

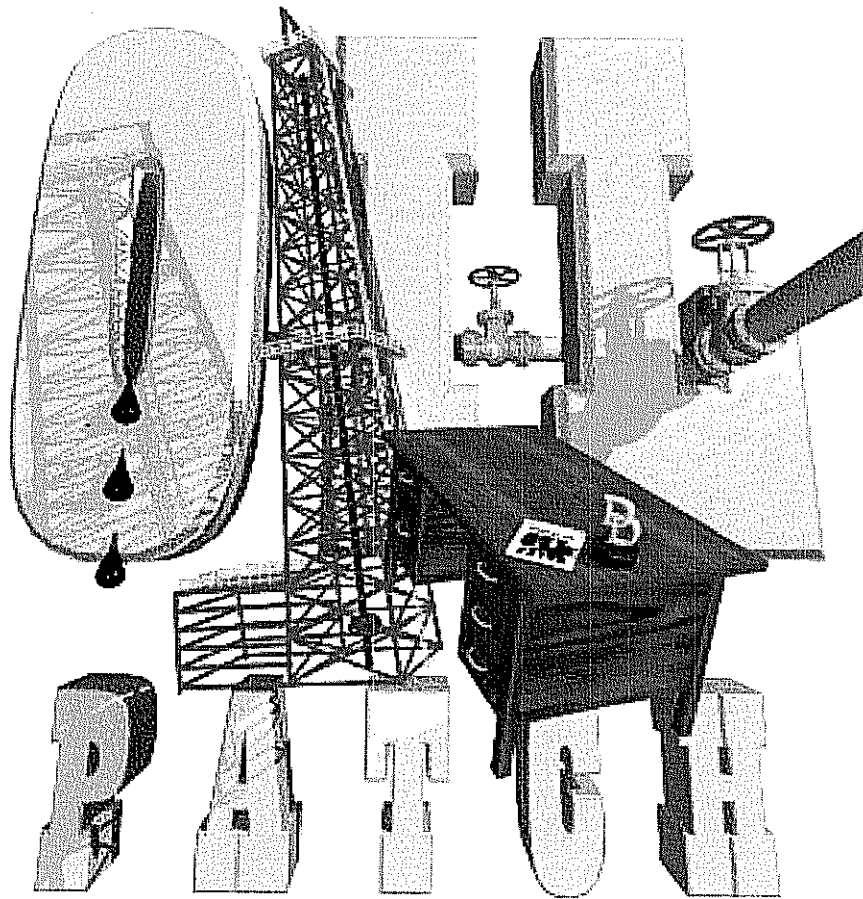
# DESK & DERRICK CLUB of the WESTBANK

Volume 35

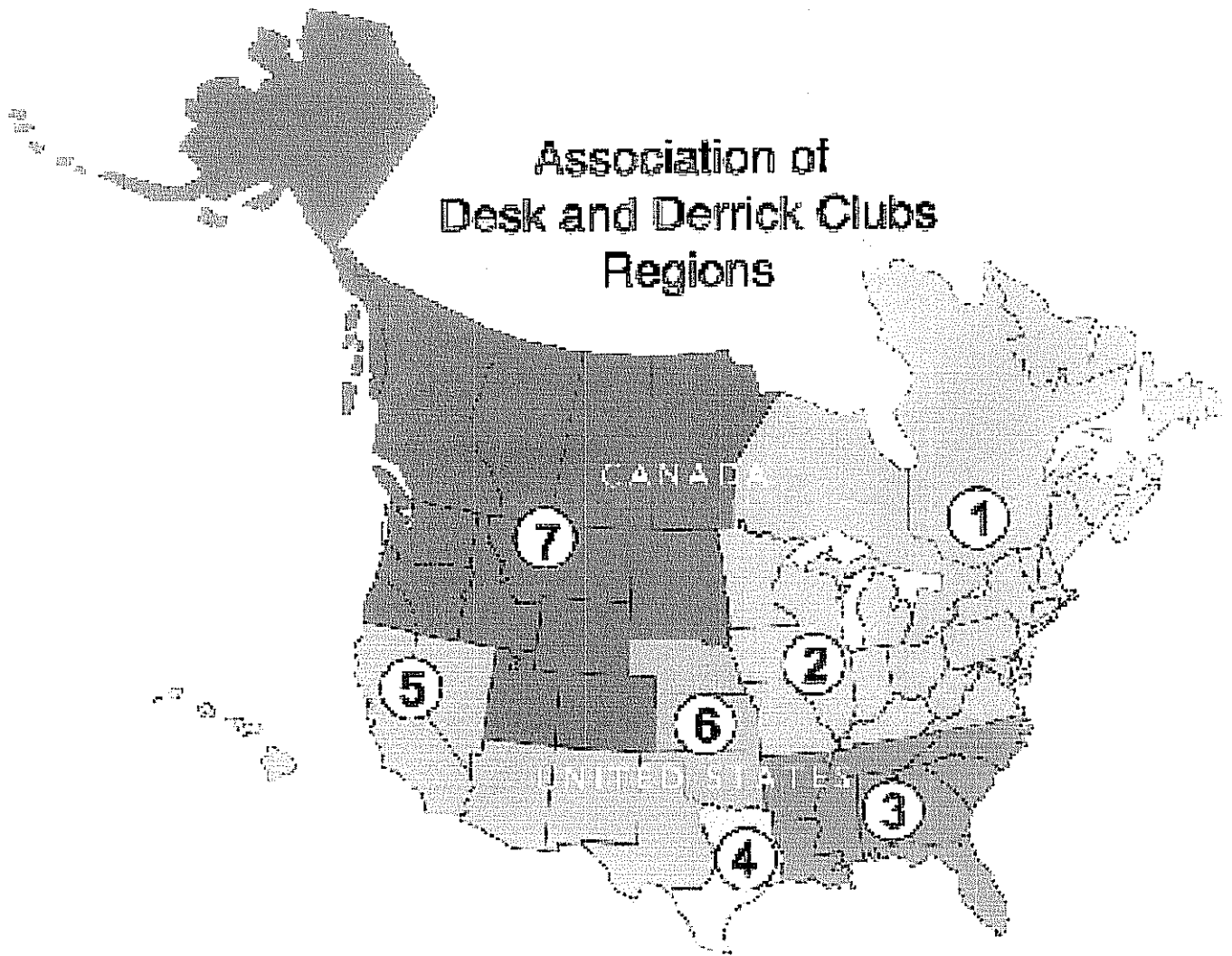
September 2011

Number 9

# WESTBANK



## Association of Desk and Derrick Clubs Regions



### **ADDC President**

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# Motto

## Greater Knowledge - Greater Service

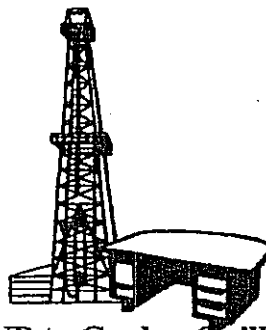
### CLUB PURPOSE

The purpose of this club shall be to promote the education and professional development of individuals employed in or affiliated with the petroleum, energy, and allied industries.

### MISSION STATEMENT

The mission of the club is to enhance and foster a positive image to the global community by promoting the contribution of the petroleum, energy and allied industries through education by using all resources available.

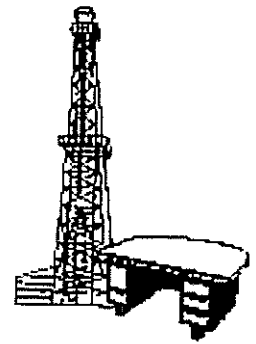
**Monthly General Membership Meeting held  
the fourth Wednesday of each month at  
The Four Columns, 3711 Westbank Expressway, Harvey, Louisiana  
Meetings begin at 6:00 p.m.**



**RSVP to Gaylen Guillory  
(504) 301-8809 or [gagui811@cox.net](mailto:gagui811@cox.net)**

**The Westbank Oil Patch is published monthly.  
Submit articles or items of interest to  
Desk & Derrick Club of the Westbank  
P. O. Box 2875  
Gretna, La. 70054-2875**

**Club web site: <http://www.westbankdandd.org>  
Cover artwork by Superior Software Design**



**Westbank Desk & Derrick Guide to Knowledge**  
**SEPTEMBER 2011**



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**Westbank Club Information**

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# Association Information



# President's Newsletter



**Angie Duplessis**

ADDC President  
[angie.a.duplessis@conocophillips.com](mailto:angie.a.duplessis@conocophillips.com)

September 2011

Dear Members,

It's September already. Summer is winding down. I'm looking forward to much cooler temperatures. Many of you are probably in full swing getting the children ready for school, so watch out for school zones.

If you recall, a special committee was assigned at the Budget and Planning Meeting to investigate the use of Social Networking Media (Facebook, Twitter, etc.). The committee has compiled a report which was sent to all Club Presidents to discuss with you and get feedback. The report is also available to you on the ADDC web site under the August 20<sup>th</sup> mailing information. The use of Social Networking Media will be discussed further at Convention during the Open Forum session on Friday, September 23<sup>rd</sup>.

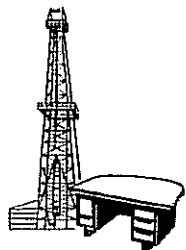
I'm sure you've heard everyone reminding you of the upcoming Convention. The Region II Clubs of Bay Area, Heartland, Little Egypt, and Olney are putting the final touches on all the activities. If you haven't registered yet, now is the time to get those forms filled out and sent in. For those of you planning to attend the convention, be sure to bring with you copies of the Rules of Convention, Convention Procedures, Special Parliamentary Hints, Candidate Information for Association Offices, and a current copy of ADDC Bylaws and Standing Rules. These are available on the ADDC Website and will not be furnished at convention.

As you read this, you'll either be heading off to St. Louis or just returning. I know the 60<sup>th</sup> Annual ADDC Convention will be a wonderful experience for all those in attendance and provide many memories for a long time to come. So don't forget to save those photos and other items for everyone's scrapbook. This time next month, I will happily be able to introduce your 2012 ADDC Officers and Regional Directors.

Have you considered your role for the future of your club? Your club needs you to step forward as a member of the Board. If you do not feel ready to serve as an officer, volunteer for a committee – as a chairman or as a member. Discover your talents, increase your knowledge, and gain confidence as you learn about Desk and Derrick. I encourage each of you to get involved in your local club, Region, or on the Association level. What are you waiting for? The **Gateway to Growth and Opportunity** is still open!

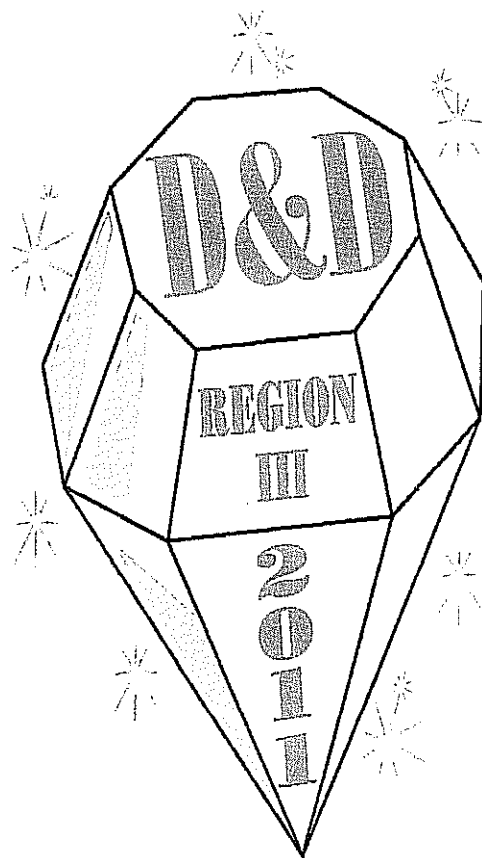
Until next month...

*Angie*



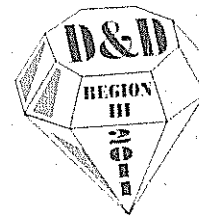
ASSOCIATION OF  
DESK AND DERRICK  
CLUBS

# Region III Information



JEWELS OF  
EXCELLENCE  
WITH  
EDUCATION  
LEADERSHIP  
SERVICE

## Region III Director's Newsletter



JEWELS OF  
EXCELLENCE  
WITH  
EDUCATION  
LEADERSHIP  
SERVICE

**Lori L. Landry**  
Region III Director

llandry@beanresources.com

**September 2011**

Greetings Region III Members:

Is there any relief in sight with this heat? My electric meter is spinning so fast, I'm afraid it will just fly right off of the house. I hope all of you, as well as your families and pets, are staying cool and hydrated.

The birthstone for September, Sapphire, has long been a favorite among priests and kings, who considered them symbolic of wisdom and purity. A gift of Sapphire represents sincerity and faithfulness and is truly a heavenly gem choice. A special Happy Birthday to my mother who turns 73 this month!

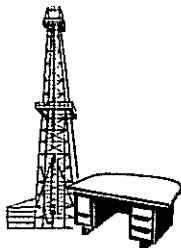
I am in the process of trying to determine what to pack to attend the 2011 ADDC Convention in St. Louis, Missouri. I certainly hope that my luggage meets the weight standards. Although, I am sure I will be over the limit on my return trip home as I "must" do some shopping during my downtime at Convention. I plan to arrive on Monday, September 19<sup>th</sup> in preparation for the ADDC Board Meeting which will be held on Tuesday as well as participating in the wonderful field trips and educational seminars that are being offered this year. The Thursday night Icebreaker – Decade Trivia promises to be loads of fun and laughs. And, whether you plan to attend the Baseball Game or the River Boat Dinner Cruise on Friday Night, I am sure you will have a wonderful evening with D&D friends. I look forward to seeing all of you in St. Louis!

I am so amazed at how fast this year is flying by! It seems that it was only yesterday when I was elected to serve as your 2011 Region III Director, and now here we are already in the month of September!

Should you have any questions or concerns, do not hesitate to let me know!

Until next month...STAY COOL!

*Lori*



ASSOCIATION OF  
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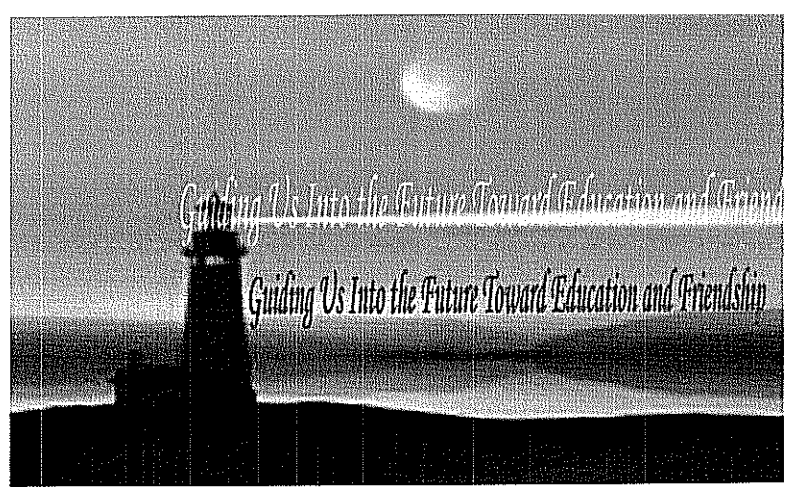


# Westbank 2011 Information

*Guiding Us Into The Future Toward Education and  
Friendship*



Dawn Ott  
2011 Westbank President



### September/October 2011 President Letter

Summer is almost gone, thank goodness I thought everything was going to melt with the high humidity and heat we had this year, and I am so looking forward to cooler temperatures. It has been a busy few months and it seems like I need more time than the day provides. I did not realize how much goes into planning a wedding. It seems to a flown by.

By the time you read this letter, convention will be over. I am very proud to represent the Westbank club and Region III; I am looking forward to all the educational experiences and renewed friendships. I am looking forward to the drive to St. Louis with Elaine, and Gaylen. We should have quite the adventure. I would like to congratulate Angie Duplessis ADDC President 2011 and Region II clubs for a professional, educational and fun convention.

October is not that far away and it's time to step up and jump in with both feet and think about running for an office. I have been on the board since my first year. The education and experience and friendships are beyond priceless. So please consider throwing your name into the hat and continue to guide us toward the future.

As you know now we will have an election for the office of board member. How exciting that we have members that want to help with guiding us into our future. Our President for 2012 will be Theresa Adams how brave she is for taking on the office of president again. I applaud her and all the other members who have stepped up in 2012.

Until next month, I will leave you with a quote:

**“If we all did the things we are capable of, we would astound ourselves.”**  
**Thomas Edison**

Dawn Ott  
2011 Westbank President

## The Price of Oil

The hottest topic of today is the price of gasoline at the pump. Everyone is conscious and comparing the price per gallon each day as we commute to and from work, or run errands. It is headline news. A barrel of crude oil is nearly reaching \$150 with no end in sight.

We know that oil was formed from the remains of plants and animals that lived and died long ago in a marine environment before the dinosaurs. Over the years, the remains were covered with sediment. Heat and pressure from these layers helped the remains turn in to what we today call crude oil. A typical yield for a barrel of crude oil is equivalent to 42 gallons. Out of that barrel; 20 gallons is made into gasoline, with the help of the refining process that heats the crude so that the heavy part of the oil can be processed; otherwise there would only be 10 gallons for gasoline. The remaining barrel contains 10 gallons that make diesel fuel, 5 gallons make up liquid petroleum gas, heating oil, and heavy fuel oil, 4 gallons are made into jet fuel. The rest is made into other petroleum products. The United States is the world's third largest producer. The Alliance Refinery currently processes over 260,000 barrels of crude daily with a 90% clean product yield which include gasoline, jet fuel, and diesel. In volume, more barrels leave the refinery than are brought in.

The top five crude oil-producing countries include: Saudi Arabia, Russia, United States, Iran, and China. Over one-fourth of the crude oil produced in the United States is produced offshore in the Gulf of Mexico. The top crude oil-producing states are: Texas, Alaska, California, Louisiana, and Oklahoma. Thirty-one states have crude oil reserves, including the Pacific coastline. Many of these reserves have gone untouched due to the citizens of these states choosing not to allow on or offshore drilling. We've heard it time and time again, "Not in my backyard!"

The amount of crude oil produced domestically in the United States has been getting smaller each year. However, the use of products made from crude oil has been growing, making it

necessary to bring more oil in from other countries. The United States currently imports about 60% of its crude oil needs, so About 18% of the imported crude comes from the Persian Gulf Region, 22% from Africa, 48% from the Western Hemisphere, and 12% from other areas. The crude is distributed by ship, pipeline, and truck.. These costs are astronomical.

The cost of crude oil, as a share of the retail, price varies over time and among regions of the country. Today the price of crude oil averages about \$110 per barrel and accounts for about 58% of the retail price. Federal and State taxes account for 15%, refining costs are 17%, distribution and marketing 10%. So when you do the math one gallon of crude oil from a barrel alone costs \$2.62. The latest published data for the 3<sup>rd</sup> quarter of 2010 shows the oil and gas industry earned 6 cents for every dollar of sales in comparison with manufacturing, which earned 8.6 cents for every dollar of sales.

Retail gasoline prices are mainly affected by crude oil prices and the level of gasoline supply relative to demand. Since about 60% of our crude comes from outside this country, unfortunately there are supply disruptions that can cause drastic price increases. Even when crude oil prices are stable, gasoline prices fluctuate due to seasonal demand and local retail station competition. Prices tend to gradually rise in the spring and peak in late summer when people drive more, then drop in the winter. Gasoline prices can change rapidly. If something disrupts the supply of crude oil or if there are problems at refineries or with delivery pipelines, we notice it quickly at the pump.

The United States consumes over 21 billion gallons of gasoline every day, in over 210 million vehicles, traveling more than 7 billion miles per day. There are only 310 million people in the United States. This is a significant amount of energy being used each day by just on country. The next time you are out on the highway, remember that you burn less fuel by driving under 60 mph. If you must venture out for errands, try one-stop shopping. Start a carpool for work or school. Keep your tires properly inflated and perform routine maintenance on your vehicle.

We must find and invest in alternative fuels such as coal, natural gas, nuclear electric power, and other renewable energy such as solar, geothermal, biomass, hydroelectric and wind energy. The United States is the largest producer of coal, but coal is not considered a clean fuel.

Like other industries, the oil and natural gas industry strives to maintain a healthy earnings capability. It does so to remain competitive and to benefits its millions of shareholders, across the country and in all walks of life. Healthy earnings also allow the industry to invest in innovative technologies that improve our environment and increase production to keep America going strong—even as it leads the search for new technologies and new sources of energy that will provide a more secure tomorrow.

Contrary to popular belief, and what some might say, America's oil companies aren't owned just by a small group of insiders. Only 1.5 percent of industry shares are owned by corporate management. The rest is owned by tens of millions of Americans, like you and me, many of them middle class.

So when you hear talk about taxing "Big Oil" or taking their "record profits" – think about who they would really be hurting. With American just beginning to recover from the worst economic recession since the Great Depression, now is not the time to impose new taxes and fees on the nations' oil and natural gas industry. Increasing taxes could wipe out American jobs and hurt American businesses.

The oil and natural gas industry should be allowed to develop the vast energy resources that belong to the American people. If we open areas that are currently off-limits to development, we could create more than 500,000 jobs throughout the economy and generate an additional \$150 billion in revenue by 2025.

*Angie Duplessis*

# ENERGY ANSWERS

## Taxation

The Obama Administration and some members of Congress have proposed significant tax increases on America's oil and natural gas industry. The proposals include some changes that specifically target U.S.-based companies, such as ConocoPhillips, while having little or no impact on non-U.S.-based competitors, even though most of those competitors have significant U.S. operations. These increases would impact our ability to develop badly needed energy resources and create domestic jobs, thus harming the U.S. economy. Although these proposals have, so far, been rejected in Congress, a determined effort to increase industry taxes continues. This issue of *Energy Answers* takes a closer look at the tax issue and its implications.

## The Role of America's Oil and Natural Gas Industry

Our industry plays a vital role in America's continuing prosperity and world leadership.

We contribute:

- 9.2 million U.S. jobs.
- 7.5 percent of U.S. gross domestic product.
- The gasoline, diesel fuel, natural gas, and other energy and petrochemical products that underpin modern life and economic activity.
- Tens of billions of dollars annually in tax revenue to federal, state and local government.

## Industry Tax Facts

- America's oil and natural gas industry pays one of the highest tax rates among U.S. businesses.
- The three U.S. major oil companies paid the highest global effective tax rates of the 20 largest U.S. non-financial companies from 2006 through 2010.
- Tax rates for these three companies exceeded 40 percent, versus the 20-company average of 27 percent.
- The largest U.S. oil and gas companies do not receive special subsidies.
- Like all U.S. businesses, our industry is allowed to claim a credit for foreign taxes paid.
- Unlike others, however, oil and gas companies' foreign tax credits are limited.
- Availability of foreign tax credits is fundamental to the avoidance of double taxation.
- Oil companies are allowed to take domestic manufacturing investment deductions – like all U.S. businesses – but at a lower rate.
  - Enacted in 2004, this deduction encourages U.S. investment and job creation.
  - Since 2004, with the help of the deduction, the industry increased domestic production 15 percent and domestic employment 36 percent.

## ConocoPhillips Tax Facts

ConocoPhillips is already heavily taxed in the United States and all the other countries in which we operate. Among ConocoPhillips' key tax facts:

- U.S. tax rates were:
  - 39 percent effective rate in 2010.
- Foreign tax rates were:
  - 44 percent effective rate in 2010.
- In 2010, ConocoPhillips paid about \$8.3 billion in income taxes.
- We pay higher income tax rates compared to other industries:
  - 46 percent average global effective income tax rate, 2006-2010.
  - Highest tax rate of the 20 largest U.S. non-financial companies.
  - 70 percent of our income comes from outside the U.S., accounting for our foreign tax obligations.

*Continued on back*

- This high rate of income tax does not include the other, non-income taxes we pay in the U.S.:
- These taxes include severance taxes, property and sales/use taxes.
- In 2010, we paid more than \$3 billion in these non-income taxes.
- That figure does not include motor fuel excise and other taxes collected and remitted on product sales.

## **Our Position on Proposed Tax Increases**

ConocoPhillips opposes punitive tax increases on the domestic oil and natural gas industry because they would negatively impact the United States by:

- Inadvertently eliminating approximately 154,000 U.S. jobs, not only in energy but also in professional and manufacturing occupations.\*
- Limiting funds available for investment in energy and technology.
- Impairing the ability of U.S.-flagged companies to compete with foreign-owned firms.
- Increasing costs that will be passed along to consumers.
- Decreasing U.S. economic activity by \$341 billion from 2011 through 2020.\*
- Lowering government tax revenue by \$84 billion through reduced exploration and development activity.\*
- Worsening long-term U.S. dependence on foreign oil.

*\*Source: Mason, Joseph R., The Regional and National Economic Impact of Repealing the Section 199 Tax Deduction and Dual Capacity Tax Credit for Oil and Gas Producers, Louisiana State University, September 2010.*

## **A Better Path Forward on Taxes**

ConocoPhillips recognizes the need for government to optimize revenue collection while preserving the competitiveness of American industry. We support the implementation of sensible tax policy based on fair, broad-based approaches rather than industry- and company-specific proposals. We see value in a simplified and reformed U.S. tax code to create a system that promotes these objectives:

- Encouragement of investment in the United States.
- Improvement in the international competitiveness of domestic companies.
- Efficiency in tax revenue collection.
- Reduction of U.S. corporate tax rates, which currently rank among the world's highest.
- Elimination of U.S. taxation of foreign earnings, consistent with international standards of many other industrialized nations.
- Enactment of stable, nondiscriminatory tax rules that provide equitable treatment for all companies, including those in the energy industry.

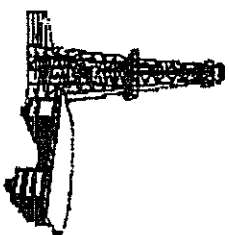
## **Your Role is Essential**

As employees of ConocoPhillips, it is essential that we ensure our message is heard by serving as advocates through:

- Being well-versed on industry tax issues.
- Dispelling myths during discussions with friends, family and neighbors.
- Taking action by contacting elected representatives and asking them to oppose punitive taxation of our industry.
- Learning more about the issues by utilizing such sources as the American Petroleum Institute website, [www.api.org](http://www.api.org), or our internal Act Now for Energy site, [energy.conocophillips.net](http://energy.conocophillips.net).

## Motto

Greater Knowledge - Greater Service



*The Desk & Derrick Club of the*

*Westbank*

*request the pleasure of your*

*company*

*at our*

*Industry Appreciation Night*

### WHAT IS INDUSTRY APPRECIATION?

THIS OCCASION IS TO EXPRESS OUR THANKS TO:

...our sponsors, employers and industry for their encouragement and support of our educational pursuits.

...the special guest speakers who have made our meetings educational and shared their knowledge of the petroleum, energy, and allied industries.

...the field trip sponsors for taking additional time to show us their work sites and explain their particular service to "The Industry".

*Wednesday November 16, 2011*

*Bounteous Casino, Harvey, LA*

*Boudreaux Banquet Room*

*Cocktails - Cash Bar*

*6:00 p. m.*

*Dinner - \$ 20.00*

*7:00 - 9:00 p. m.*

*RSVP by: November 9, 2011*

*Miss Spas*

*cell: (504) 236-4058*



**CHRISTMAS BRUNCH**  
**DESK & DERRICK CLUB OF WESTBANK**  
**THE COURT OF TWO SISTERS**

**613 ROYAL STREET  
NEW ORLEANS, LA**

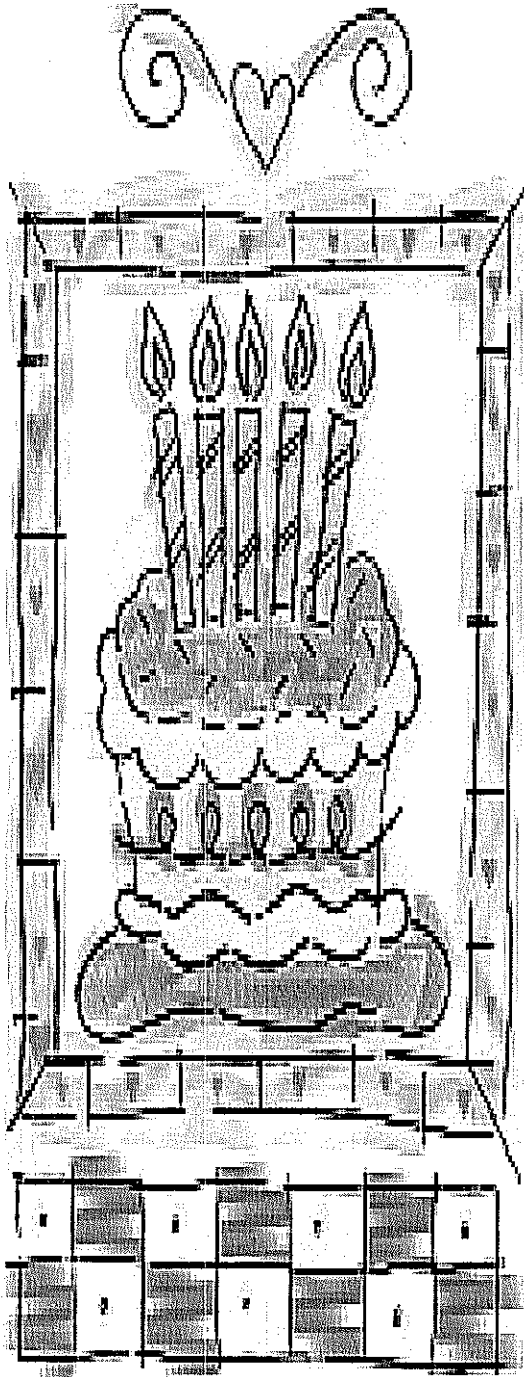
**DECEMBER 11, 2011  
11:00 A.M.  
COST \$37.00**

**DEADLINE FOR RESERVATIONS  
NOVEMBER 27, 2011**

**ALICE GROS - 236-4058  
[nolandoss@bellsouth.net](mailto:nolandoss@bellsouth.net)  
2629 Vulcan Street  
Harvey, LA 70058  
Or  
Susan Miller  
908-6131 Cell**

**MENU  
JAZZ BRUNCH  
SOUP  
EGG STATION  
SEAFOOD STATION  
SPECIALTY SALADS  
HOT ENTREES  
BISCUITS  
DESSERT & FRESH FRUITS  
COFFEE, TEA & JUICES**

**BRING \$10.00 GIFT FOR GAME  
OPTIONAL**



# happy BIRTHDAY

TO  
our members  
BORN in  
September

sandra kayle

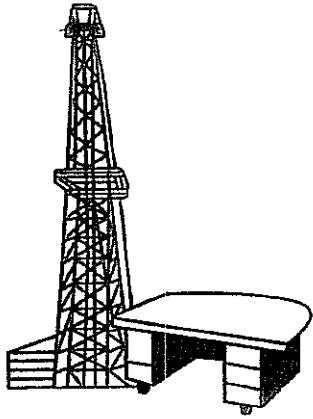
9 ♡ 13

Theresa adams

9 ♡ 15

JUDY guilliot

9 ♡ 15



Dawn Ott, President  
Desk and Derrick Club of the Westbank  
P.O. Box 2875  
Gretna, LA 70054-2875