

THE VOICE OF THE NATIONAL ASSOCIATION OF ROYALTY OWNERS

ROAR

THE ROYALTY OWNERS ACTION REPORT



A VISIT TO GAS HEAVEN



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President*

Many believe absolutely nothing is happening in the oil and gas world in New York State. In reality, for each of the last three years, about forty oil well permits have been issued for the western region. These wells have actually been drilled and are producing. In fact, of over 75,000 wells drilled in the state, more than 12,000 are producing to this day. However, those are relatively small wells, weak producers and not in the same economic league as the big gas wells on the south side of our state border.

From our hilltop home in the Southern Tier region of New York, I can literally see the rolling hills of Pennsylvania. In early December, I was very fortunate to be invited to visit a natural gas well under development in that state. This particular well is unusually large and expected to be very productive over its lifetime.

On the day of my visit, crews were busy setting a perforating gun in place as part of the completion process. Loaded, the gun was suspended from a 120' crane. Tethered to the end of a 20,000 foot wireline less than ¼ inch in diameter, the gun was slowly lowered deep into the well. With a plug at the end of the gun, high pressure water forced the gun downhole and then deep into the horizontal section of the well. The water pressure was very substantial due to the necessity of overcoming the rock stresses of the previously frac'd stage in order to set the device in place.

As the gun descended, sensors detected the very slightly increased magnetism from the connecting joints of the production casing and provided a reliable indication of its actual location. The length of the wireline dispensed was carefully monitored and recalibrated at the kickoff point. The engineer wanted a very specific location and the operator absolutely nailed it to within less than an inch. The technology is absolutely stunning.

I was told I should go out to the wellhead and experience putting my hand on the same pipe as one of the crewmembers. The charges were set to go off one at a time, every thirty seconds. I placed my hand on the cold steel pipe. After a few seconds, I could physically feel and hear the explosion in the pipe even though the gun

was more than three miles down. As the success of each detonation is verified by the crewmember, he gives a high thumbs up to the wireline operator.

While providing a complete tour of the operation, my host introduced me to the crew members and informed them I was visiting from New York. Many stated how much they would really like to come here and work. Several times, I heard anecdotes about how thrilled the local business people are whenever the crews arrive to complete another well. These guys need everything from rooms to restaurants to laundry

services. For a town with an otherwise dim economic outlook, the difference in the quality of the locals' lives and their families is meaningful and very much appreciated.

Now if only we had a Governor who could understand that.



Jim Leonard standing in the middle of a NY State well site under development.

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