



The Express

For Members of the Ohio Oil and Gas Association

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2006 Edition - Volume Four

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CALENDAR OF EVENTS

2006 Annual Winter Meeting

March 29th-31st
Easton Hilton
Columbus, OH

Marietta College SPE Student Chapter

Annual Meeting

April 27th-28th
Woodridge Plantation
Golf Course
Marietta, OH

American Association of Professional Landmen Joint Operating Agreement Workshop

May 11th
Pro Football Hall of Fame
Canton, OH

Appalachian PTTC and the SPE Present

"Drilling and Completion Technology Update"

May 31st
Salt Fork Resort
Cambridge, OH

OOGA PAC Outing

June 2nd
Cambridge Country Club
Cambridge, OH

For more information on these events, log on to our website:

<http://www.ooga.org>

Producers Achieve Victory In Pipeline Safety Debate

On March 15, U.S. Department of Transportation issued a final rule to 49 CFR, Part 192 defining natural gas gathering lines for pipeline safety jurisdiction. More importantly for producers, the rule adopts, by reference, API Recommended Practice 80 which defines production facilities and establishes a bright line between where production ends and gathering begins. Production facilities are not subject to pipeline safety jurisdiction under both Federal and Ohio law.

The final rule concludes a decades-long battle that pitched producers' concerns against over zealous regulators who attempted to seize non-statutory authority and push pipeline safety regulation upstream to the wellhead. Over the years, OOGA took a leadership role in negotiating the rule and advocating RP-80 as a national standard. Also, W. Jonathan Airey chaired IPAA's national efforts and led the negotiations with DOT on behalf of producers.

"This is a major victory for producers. We've worked years to achieve this", said Tom Stewart, OOGA EVP. "RP-80 contains sections specifically crafted to cover Appalachian operations and now it is abundantly clear that nearly all Ohio producer operations are defined as non-jurisdictional. I congratulate the PUCO Pipeline Safety Section on their new job making the world safe - that has absolutely nothing to do with Ohio producers."

Members can access the Federal Register notice and API-RP-80 at www.ooga.org.

UPDATE: Discussion Continues On Real Estate Property Tax Valuation

OOGA continues to work on a resolution with the Ohio Department of Taxation over the uniform formula used each year to calculate the multiplier used in the valuation of oil and gas deposits in Ohio's counties to determine the county real estate tax based on the annualized average production from a producing well. Until such a time when an agreement is reached, these tax filings will experience a delay. OOGA will continue to keep members updated with the latest information on this situation.

Members may also check the OOGA website to see the most updated information on this topic by going to the "Tax Information" section of our website, located at: <http://www.ooga.org/issues/taxinfo.htm>.

Value of Ohio Production At An All-Time High

In 2005, the value of Ohio's crude oil and natural gas production exceeded \$1 billion for the first time since 1984. These numbers represent an all-time high for Ohio. Also, the number of wells drilled during 2005 increased by over 17 percent, even as rig availability restrained activity. Even so, the state experienced nearly a 9 percent decline in production. During 2005, the average posted crude price in Ohio was \$53.03 per barrel and \$9.03 per mcf for natural gas.

Catch the complete "McCormac Report" on Ohio during the Thursday Business Session of this year's Winter Meeting.

Help Wanted: OOGA Needs Your Industry Job Information!

Is your company currently looking for employees to fill an industry related position? Are you looking for a resume or two of qualified individuals for such a position? Here at OOGA, we may be able to help. OOGA is looking to create a job postings board at the upcoming Winter Meeting as a service to our members. OOGA also currently offers members this ability to post resumes and jobs via our website.

If you are interested in posting for such a position, please contact Rhonda Reda at 740-587-0444 or by emailing: RReda@ooga.org.