

The Conventional Operator



Bi-Monthly Newsletter for Operators Exploring & Developing Conventional Oil & Gas Plays in Pennsylvania

ISSUE 23

NOV 2018

Nov 2018

You've Got Mail!



You've Been Hacked!

Email Woes, Wails, and Warnings

Last month I received an email from a client with a link to a Dropbox file. I am normally careful about not opening links in emails from unknown sources, but in this case I was expecting an email with an attachment from this specific client. It was an unfortunate coincidence. I clicked on the link and it brought up an article on business management . . . not what I was expecting. The next day I began hearing from some of you that you received that same email from me. It was clear then that I had been hacked, and my contact list used to spread the problem to other machines. I sent out a message to all my contacts not to open any links in an email from me until the problem was fixed, and I called the tech support at my email provider. I changed my password and we configured my account to use a different server on the provider's network. This protected future emails and attachments. However, changing the server resulted in the complete loss of all my contacts. The email provider required me to sign up for their premium paid service so I could access the tech support level needed to restore my contact list. It took two weeks for the email provider to restore my contact list, though minus phone numbers, addresses, company names, and recipient names. I am not very happy with this particular email provider. So I have opened a new email account using Google Gmail as my new provider. My new company email address is stratresourcesgeo@gmail.com. If you received this newsletter because someone forwarded it to you, I would appreciate hearing from you so that I may add you to my new contact list. And, if you are comfortable doing so, if you receive this newsletter directly from me I would also appreciate a reply with your full contact information, so I can reconstruct my former contact database. If you're not comfortable doing this, I understand. Be careful of suspicious links in your emails.

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About this Newsletter

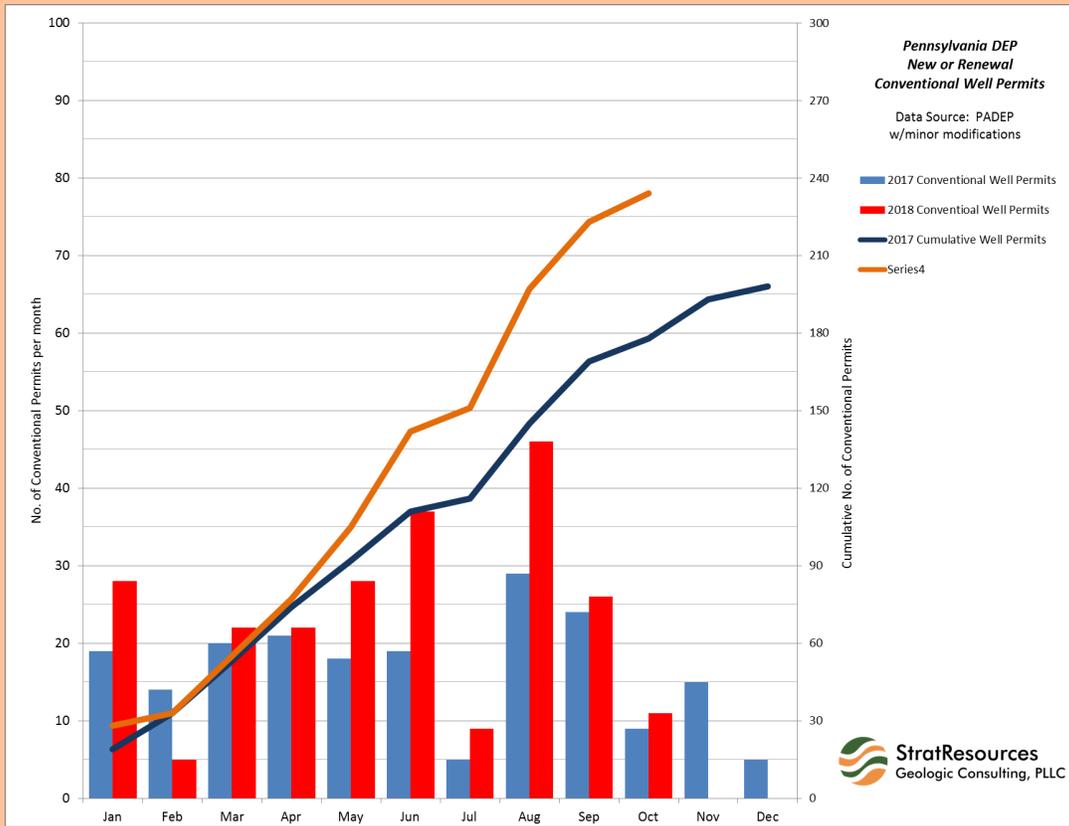
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Cary Kuminecz CPG, PG is President/ Owner of **StratResources Geologic Consulting, PLLC** which provides prospect generation, geologic property evaluation, and well log scanning & digitization services for the oil & gas industry and landowners. For more information and for past issues of this newsletter please visit:

www.stratresourcesgc.com



Conventional Well Permits - Pennsylvania (2017 & 2018)



26 Percent Increase in Conventional Well Permits Predicted for 2018

September and October permitting activity has tailed off after the August fever. However, the number of permits granted since August still exceeds that for 2017. The current projection is to finish 2018 with about 250 conventional well new permits and renewals. This would be a 26 percent increase of 2017’s permit total of 198. This is just a little behind the difference in ARG Group 2 pricing for 2017 and 2018 to date. In 2017 the average Group 2 price paid was \$47.09/BO while in 2018 the average price paid to date is \$63.29/BO or a 34 percent increase over the previous year.

Permit activity remained focused on the four main counties of the Northern Oil Region for the past two months, which now account for 92 percent of all conventional well permits currently awarded during 2018.

2018 Conventional Permits by County

County	No. Permits	% of Total
Warren	95	40.6
McKean	76	32.5
Forest	32	13.7
Venango	12	5.1
Lawrence	4	1.7
Armstrong	3	1.3
Mercer	3	1.3
Butler	2	0.9
Fayette	2	0.9
Washington	2	0.9
Clarion	1	0.4
Clearfield	1	0.4
Indiana	1	0.4
Total	234	100.0



Success Stories, News, Announcements

(If you have any industry news related to your company or conventional operations that you would like to see published in this newsletter, please email Cary Kuminecz at stratresourcesgeo@gmail.com)



Stateside Energy Group, LLC, a Pennsylvania conventional well operator, has recently

acquired approximately 1200 acres of leasehold from Snyder Brothers, Inc. in the Towns of Allegany and Olean of Cattaraugus County, New York. The tracts acquired include 14 conventional producing wells. Stateside Energy is planning to further develop the acreage.

The Pennsylvania State Senate Appropriations Committee passed HB2154 on October 17th by a vote of 16 to 10. The Bill, which sets oil and gas regulations for conventional wells, passed the Pennsylvania General Assembly on June 5th of this year. The conventional well industry supports this bill, but Governor Wolfe has announced his intention to veto it should it reach his desk. The current version of the bill can be read at <https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2017&sessInd=0&billBody=H&billTyp=B&billNbr=2154&pn=3477>.

The University of Pittsburgh at Bradford is hosting its annual Pitt Bradford GIS Day to showcase student work in the GIS (Geographic Information Systems) field. Talks and a poster session will be presented.

The program takes place on Wednesday, November 14th in the Fukushima Room in the Frame-Westerberg

Commons building on



the Pitt Bradford campus. The program runs from 11 am to 1 pm and the public is invited. Cary Kuminecz of StratResources Geologic Consulting, PLLC will present *"How do Horizontal Oil & Gas Wells Get Where They Are Going?"*

Also from the Pitt Bradford Campus is news that the *Producers Monthly* scanning project is 53% completed. Monthly issues from 1936 through 1954 have now been scanned. This leaves the years from 1955 through 1969 to be scanned. A sample issue



(December, 1948) can be found on the

Penn Brad Oil Museum website at <https://pennbradoilmuseum.org/>.



The public comment period for the US Forest Service's plan "to revise the contents of its Oil and Gas Resources regulations" on its 44 national forests with ongoing oil and gas activities, closed on October 15th. This affects future drilling

by conventional operators in the 513,000 acre Allegheny National Forest. The Forest Service hopes to streamline and clarify the current permit regulations which have been in place since 1990 with minor modifications to date. The 91 public comments made regarding the Forest Service's plan can be read at <https://www.regulations.gov/docketBrowser?rpp=25&po=0&dct=PS&D=FS-2018-0053&refD=FS-2018-0053-0001>.



***Providing Geologic Consulting Services to the
Oil & Gas Industry and Landowners***

- ◆ Oil & Gas Prospect Generation
- ◆ Evaluation of Properties for Water Injection or Disposal
- ◆ Acreage Hydrocarbon Assessments/Property Risk Management Assessment
- ◆ Quantitative Well Log Analysis
- ◆ Core Descriptions
- ◆ Analysis of Drillers' Cuttings
- ◆ Well Log Quality Control at the Wellsite
- ◆ Volumetric Reserve Estimates
- ◆ Oil & Gas Data Compilations and Reporting
- ◆ Subsurface Geologic Reports/Interpretation of 3rd Party Reports
- ◆ Conversion of Paper Well Logs into Raster Format (TIF) or Vector Format (LAS) Files
- ◆ Training Classes in Stratigraphy of the Northern Appalachian Basin