

TO DRILL OR NOT TO DRILL...

One of the most talked about issues in last year's election was United States oil production—or it's lack thereof. The fact is that 56% of the oil consumed in the U.S. is imported. Logically, this opens us up to manipulation by foreign powers and is a potential threat to the economy. Recently proposed by Alaskan Senator Frank Murkowski is legislation that would open up thousands of acres of the coastal plain located in Alaska's Arctic National Wildlife Refuge. The latest U.S. Geological Survey estimates the plain could contain from 5.7 to 16 billion barrels of oil. Conservative estimates of actual oil production hover between 6-10 billion barrels — the equivalent of 30 years worth of oil imports from Saudi Arabia.

Advanced technology in the oil industry has dramatically reduced the impact on the environment surrounding areas of exploration. Low-cost offshore drilling systems, laser drilling systems, hydraulic jet drilling systems, equipment for offshore underbalanced drilling in deepwater and extended-reach multilateral completions are all trends expected to develop even further in the next 5 years. Environmental benefits come along with the new technology. Advanced technology has led to fewer dry holes, smaller drilling footprints, more productive wells and less waste. It takes 22,000 fewer wells annually to develop the same number of reserves as it did in 1985. In the United States alone, operators produced 148 million bbl less drilling waste in 1998. Footprints were reduced as much as 70%. This is important in areas like Prudhoe Bay, Alaska. If Prudhoe Bay were developed today, the footprint would be 1,526 acres or 64% smaller!

RESPONSIBLE DRILLING

The oil and gas industry has been hydraulically fracturing wells for over fifty years to improve the flow of hydrocarbons from the reservoir into the wellbore. However, a more recent application of fracturing technology has been to inject drilling waste into deep subsurface intervals (Bruno, 1995). Wastes generated during drilling operations had, for years, been discharged overboard, causing potential environmental hazards to seabed marine life. Since it's inception, re-injection has proved a unique alternative and is now utilized on both fixed and floating installations and has been used in numerous locations. In Alaska alone, over 1.2 billion pounds of waste were re-injected from 1994 through 1997 (Schmidt, 1999). As of now, cuttings re-injection is the only method of cuttings disposal offshore. The advantages of using this method of disposal are the savings when compared with other options such as biodegradable mud, water-based mud and onshore handling. Increasing awareness of environmental safety has made it conceivable that there will be a time when drilling wastes are not permitted at all. Until a better method is developed, re-injection may be the most viable alternative yet.

Arctic National Wildlife Refuge Facts:

- Refuge totals 19.6 million acres
- The Coastal Plain, 1.5 million acres, is already set aside by Congress for study of oil potential and only a small percentage of the Coastal Plain, 2,000 acres or 8%, would be impacted by oil development, the other 92% would remain permanently closed to any kind of development
- Because of strict guidelines imposed, no negative impact on animals would occur
- 250,000-735,000 jobs are estimated to be created
- Residents of Kaktovik, the community in the Coastal Plain are strongly in favor of development

Venture Chemicals, Inc. has been dedicated to producing environmentally safe products since its inception in 1977. Here at Venture we know that what you want is simple: efficient, economical products that are environmentally sound. We are committed to providing you with exceptional products - always innovative, always effective and perhaps most importantly, always environmentally conscious.

WORDS YOU NEED TO KNOW!

defenestrate - to throw something or somebody out the window

digerati - computer experts

hallux - first digit on the human foot

borborygmus - stomach rumble

embranch - to perplex somebody

otiose - worthless; not effective

"The *digerati*, plagued by *borborygmus*, were so *embranch*ed by the computer virus that they kicked in their *otiose* monitors with their *hallux* and proceeded to *defenestrate* the entire system."

We guarantee you, you'll have a chance to use that sentence by the year's end!

PRODUCT CORNER

VEN-GEL™ 420 is a versatile product developed by Venture Chemicals, Inc. used primarily as a suspension additive, but also effective as a gellant, emulsion stabilizer, a viscosity stabilizer, a water resistant additive, or a protective colloid. It is a specially reacted organoattapulgitite that is oil dispersible down to a colloidal particle size. **VEN-GEL™ 420** requires only a moderate amount of shear and agitation for full dispersion.

VEN-GEL™ 420 is used in oil-base drilling fluids as a suspension additive, emulsion stabilizer, and viscosity stabilizer with minimal viscosity increases. Some secondary filtration rate reduction benefits are also noted.

VEN-GEL™ 420 is used in asphalt emulsions as an emulsion stabilizing colloid.

For additional information about what **VEN-GEL™ 420** can do for you, contact Venture Chemicals, Inc. at: (337) 232-1977 US (800) 523-1933 or FAX (337) 237-5340.

Remember the "slugging technique!"

Drilling fluid additives that interact or primarily function at the borehole/drilling fluid interface can be much more effective if they are added as highly concentrated slugs or pills on a regular basis.

Examples of such additives are seepage loss additives, lubricants, fluid loss additives, shale stabilizers and certain types of LCM materials. Not only does the slugging technique make the products more effective at the interface, but it also reduces the total amount of additive required and thus significantly reduces the cost over continuous treatments. Call us and let us explain the details. We have some novel ideas that can save you money!

THOUGHT TICKLERS



"Freedom is nothing else but a chance to be better."

- Albert Camus

"The future is not something we enter. The future is something we create."

- Leonard Sweet

"It is not a lucky word, this name "impossible;" no good comes of those who have it so often in their mouths."

- Thomas Carlyle

"It is inexcusable for scientists to torture animals; let them make their experiments on journalists and politicians."

- Henrik Ibsen

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VEN-BRIEFS

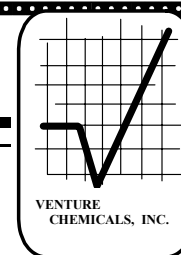
EVEN WATER MAKES YOU STUPID

QUIZ show contestants should refrain from taking nervous sips of water. Simply drinking water at the wrong time can impair our mental performance, say British researchers.

Experimental psychologist Peter Rogers and his colleagues from the University of Bristol asked 60 volunteers to rate how thirsty they felt. They then tested their reactions with a task that involved pressing buttons in response to prompts on a screen. The volunteers either drank nothing before the test or had a cupful (330 ml) of tap water, chilled to 10 °C.

People who were thirsty at the beginning of the test and took a drink performed 10 percent better than those who drank nothing. But the "hit rate" of those who weren't thirsty to start with dropped by 15 percent after a drink. Drinking too much water might affect your ability to drive or perform intellectually demanding tasks, says Rogers. "If your performance is changing by 15 percent, that's quite a big effect," agrees psychologist Nick Neave of the University of Northumbria in Newcastle. Rogers thinks that the temperature of the drinks might explain part of the effect. "We like our drinks hot or cold. The body has to divert resources to deal with the local cooling effect in the gut."

- *New Scientist*, January 2001



"The industry still produces oil, but it has been infused by so many new technologies that it should be thought of as one of the new manmade, brain-power industries like biotechnology."

- Lester Thurow, Economist, November 1997
Price Waterhouse World Energy Conference

Innovations pioneered by the oil and gas industry are now being used in a wide range of applications. Geologic and geophysical technology are providing information on the fundamental characteristics of the earth's crust, enabling better prediction and evaluation of earthquakes and other geologic hazards. Reservoir simulation and performance monitoring technology are being used to predict groundwater flow patterns. And the same principles used to increase the recovery of oil — such as thermal and microbial processes — are now applied to clean up chemical spills.

- *U.S. Dept. of Energy*, 2000

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business...

...be first
...be daring
...be different

- Marchant

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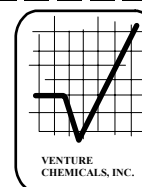
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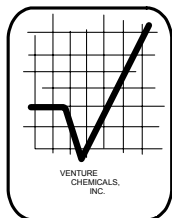
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