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INVESTOR FORUM

Opinions expressed here are not necessarily those of Oil and Gas Investor. We welcome your opinions on any feature in this magazine or other items relating to oil and gas investment.

Dear Editor:

The February 1990 issue carried an article "Dyco's Design," in which it was stated that Dyco Petroleum Co. is "similarly sized" to Apache Corp. For the record, I would point out the following:

• Apache's oil and gas reserves of 573 billion cubic feet equivalent are about four times Dyco's, which are approximately equal to the reserves Apache added during 1989.

• Apache's fourth-quarter 1988 production exceeded Dyco's full year 1988 production.

• Apache's 1989 nine-month revenues were 2.3 times Dyco's.

• While the article is silent on the amount of natural gas Dyco markets, Apache marketing affiliates represent the nation's largest independent gas marketer, moving about 3 billion cubic feet per day.

Roger B. Plank,
Vice President, Apache
Corp., Denver

Dear Editor:

I always read your editorials with interest. In your December editorial, you noted that OPEC is producing 22 million barrels of oil a day, or 80% of capacity. Actually, 80% of capacity is 24 million a day, so OPEC still has 2 million to go before the "capacity

paradigm" has a chance to prove itself.

I believe it will be a while yet before world oil demand propels OPEC production, on any sustained basis, to 24 million barrels a day. Even then, not every member will be producing at 80% of its capacity. Indeed, the members with the greatest reserve life will be producing at noticeably below capacity and it is these reserve-rich nations (e.g., Saudi Arabia, Iraq, Kuwait) that will have greater sway over the price of oil than, say, Indonesia or Nigeria.

Vinod Dar,
Senior vice president,
American Exploration Co.,
Houston

Dear Editor:

Bravo for your December article on Duke Rudman. May I add that the "Gospel according to Duke" has three more ideas (in addition to the seven you listed), making 10 in all. They are: full disclosure at all times, complete integrity, and total honesty. If these three are practiced *without compromise*, you will become lucky.

Mr. Rudman has made staunch believers out of many of us young, up-and-coming people in the industry, for whom Mr. Rudman *does* take time. We owe him.

Todd Jamison Ballantyne,
Independent producer, Rancho
Mirage, Calif.

Dear Editor:

With respect to "An Exploration Retrospective," which appears in your December 1989 issue, you make reference to two fields, Arapahoe and East Arapahoe, both of whose discoveries you credit to Medallion Petroleum Inc., which "opened up [the] new play," by implication through "improved seismic interpretation.

Although Medallion was the operator of the discovery well, the Arapahoe 27-1, it enjoyed no working interest in the well, nor in the field, until after payout. The discovery well was drilled pursuant to an exploration project sponsored by Southport Exploration Associates Inc., of Tulsa.

This company was, also responsible for the Grouse #21-1 discovery, which has also been mistakenly attributed to Medallion (*Oil and Gas Investor*, Volume 7, Number 1). Medallion's interest in both prospects derives from a decision of one of its stockholders to take a promoted interest in the subject project, months after the project had been initiated, and after Southport as project manager had defined all of the prospects to be acquired.

The identification process employed by Southport, by the way, included no seismic acquisition or analysis, but the use of an Electro-Telluric technology under the patented trademark, Petro-Sonde, which is licensed through Geophysics International of Dallas.

Perhaps as one of the original participants in the subject exploration project, I should have attempted earlier to set straight the record of these significant discoveries. Now that the Arapahoe Field has been unitized, Medallion is no longer operator for our group. Retrospectives are in order, but I feel Southport, as project manager and the originator of these discoveries, should be accorded the credit it richly deserves, but has never publicly received.

Cameron O. Smith,
President,
Taconic Petroleum Corp., Tulsa