



NGEAO Connection Newsletter

Natural Gas & Energy Association of Oklahoma

2nd Quarter 2011

www.ngeao.org

918-995-7133

Save the Dates

- 5-12-11
Luncheon
Meeting-Tulsa
Mac Hummel,
Williams on NGL
Supply &
Demand
- 5-19-11
OSU Energy
Conference
Tulsa
- 6-9-11
Luncheon
Meeting-OKC
- 7-14-11
Luncheon
Meeting-Tulsa
John Cromling,
Unit Corporation
on Horizontal
Drilling from a
Driller's
Perspective
- 8-11-11
Luncheon
Meeting-OKC
Dr. Duncan,
ConocoPhillips

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NGEAO Gives Back to the Community at Tulsa Event

On Tuesday, March 29 NGEAO members attended the Empty Bowls Hunger awareness dinner presented by the Community Food Bank of Eastern Oklahoma at the Renaissance Tulsa Hotel.

The 15th annual dinner and auction celebrated all those who have helped fight hunger for the last 30 years.

A modest dinner was served and souvenir bowls handcrafted by local potters were provided as a symbolic reminder of the many empty bowls of hungry Oklahomans. The silent and live auction followed dinner.

As a \$1000 donor to the Community Food Bank of Eastern Oklahoma at the event, NGEAO qualified as a sponsor, and our name appeared in the printed materials and was announced during the program.

The donated funds came from members who generously purchased mulligans at the NGEAO

2010 golf tournament at the Annual Conference.

"Thank goodness for our mediocre golfers with big hearts!" said Diana Cox, NGEAO member, who attended the event.

The keynote speaker at the event, Danny Cahill, Season 8 Winner of NBC's "Biggest Loser" shared some personal thoughts about hunger in our community and pledged his on-going support of the food bank's Pound for Pound Challenge.

The Made in Oklahoma Coalition then talked about how easily we can help our state by purchasing merchandise that is made in Oklahoma.

Perhaps the most emotional topic of the evening was the Food 4 Kids Backpack Program, which provides a weekly backpack full of food to elementary school-aged children at risk of going hungry over the weekend when federal, free, or reduced-price meals are not

available to them.

The food bank currently packs more than 3,548 bags of food weekly and distributes them to 70 elementary schools across Tulsa and surrounding Counties.

NGEAO also contributes to Oklahoma City's Regional Food Bank with donations collected at the December holiday event.

For more information about all the great things Oklahoma's Food Banks are doing go online to www.cfbeo.org or www.regionalfoodbank.org.





Annual Clay Shoot Results

On April 14 the NGEAO held its 6th annual sporting clays tournament at Silverleaf Shotgun Sports in Guthrie. The Top Team Score was 279 and each member received a \$100 Gift Certificate to Heartland Outdoors. Winners were Karl Meyer – Markwest, Ashley Ederer – Renre, Kyle Sanford – Renre, Scott McGowan – Renre. Scott also had a top personal score of 97! *Way to go Scott, sorry no prize for that, just bragging rights!*



2011 NGEAO Board

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Bill Shanahan

1st Vice President

Mark Cahill

2nd Vice President

Rusty Rains

Treasurer

Kim King

Secretary

Debbie Lessert

2nd Year Board

Bill Ward

Paul Bellflower

1st Year Board

Ed Troutman

Megan Barber-

Woodworth

Ty Peck

William Sattre

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Allen Gould

Lisa Norwood

Jim Stengle

Colby Tiffie

Past President

Josh Baskett

By the luck of a random drawing, Mulligan Money winners were A.J. Mann – Oneok Partners, Monty Bruner – Environmental Technologies Group, Heather Gaynor – Oneok Energy Services, and Ken Meier – Tenaska.

\$25 Gift Certificate Winners were Ashley Ederer – Renre, Brett Fishburn – Copano Energy, Chris Alfonso – Valerus Compression, Chuck Long – Husky Ventures, Dave Childs – Tenaska, Josh Baskett – Enogex, Kyle Sanford – Renre, Robbie McLearn – Enerfin, Travis Boevers – Carbon Economy, LLC, Zac Gaines – Devon.

And the BIG BIG BIG winners of the gun raffle were Jonathan Cave of EOG Resources who won the Beretta 3901, Mike Williams of Devon who won a 26” Benelli Vinci, Randy Ott of Superior Pipeline who won a 28” Benelli Vinci and Zac Hixon of Copano Energy who won the Benell M2.

Congratulations to all participants. Thanks to all the sponsors of the event and to William, Mark and Rusty the rest of the volunteers who coordinated the event.

Spotlight NGEAO Board Member

Debbie Lessert, of Chaparral Energy will serve the NGEAO board this year as Secretary. Debbie has been an active board member for a number of years and has served as volunteer coordinator and education

committee chairperson.

Ms. Lessert has been a Senior Gas Marketing Representative for Chaparral since 2007 and previously worked for Williams, Vintage and Kerr McGee.

Debbie is from Oklahoma and attended OSU.



Chesapeake Driving NGV Vehicles

Chesapeake Energy Corporation is literally and figuratively driving NGV vehicles, according to James Roller, Chesapeake's Market Development Coordinator for NGVs.

Mr. Roller drove his Bifuel (CNG) vehicle from his Oklahoma City office to Tulsa on March 10, and presented the company's NGV initiatives to the NGEAO membership at the monthly luncheon.

Mr. Roller quipped about his grandparents being dairy farmers who required him to drink milk from the dairy during his summer stays despite his desire for the highly processed store-bought milk he liked to drink at home. He said,

"My Grandma told me the dairy farmer must drink the milk...So if we are in the natural gas industry, it only makes sense that the dairy farmer drinks its own milk and that the natural gas industry would support these {NGV} initiatives."

For Chesapeake Energy the initiative started with its own fleet. The company has plans to convert its 4,119 trucks to natural gas by 2013, including its 800 Oklahoma vehicles, which were done in 2010. Now the company is partnering with retail providers to ensure infrastructure development. Today, there are 62 CNG fueling stations in the state.

From an economic standpoint NGVs support demand for our commodity

and provide economic incentives via cost savings on vehicle purchase or conversion costs of up to 50%.

Chesapeake estimates a projected annual fuel savings of \$7.62 million for its converted fleet within the next 36 months, using a conservative \$1.00 savings per gallon of fuel.

For the natural gas marketing business, he estimated up to 57 Bcf/day of additional natural gas demand could come from light duty consumer mass market vehicles.



James Roller, Market Development Coordinator, Chesapeake Energy Corporation

Education Committee Seeking Volunteers

Bill Ward is chairing the NGEAO Education committee and is seeking volunteers to assist in arranging learning opportunities, including seminars for the annual meeting in September, college student interface and possibly a membership survey by Oklahoma Baptist University (OBU).

OBU considering the addition of an energy management track in their existing MBA program for working professionals. The study track would potentially focus on the economic analysis and financial management side of the energy business. OBU would like to survey individuals working in the energy industry to ensure that its program would meet the needs of the industry.

Please email Bill if you can volunteer - bill.ward@superiorpipeline.com.

EIA Launches New Website

The Energy Information Administration, a government energy branch, has launched a new and improved website at <http://www.eia.doe.gov/>. Helpful information is available on commodities, including the weekly natural gas storage report (<http://ir.eia.gov/ngs/ngs.html>) and weekly petroleum stocks (http://www.eia.doe.gov/dnav/pet/pet_stoc_wstk_dcw_nus_w.htm).





Technicals for Natural Gas Price Analysis

Purchasing gas at the right time and price can be especially crucial in today's bearish environment. Technicals can tell you what the market knows and thinks about itself. As long as what you are buying – even if it's physical gas - has a reasonable correlation with Henry Hub, it works. Below are five simple technicals anyone can use: candlesticks, geometric patterns, projections, retracements, and momentum.

Just Look at the Chart

One method that just requires a chart is candlestick analysis. Candlestick charts draw a box, or body, between the open and close, usually white for up and black for down bars. Candlesticks generate some “false positives”, but are good warnings as most turns are accompanied by a candlestick pattern. On an April daily candlestick chart, March 4 has a very small body toward the day's high. Below the body is a long line. The candlestick looks like a tadpole, and is called a “hammer”. It warns buyers of a possible upside turn.

Geometric pattern identification similarly requires just plotting data. This method can determine whether prices will likely continue in the current direction or reverse. One continuation pattern looks like a sloping rectangle, called a flag. An upward sloping flag following a down market means that a break lower is expected. A down sloping flag in an up market is inversely bullish. For the time period March 4 through 7, the April 15-minute chart shows a pattern that looks like a W. The first leg of the W is the “hammer” just discussed. The W, called a double bottom, confirms the hammer. It predicted a short-term bounce, calling for about \$3.92 or so. On March 9, the market closed at \$3.93 after holding a \$3.964 intraday high.

Just Look at the Prices

Two additional methods that similarly need a chart but also require looking up prices are wave projections and retracements. If the origin and end of a move are X and Y, and a pullback of the move is Z, targets can be calculated by taking the difference between X and Y, multiplying by a factor, and either adding to or subtracting from Z, depending on market direction. So, for example, in a down market, with a factor of “1”, the target is $Z - (Y - X)$. For the decline from \$4.80 there is a portion defined by $\$4.10 - 3.731 - 3.964$, with a factor “1”, the target is \$3.64. Two other moves also project to \$3.64, which makes that an important lower target.

The other price-based method calculates retracements, the YZ leg of a move. A retracement is a pullback that takes place after a trending move. Up markets have downward retracements and down markets, upward. Common retracements are 21%, 38%, 50%, and 62%. For the move down to \$3.731, \$3.96 is the 21% retracement from \$4.80, 50% from \$4.18, and 62% from \$4.10. In actuality a swing high of \$3.964 was made. Thus the “confluent” retracement level of \$3.96, the same price area that was predicted by the double-bottom, would have let a buyer know that the market might stall there.

One Technical Signal

Almost all charting services include momentum indicators, like the Relative Strength Index (RSI). Sequential peaks in price are matched with peaks on momentum. If in an up market a sequential peak in price is higher than an earlier peak, and in momentum lower, that qualifies as a bearish momentum divergence, and vice versa. Add the RSI to your April daily chart. The lows on February 24 and March 4, the date of the hammer, are \$3.822 and \$3.731, so the market made a “lower low”. On the RSI, the low points are about 32 and 35, so the RSI has made a “higher low” and qualifies as bullish divergence. This further confirmed the earlier bullish patterns.

So, the five simple technicals tell a straightforward story about April gas, indicating strong resistance was met at \$3.96, and might hold. On the downside, \$3.64 could be met soon.

Cynthia Kase is our first featured guest columnist and will present this topic at GasMart in Chicago, May 10, 2011

Cynthia A. Kase CMT MFTA is president of Kase and Company, Inc., energy's premier boutique trading and hedging solutions firm since 1992.

After 10 years in engineering; in 1983 Kase became an oil trader, working for Chevron, Chemical Bank and the Saudi Oil Ministry's Petronal office.

Uniquely qualified as physical trader, market technician, risk manager and software developer, she is now recognized by many as the field's leading expert.



Clay Shoot



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Please submit story ideas, suggested guest columnists and newsworthy items to the email above for this quarterly publication.

NGEAO – “Clearing a path for others to follow”

The Natural Gas and Energy Association of Oklahoma is a 501 (c) (6) non-profit membership association. NGEAO is comprised of upstream, midstream and

downstream natural gas and energy companies, as well as corollary service companies who rely on Oklahoma’s natural gas and energy industry for existence. We are

managed as a 100% volunteer organization, with each officer and board member donating their time, energy and talent to the organization’s cause.

Job Opportunities...

Gas Sales Representative – Devon Energy

Responsible for coordinating the sale and transport of natural gas, negotiating gas sales/purchase/transportation/storage agreements, developing relationships with external customers, optimizing the company's assets/contract, developing marketing presentations and written strategies, reviewing, analyzing and understanding Interstate Pipeline Tariffs and Intrastate Statement of Operating Conditions. Bachelor Degree and 5 years oil & gas experience required.

Apply at www.devonenergy.com

NGL Sales Rep – Enogex

Manage NGL baseload and spot sales and shrink replacement. Optimize baseload/spot commodity mix and plant recovery options. Develop and maintain strong customer relationships. Research both supply and demand market fundamentals and participate in short and long term market strategy development. Bachelor Degree and 5 years experience Mont Belvieu.

Apply at <https://secure.oge.com/careers/jobdetail.asp?ID=3856>

Asset Manager – Enogex

Provide leadership in determining where capital investment will be expended to grow the Company's assets within the Mid-Continent basin. Formulate and implement a comprehensive strategy of identifying economically attractive expansion opportunities that will significantly increase the Company's return on investment. Bachelor Degree and 5 years experience.

Apply at <https://secure.oge.com/careers/jobdetail.asp?ID=3857>

Gas Balancing Representative – Chaparral Energy

Responsibilities include timely and accurate tracking of gas imbalances, knowledge of gas balancing agreements and operational environment, communication of gas imbalances to marketing representatives to ensure timely make-up opportunities, analysis of imbalance settlements when appropriate. 5 years applicable experience.

Email resumes to resume@chaparralenergy.com

Congratulations....

Blanca Flores Daugherty has joined Apache Corporation as Manager, US Gas Marketing in Houston.
Kim King of Cimarex Energy was married to Art Thrasher on September 18, 2010.