January 13th, 2009
Where: Mississippi Museum of Natural Science Theater
I-55 N at Lakeland Drive

Mr. Rob Nurre worked for the BLM during the Lewis and Clark (L&C) Bicentennial 2003- 2006 and gave this program all across the United States.

Mr. Nurre writes -

"As you may remember from our work together during the L&C Bicentennial, my program focuses on the original General Land Office survey records as a tool for understanding how the original subdivision of land into townships and sections was done, and how these records can be used as a baseline to understand both the natural and cultural landscape as it existed at the time of the original survey. As the modern BLM is the direct descendent of the GLO, these survey and related sales records are in many ways are the origin of the BLM. As you know, the Eastern State Office has been very active in imaging these original land survey and sales records and making these available on-line. Part of the value of presenting my program for BLM staff is to help make them aware of how this important resource and how it can be used. The first part of the program itself is done in character as a 1800s GLO land surveyor using the land records of the program location or other place of choice. This approach is both entertaining as well as an effective way of explaining the work of the surveyors on the ground. During the later part of the program I come out of character to explain how the original land surveys have affected the development of the landscape and how the records can be used in that interpretation."

A resource about a previous "Surly Surveyor" program is available on-line. It is an article written about a presentation given at the Aldo Leopold Foundation, <http://www.aldoleopold.org/about/newsletters/2004Fall.pdf>.

Oil Falls on Signs OPEC Cuts Won't Boost Prices as Demand Drops

By Mark Shenk

Dec. 22 (Bloomberg) -- Crude oil fell more than \$2 a barrel on speculation OPEC will be unable to boost prices as the global recession curbs demand faster than the group can cut production.

The Organization of Petroleum Exporting Countries is "determined" to stabilize oil markets, Saudi Oil Minister [Ali al-Naimi](#) told reporters in Doha, Qatar, yesterday. Japanese crude-oil imports tumbled 17 percent to 3.71 million barrels a day last month, according to a report from the finance ministry.

"The Japanese demand numbers help explain why OPEC is having such a hard time supporting prices," said [Adam Sieminski](#), Deutsche Bank's chief energy economist, in Washington. "Weak demand and increasing OPEC spare capacity are contributing to weaker prices."

Crude oil for February delivery fell \$2.44, or 5.8 percent, to \$39.92 a barrel at the 2:30 p.m. close of floor trading on the New York Mercantile Exchange. Prices have dropped 73 percent from a record \$147.27 on July 11.

All members of OPEC share the goal of stabilizing the oil market, Naimi told reporters at a conference in Doha. Kuwaiti Oil Minister [Mohammed al-Olain](#), speaking at the same conference, said he is "confident" of meeting production-quota cuts, adding that the oil price drop is caused by market conditions.

Oil and energy ministers from the six Gulf Cooperation Council countries met in the Qatari capital. Saudi Arabia, Kuwait, Qatar, and the United Arab Emirates are the members of OPEC. The Gulf Cooperation Council's other two members are Oman and Bahrain.

South Korean Demand

South Korea's consumption of oil products declined 12.4 percent in November from a year earlier. The country used 60.3 million barrels of refined products, data from state-run Korea National Oil Corp. showed today.

"OPEC may be determined to stabilize oil prices, but with such poor demand it's hard to see how any supply-driven initiatives can have a positive impact on prices," said [Addison Armstrong](#), director of market research for Tradition Energy in Stamford, Connecticut.

Japan is the world's third-biggest oil [importer](#) after the U.S. and Germany, according to the U.S. Energy Department. South Korea is the fifth-biggest importer.

Falling demand for raw materials has hit most commodity markets. [The Reuters/Jefferies CRB Index](#) of 19 raw materials declined 0.4 percent to 217.97. The gauge lost 54 percent since reaching a record in July.

U.S. [supplies](#) rose in 11 of the past 12 weekly reports from the Energy Department as consumption dropped. Inventories [probably rose](#) 900,000 barrels last week, according to the median of analyst responses in a Bloomberg News survey. The department is scheduled to release its next report on Dec. 24 at 10:35 a.m. in Washington.

'Trying Its Best'

"OPEC is trying its best to at least limit the damage caused by the supply overhang," said [Bill O'Grady](#), chief markets strategist at Confluence Investment Management in St. Louis. "[Ali al-Naimi](#) is making a lot of statements that would usually have a big impact on prices, but there's little they can do now."

January futures, which expired last week, plunged 6.5 percent to \$33.87 a barrel on Dec. 19, the lowest settlement for a contract closest to expiration since Feb. 10, 2004. Oil is down 27 percent in December.

Brent crude oil for February settlement declined \$2.68, or 6.1 percent, to \$41.32 a barrel on London's ICE Futures Europe exchange.

To contact the reporter on this story: [Mark Shenk](#) in New York at mshenk1@bloomberg.net.

-CALL FOR PAPERS-

The Shreveport Geological Society is proud to host the 2009 Annual Meeting for the GCAGS/GCSEPM. We look forward to continuing the long tradition of presenting the best of the geosciences from the Gulf Coast. Our theme, “**A Fusion of Geology and Technology**”, recognizes the fact that we work using tried and proven geological concepts yet we are in the forefront of technical innovations. Our work is recorded for the worldwide geological community in our superior publication, the *Transactions*. We invite you to be a part of this process by submitting an abstract for an oral or poster presentation in Shreveport for the 2009 Convention of the GCAGS.

PROPOSED TECHNICAL SESSIONS

Haynesville & Other Shale Plays-A Symposium

The Wilcox-Outcrop to the Abyss

Visualization, Geochemistry, & Interpretation of Geologic Systems

Tight Gas Sand Development

Water Resources & Environmental Geology

Old Fields-Rejuvenation & Enhancement

Salt Traps & Technology

Global Change and Coastal Subsidence-Dealing with the Inevitable?

Peak Oil & Bridges to Sustainability

Geology & Education-A Natural

Seismic Applications in the Upper Gulf Coast

Stratigraphy of the Cotton Valley & Louark Groups: Northern Gulf of Mexico

Abstracts for oral and poster presentations may be submitted beginning November 1, 2008, but no later than **February 1, 2009**, by logging onto www.gcags2009.com. First drafts of full papers from selected presenters that will be included in the 2009 *Transactions* volume must be submitted by April 1, 2009. Contact information for the technical session chairs, as well as instructions for authors for the 2009 *Transactions*, can be found at the GCAGS conventions website, www.gcags2009.com. For general questions on the technical program please contact Gary Hanson, 2009 Technical Program Chairman. He may be contacted via email at ghanson@pilot.lsu.edu.

MEMBERSHIP APPLICATION / RENEWAL FORM

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2008-2009

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1/2 Page Ad (6" x 4")	\$300	\$ _____
1/4 Page Ad (3" x 4")	\$200	\$ _____
Business Card Ad (1 1/2" x 3")	\$100	\$ _____
Professional Listing (1/2" x 3")	\$ 50	\$ _____

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Professional Listing/Link	\$100	\$ _____

(Note: Please contact Steve Walkinshaw at (601) 607-3227 or mail@visionexploration.com for details concerning placing your ad on the MGS web site.)

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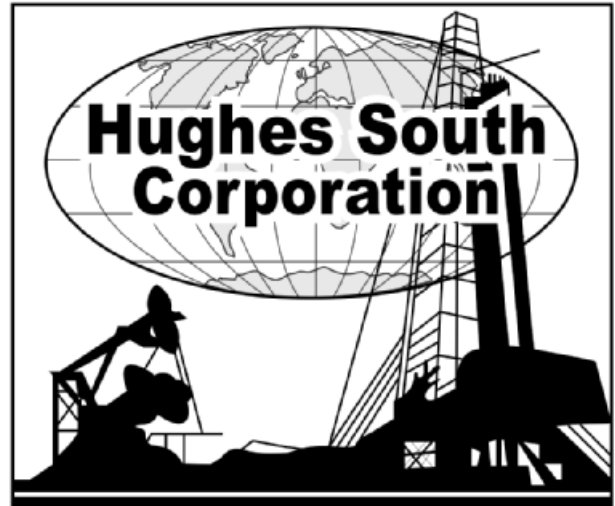
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MGS BOLAND SCHOLARSHIP FUND

The Society's L. F. Boland Scholarship Fund is open to donations (tax deductible) year round. Your contribution will help the Society recognize and reward outstanding earth science students at its annual Honors Day meeting on March 12, 2009.

Since inception in 1980, the Society has honored 112 students with the Boland Award. If you would like to contribute, please contact Dave Cate at 601-718-9397 or mail your check (L. F. Boland Scholarship Fund) to him at 217 W. Capitol St., Jackson, MS 39201.

The MGS gratefully acknowledges this years contributors to the L. F. Boland Scholarship Fund for the 2008-2009 year.

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Shale hit big time in 2008 – 2009 outlook uncertain

- Posted by [Scott Huggins](#) on December 29, 2008 at 8:22am in [Ripped from the headlines...](#)

BY JOHN-LAURENT TRONCHE

December 29, 2008

Many authorities within the energy industry regard 2008 as a good year for business, even though first six months' party gave way to a hang-over of epic proportions in the closing half.

The year was a big time for unconventional shale plays: The technology pioneered in North Texas' Barnett Shale over the past several years went nationwide in 2008, and now more than 20 shales are being developed via Texas-bred techniques in states as far afield as New York, Louisiana and Wyoming.

"Obviously, even though we end with low prices and a slowing-down, 2008 was a better year with regard to crude and natural gas production, significantly driven by the Barnett Shale," said Michael Williams, chairman and commissioner of the Texas Railroad Commission. The commission oversees all energy production in the state.

"We broke recent records," added Williams, "in terms of applications for drilling permits, completions, rig count and gross production."

As the Fort Worth Basin gained increasing notoriety, natural gas prices inflated beyond levels not seen since 2005. Stock prices of Barnett Shale operators similarly soared, with some companies boasting gains as great as 80 percent from January through June.

Devon Energy Corp.'s Chip Minty, supervisor of external communications, said the gas peaks were "unrealistically high," and company executives knew at the time those prices would not last.

And so they did not.

"When we have oil prices and natural gas prices that reach those levels, for the long-term good of the industry, we view those prices as harmful," Minty said. "Those are the prices that destroy demand and weaken the economy. And as a company and an industry, those are not the kinds of prices we prefer to see."

Too much gas, too little demand

The Energy Information Administration, an agency of the U.S. Department of Energy, acts as statistician to the industry. According to a Dec. 18 weekly update, the agency expects natural gas prices to end the year lower than at the beginning, despite their having reached historically high levels of more than \$13 per million British Thermal Units as recently as the beginning of July.

"The spot price at the Henry Hub decreased by \$7.52 per MMBtu, or 56 percent, since the peak price of \$13.31 reached on July 2," reads the update. "The current Henry Hub price of \$5.79 per MMBtu is lower than the level at the first of the year by \$2.08, or 26 percent."

"What we would like to see are moderate prices that will allow consumers affordable energy," Minty said, "but are high enough to allow us to fund our drilling operations and allow us the ability to find the oil and gas the economy needs to grow."

Industry veteran Ed Ireland said a good medium in natural gas prices lies in the range of \$7 to \$8, but companies still can operate with less.

"If [prices] stay ... around \$6, I think that we'll continue to make drilling in the Barnett Shale and other shales economically viable," said Ireland, director of the Barnett Shale Energy Education Council. "[They are] not as viable as if prices were higher, but are still economically viable, and I think that will continue."

The dramatic plunge in natural gas prices forced many companies to take a hard look at their balance sheets, and to analyze how much money is coming in vs. how much they are spending.

"Ultimately, the primary driver [of activity] is commodity prices, and commodity prices turn into revenue for oil-and-gas operators," said Richard Mason, publisher of The Land Rig Newsletter at Lubbock. "And once they have revenue, they're like teenagers with Mom or Dad's credit cards: they're happy to go spend it."

A good measure of how companies are doing is the number of operating drilling rigs in a field, such as the Barnett Shale.

“It seems like we peaked out at about 180 rigs in the Barnett Shale, more than that in North Texas, in September or October,” Mason said. “It’s down about 10 or 12 percent as of [early December]. A big chunk of that was Chesapeake, redeploying rigs to the Haynesville Shale, outside of the Barnett.”

Mason and company expect the count to drop about 40 units in 2009. A 30-percent drop in rig count nationally is a fair projection, said Mason, adding that he is open-minded toward a drop of more than 30 percent, too.

The first quarter of 2009 will be a tough 90 days, he said.

The Obama future

Despite recent hardships, many believe 2009 also could prove successful for shale development.

The incoming presidential administration is serious about examining the expanding possibilities of natural gas as a transportation fuel, said Fred Lawrence, vice president for economics and international affairs for the Washington D.C.-based Independent Petroleum Association of America. The IPAA’s president and CEO, Barry Russell, has met with President-elect Barack Obama’s transition team.

“I think one area of potential development is natural gas vehicles ... a lot of potential,” said Lawrence, adding that the conversion of even just mail carriers and school buses to natural gas is a big start. “We see natural gas vehicles as a whole potential new demand component.”

New uses for natural gas would be well-received by many in the exploration business.

“We’ve been excited about natural gas for a long time, before Barack Obama,” Minty said. “We’ve always believed natural gas was going to be an important fuel way into the future because it’s clean-burning, and it’s abundant in North America. And we’re still excited about it, and we believe natural gas will play an important role in President-elect Obama’s vision for the future.

“We believe it’s important to have a broad portfolio of energy in the future – alternatives like wind, solar, biofuels, nuclear,” added Minty. “To sustain our economy over the long term, we’ll have to pull from a variety of sources, some that haven’t even been developed.”

Long-term solutions cannot solve short-term problems, however.

“What we need is something to boost demand: In the short term, that’s weather. In the long term, it’s the economy and getting people to use electricity again,” Mason said. “Right now, all the cards are stacked against us, but in oil and gas things are never as good as they appear, nor as bad as they appear. And it’s pretty bad right now.”

Okay, so this is how I imagine this conversation went:

Walmart Employee:
'Hello 'this is Wal-mart bakery, how can I help you?'

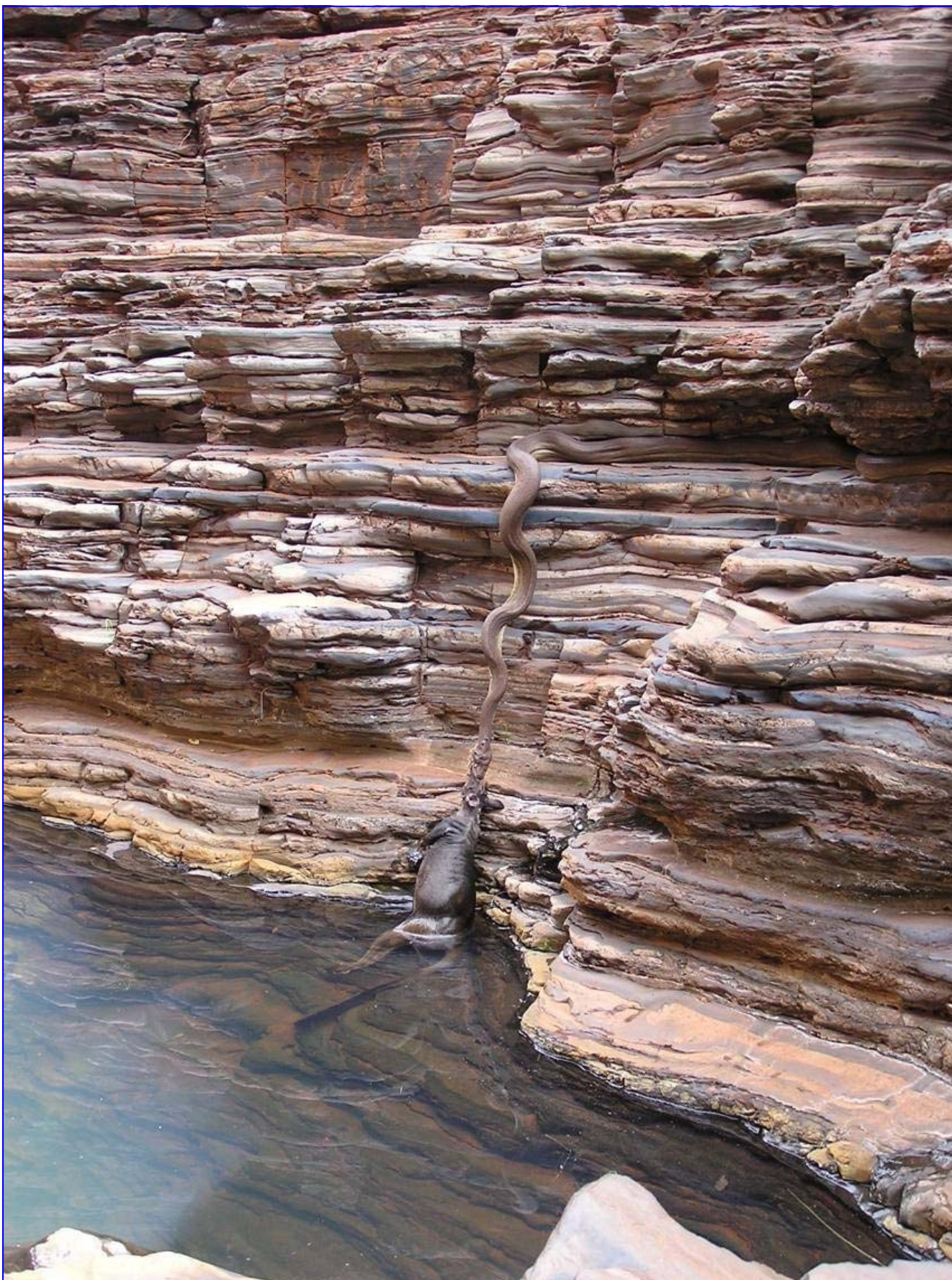
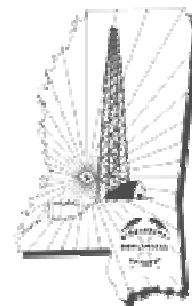
Customer: **' I would like to order a cake for a going away party this week.'**

Wal-mart Employee:
'What you want on the cake?'

Customer: **'Best Wishes Suzanne' and underneath that 'We will miss you'.**



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The “good ole snake
and dead cow”
picture.
(scale for a nice
outcrop in Australia)