Midland College

PETROLEUM PROFESSIONAL DEVELOPMENT CENTER

To register and for more information, go to the Midland College PPDC Website: www.midland.edu/ppdc

Special Events

Petroleum Land Management Certificate Program
Six (6) Months Online Program - Coming November 5, 2012
Go to PPDC Website www.midland.edu/ppdc for more information.

Midland College PPDC, SPE Permian Basin Section, Permian Basin Petroleum Association Present:
Horizontal Completions in Permian Basin Unconventional Reservoirs
November 20, 2012 (Tuesday), Midland College Carrasco Room, 3600 N. Garfield, Midland, TX
Registration information will be available soon - Stay tuned!

Courses

Petroleum Land Management
Instructor: Alyce Hoge
October 23-24, Tue-Wed, 8:30 a.m. - 4:30 p.m.
$649; Out of State, $674 (includes $50 materials fee)
Midland College PPDC Building, 105 W. Illinois

PetroSkills: Making Your Words Count
Instructor: Dr. David Pelton
October 24-25; two (2) four (4) hour sessions; 8 a.m. - Noon
$425; Out of State, $450 (includes $50 manual)
Midland College PPDC Building, 105 W. Illinois

PETRA
Instructor: Greg Hinterlong
October 25-26, Thu-Fri, 8 a.m. - 5 p.m. Class is full-call to be put on the waiting list
$625; Out of State, $650
Midland College PPDC Building, 105 W. Illinois

Evaluating Resource Plays with Practical Statistics
Instructor: Russell Hall
October 25, Thu, 8 a.m. - 5 p.m.
$865; Out of State, $890
Midland College PPDC Building, 105 W. Illinois

Basic Oilfield Operations Training
Instructor: Mike Brock
October 30-31, Tue-Wed, 8 a.m. - 5 p.m.
$475; Out of State, $450
Midland College PPDC Building, 105 W. Illinois

The Oilfield from Planning to Plugging
Instructor: T.E. Gill
October 30-31, Tue-Wed, 8 a.m. - 5 p.m.
$430; Out of State, $455
Midland College PPDC Building, 105 W. Illinois

Basics of Mudlogging
Instructor: Sandra Elliott
November 1, Thu, 8 a.m. - 4 p.m.
$325; Out of State, $350
Midland College PPDC Building, 105 W. Illinois

An Introduction to Coiled Tubing
Instructor: Jeff Harris
November 1, Thu, 8:30 a.m. - 4:30 p.m.
$280; Out of State, $305
Midland College PPDC Building, 105 W. Illinois

PetroSkills: Primary Cementing 1
Instructor: Mr. Jerry Calvert
November 5-8, Mon-Thu, 8a.m. - 5 p.m.
$3,310; to register, contact www.petroskills.com or call (800) 821-5933. Fee is paid directly to PetroSkills
Midland College PPDC Building, 105 W. Illinois

Property Evaluation
Instructor: J. T. (Tommy) Lent, Jr.
November 6-7, Tue-Wed, 8:30 a.m. - 4:30 p.m.
$430; Out of State, $455; CPE credit, $445
Midland College PPDC Building, 105 W. Illinois
"We have registered with the Texas State Board of Public Accountancy as a CPE sponsor. This registration does not constitute an endorsement by the Board as to the quality of our CPE program." Eligible for 14 CPE credits. Prerequisite: None; Delivery Method: Group-Live; Program Level: Introductory; Preparation: None.

Petroleum Engineering for Non-Engineers
Instructor: Dr. Jennifer Miskimins
November 8-9, Thu-Fri, 8 a.m. - 5 p.m.
$695; Out of State, $720
Midland College PPDC Building, 105 W. Illinois

Internet Resources for Land Professionals
Instructor: Alan Morgan
November 9, Fri, 8 a.m. - 4 p.m.
$280; Out of State, $305
Midland College PPDC Building, 105 W. Illinois

John M. Campbell & Company: Operator Training for Oil & Gas Processing Facilities
Instructor: Mr. Stephen Pehnec
November 12-16, Mon-Fri, 8 a.m. - 5 p.m.
$3,482; contact www.petroskills.com or call (800) 821-5933. Fee is paid directly to PetroSkills
Midland College PPDC Building, 105 W. Illinois

PetroSkills: Surface Production Operations
Mr. Jeffrey S. McMullan
November 12-16, Mon-Fri, 8 a.m. - 5 p.m.
$3,635; contact www.petroskills.com or call (800) 821-5933. Fee is paid directly to PetroSkills
Midland College PPDC Building, 105 W. Illinois

Oilfield Manager (OFM) - Introduction
Instructor: Celia Payne
November 13-14, Tue-Wed, 8 a.m. - 4 p.m.
$870; Out of State, $895
Midland College PPDC Building, 105 W. Illinois

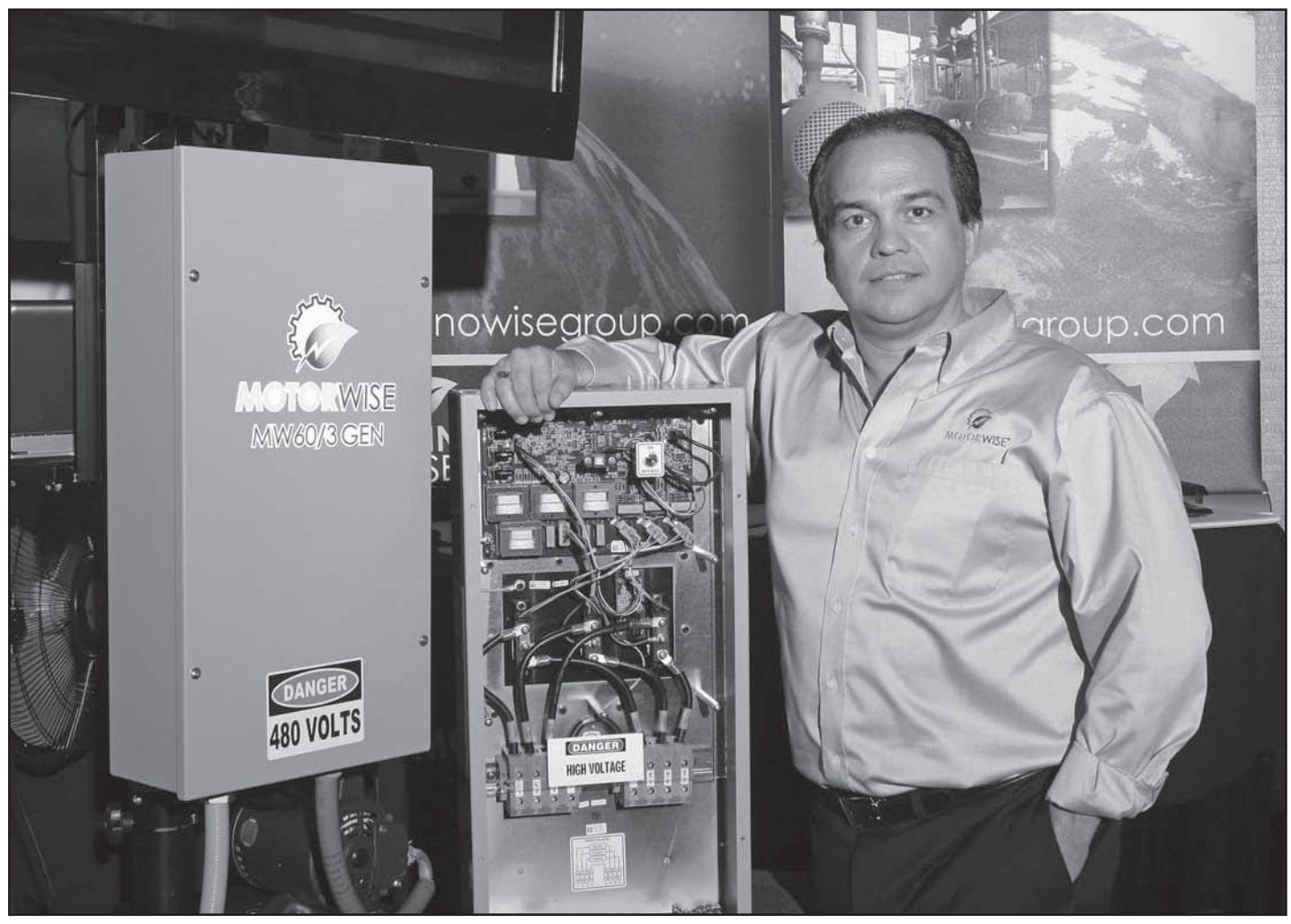

Photo by Greg Hendershot, Courrtesy Motorwise

Now ready for general release after three years of field testing in the Permian Basin, MotorWise technology, according to company president David Cibrian, could save producers 20-25 percent in electrical costs on beam-pumped wells.

Motorwise expects clients to save up to 25 percent off pumpjack electric costs

By Paul Wiseman
Special to the Oil Report

Three years of testing on pumpjacks in the Permian Basin has led MotorWise President David Cibrian to announce that the company's power-saving technology is ready for full release. Cibrian states that the company's tests with a number of mid-size independents, has shown the technology to save 20-25 percent on pumpjack electricity costs.

"Those numbers come from the power company," Cibrian stated. Tests were conducted by running a pumpjack on the MotorWise box in alternating months and comparing the electric bills with and without the technology in operation. Cibrian said the company has put the technology on over 1,000 Basin wells over the last three years.

The greatest hurdle for MotorWise is the long list of predecessors — all from other companies — whose promises of power savings were greater than their ability to deliver. "Other (previous) technologies provided savings of-if any-not more than 3-4 percent. Ours, based on physics, has been thoroughly tested for three years and proven to provide savings of 20-25 percent, up to 30 percent, in real dollar savings," Cibrian said.

The unit is programmed to monitor the applied voltage and the current consumed by a motor and to adjust the incoming power to a level that exactly matches the need. Cibrian explained that this "right-sizing" of the load reduces power consumption.

Another source of savings is in letting gravity do its work. When the pumpjack is on the downstroke, it does not need any assistance from the motor. The MotorWise unit detects this cycle and turns off the motor for a few milliseconds, starting it back up when the upstroke. Over the course of days and weeks those milliseconds add up.

Cibrian added that the constant restarting of the motor is mitigated by the unit's soft start feature, allowing the motor to go from rest to full speed in a managed fashion. This reduces mechanical stress on the motor and attached equipment. He noted that the can further reduce costs by extending the life of motors and equipment because of its soft-start feature and because its power conservation reduces damage caused by noise and vibrations.

The motorwise equipment itself has so far seen a failure rate of .4 percent, which Cibrian called z'extraordinary," especially for a new product.

One unit is required for each motor, and installation takes just a few minutes.

Now headquartered in San Antonio, the company was founded seven years ago in Dallas. The recently-completed three-year testing phase was preceded by four years of R & D. "We were very concerned that we make sure that the product worked as advertised before we went to market with it," Cibrian recalled. "We would rather be slow to market than come out with something that did not perform."

The Permian Basin was chosen for initial tests because of its predominance of surface-pumped wells. Because the company is now located in San Antonio, they are well situated to move into that area as well. Cibrian said they plan to look nationwide and worldwide for customers as well. Currently employing 60 people, that number will grow as opportunities arise.

MotorWise has a view that is larger than just individual pump jacks. Cibrian has spoken with power company executives who welcome the unit's power savings because the state's electricity resources are likely to be stretched thin over the next few years. The state's population growth and the ramp-up of oil production have pushed up power consumption faster than new plants can be built. "This is a great opportunity for oil companies to go green and actually save money rather than spending more," Cibrian said, adding that a typical MotorWise unit pays for itself in 20-36 months.

The TechnoWise Group, of which MotorWise is a part, is also testing a home-use module that is expected to do the same for residential customers as MotorWise does for oil producers. In truth, said Cibrian, MotorWise technology will work for any industrial motor application. The home units are being tested in Mexico and may become available later this year in San Antonio.

Paul Wiseman can be reached at fittoprint@sbcglobal.net.

On the Web: MotorWise is part of the TechnoWise group. Learn more about MotorWise at http://www.technowisegroup.com/EN/motorwise/

Melvin F. "Trey" Hunt III

Permian Basin oil and gas exploration during the next five years

By Melvin F. "Trey" Hunt III, CPA

TREY HUNT
Partner, Weaver

The oil and gas industry in the United States face various trends within the next five years, trends that promote considerable optimism but also highlight the need for continual vigilance. Those trends relate to the cost and availability of credit and capital, technology, regulatory landscape, and global conditions and energy demand. Those trends extend directly to Permian Basin oil and gas companies.

Cost and Availability of Capital and Credit

Adverse business conditions in the United States during the past five years prompted the Federal Reserve to reduce the prime lending rate to promote investment and economic growth.

Although the national economy continues to display signs of recovery, interest rates are likely to remain low for quite some time, with credit readily available for capital expenditures. That is great news for Permian Basin companies seeking funds to expand operations.

Technology

Horizontal drilling and hydraulic fracturing might represent a modern-day Industrial Revolution, a revolution that will make so much more hydrocarbon energy available to consumers in the United States and beyond.

The Eagle Ford shale area, a few hours southwest of Houston, serves as an example of the impact those technologies can have for increasing hydrocarbon energy production. For more than 50 years, oil and gas companies ignored the Eagle Ford shale area due to its poor economic profile. During that span, the area was home to more white-tailed deer, javelinas and rattlesnakes than people. Thanks to the combination of hydraulic fracturing and horizontal drilling, the vast reserves of the Eagle Ford shale area are now being exploited.

While those technologies are often associated with natural gas production and previously untapped areas, they have also been adopted by oil companies, enabling them to greatly extend the productive lifespans of mature oil-producing regions, including the Permian Basin.

Regulatory Landscape

While the lower cost of capital, the availability of credit and improved technology hold tremendous promise for Permian Basin companies, the national regulatory landscape presents potential for unfavorable conditions.

The two major political parties in the United States differ in how they view the oil and gas industry. Among other issues, those differences are reflected in debates regarding the continuation of the Intangible Drilling Costs (IDC) deduction, Cost Depletion allowance and other federal tax incentives favorable to the oil and gas industry. Whether or not such tax provisions remain in effect for 2013 and beyond may hinge on November 2012 election results and any ensuing Congressional and White House negotiations.

While domestic oil and gas companies benefit from technological advances, they also face calls for more stringent regulation regarding hydraulic fracturing and other practices. Up to now, those calls have mainly affected companies operating in the Eastern United States. Such calls, though, may also affect Texas oil and gas operations during the next five years.

Global Conditions and Energy Demand

Oil is a global commodity and various economic side-effects caused by regulatory and geo-political changes may affect oil companies more than traditional market fundamentals, such as supply and demand.

The measured and efficient exploitation of natural resources around the world depends upon maintaining political stability in Saudi Arabia, Nigeria, Venezuela, and other energy-exporting nations. Political unrest in such international regions will influence market conditions for Permian Basin companies.

At some point, though, the global economy will also

Please see **HUNT**/3F