



# CES Newsletter

Spring 2007



## Center for Energy Studies

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## Offshore History Meeting Culmination of Multi-Year Project



*Diane Austin, associate research anthropologist with the Bureau of Applied Research in Anthropology at the University of Arizona, leads a panel on the role of women in the offshore industry. Panelists are, left to right, Karen Gray, Moye Boudreaux, and Lillian Miller.*

On March 2, the Center hosted a meeting and reception to report on its multi-year MMS-sponsored project "History of the Offshore Oil and Gas Industry in Southern Louisiana." The goal of the project was to document the evolution of the offshore oil and gas industry and its effects on the people, businesses, communities, and institutions of the region. It was held in conjunction with the American Society for Environmental History (ASEH) meeting, which was held in downtown Baton Rouge this year. Allan Pulsipher from LSU, Ty Priest and Joe Pratt from the University of Houston gave papers, and Diane Austin and Tom McGraw from the University of Arizona led a roundtable discussion in a morning session at the ASEH meetings.

In an afternoon session in the Woods Auditorium on the LSU campus, members of the research team reported on the project's objectives, oral and community histories, and plans for archiving the materials. Mike Forrest, petroleum exploration consultant and the father of "bright spot" seismic technology, and Michael Adamson, a historical consultant, also spoke. Oral history interviewees Moye Boudreaux, Lillian Miller, and Karen Gray participated in a panel on the evolving role of women in the oil and gas industry. A reception was held in the rotunda following the meeting.

More than 500 oral and life histories were collected during the project by interviewing people associated with or affected by the offshore oil and gas industry. Transcripts and recordings of the interviews will be available at the Center's library at LSU, the Universities of Houston, Louisiana at Lafayette, and Nicholls State, as well as the Morgan City Archives and the Lafourche Parish Library in Golden Meadow. A multi-volume final report, including a number of papers on special topics and summaries of the interviews, will be published later this year.

Collaborating on the project with CES were the Bureau of Applied Research in Anthropology at the University of Arizona; History International at the University of Houston; the Public History Program at the University of Louisiana at Lafayette, and the Minerals Management Service, New Orleans.

## Alternative Energy 2007 Set for April 25

CES will host its annual alternative energy conference Wednesday, April 25, 2007. This year's theme is "Seizing Opportunity in an Expanding Energy Marketplace." The one-day event will address domestic alternative energy issues, including wind and wave energy. Topics will include alternative bioenergy opportunities; climate change and carbon initiatives; recently announced bioenergy projects; investor expectations; and the REC market and recent trading developments. To register visit the conference Web site at [www.enrg.lsu.edu/conferences/altenergy2007](http://www.enrg.lsu.edu/conferences/altenergy2007).

**Mark your calendar!**  
**Alternative Energy 2007**  
**Seizing Opportunity in an Expanding Energy Marketplace**  
**April 25, 2007**  
 LSU Center for Energy Studies  
 Woods Auditorium  
 Energy, Coast & Environment Building Rotunda  
 Baton Rouge, Louisiana  
 Conference agenda and registration information appearing soon at [www.enrg.lsu.edu/conferences](http://www.enrg.lsu.edu/conferences)

## LIHEAP Receives Highest Funding in Program's History

The Low-Income Home Energy Assistance Program (LIHEAP) is the largest federal energy assistance program in the United States and forms an important component of the social safety net for low-income households. The 2006 LIHEAP budget was finalized in the spring of 2006, when President Bush signed into law S.2320/Public Law 109-204. The law reallocated \$1 billion in mandatory funds appropriated for LIHEAP for FY 2007 and made the funds available for FY 2006, with half or \$500 million distributed under a new block grant formula and the other \$500 million distributed as emergency contingency funds. The additional funds result in a total of \$3.1 billion, LIHEAP's highest funding ever. The importance of additional funding for LIHEAP to attain a minimum threshold is credited in part to research by Mark Kaiser, CES associate professor, and Allan Pulsipher, CES executive director.

The manner in which LIHEAP funds are allocated to states remains a contentious issue. The distribution of funds among states is not proportionate to the need for assistance based on commonly accepted standards of fairness, with states in the northeast and midwest receiving more, and states in the south and west less than they should. In their paper, "Concerns over the Allocation Methods Employed in the U.S. Low-Income Home Energy Assistance Program," published in the journal *Interfaces*, Kaiser and Pulsipher shed light on the history of the formula, the inequities inherent in the distribution, and how to proceed in the future, concluding that, as Congress considers future reauthorizations of LIHEAP, it has three options: 1) fully implement the intent of the 1984 reform of the program; 2) acknowledge that LIHEAP is primarily a heating assistance program and adopt a heating-only formula to distribute LIHEAP funding; or 3) significantly increase LIHEAP funding.

The history of LIHEAP appropriations does not imply that the reforms incorporated in the 1984 legislation should be thwarted; it implies that Congress should remove or reduce the legislative provisions that have produced the unintended result. Fully implementing the 1984 reform can be accomplished by removing the trigger appropriation, reducing the threshold to \$1 billion or less, or funding LIHEAP in excess of \$3 billion.

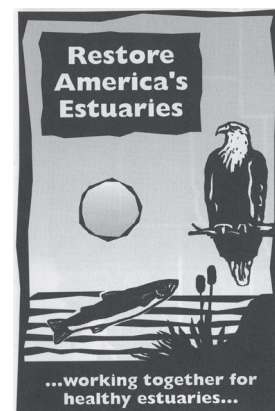
## CES Participates in MMS Information Transfer Meetings

CES faculty and researchers participated in MMS's 34th Annual Information Transfer Meetings (ITM) held in New Orleans in January. The meetings bring together researchers examining a wide range of physical science, engineering, industry trends, and economic issues impacting offshore oil and gas activities. CES gave four presentations summarizing recent and ongoing research on industry-related offshore issues.

Kristi Darby, CES research associate, summarized the Center's ongoing work on liquefied natural gas (LNG) development along the Gulf of Mexico (GOM). She outlined the existing, pending, and proposed LNG regasification facilities, the need for these facilities, and the ongoing challenges and implications for the GOM region. David Dismukes, CES professor and associate director, summarized the ongoing work examining energy infrastructure development along the GOM and the impacts experienced during Hurricanes Katrina and Rita. Mark Kaiser talked about idle structures in the GOM and summarized statistics describing their current inventory. Wumi Iledare, CES professor, discussed preliminary results from a recently completed study. He reviewed measures of competition and performance in lease sales and development since 1983 by firm type and size, water depth, lease type and size, and bidding structure in the U.S. GOM outer continental shelf.

## Center Assists in Coastal Estuarine Systems Project

The Center recently participated in a multi-university research effort examining the economic value of coastal estuarine systems. The effort was funded by the Restore America's Estuaries Program and was spearheaded by Linwood Pendleton, a natural resources professor at UCLA, and included a number of academic researchers from the University of Maine, the University of Maryland, Cal State-Monterey Bay, University of Vermont, and the Woods Hole Oceanographic Institute. Each university specialized in a different aspect of coastal estuary value and the economic impacts of restoration, including housing, recreation, and maritime transportation, among other activities. David Dismukes headed up the Center's research efforts on energy sector impacts with assistance from research associate Michelle Barnett. The America's Estuaries Program is a project funded by a number of private companies, non-profit organizations and federal and state agencies. Dismukes participated in a preliminary workshop on the subject in Washington, D.C., in September and gave a presentation at the final research meeting at the Third Annual Conference on Coastal and Estuarine Habitat Restoration in December in New Orleans. Research associate Kristi Darby is in the process of extending part of this research through a survey of coastal erosion studies, methods, and findings, a project funded by the Minerals Management Service. Darby presented preliminary work at the International Association for Energy Economics Annual Meeting in February.



## Minerals Processing Research Continues Renewables Work

The Minerals Processing Research Division is looking at the transition from fossil raw materials to renewables for chemicals in the next fifty years. It includes:

- Introduction of ethanol into the ethylene product chain. Ethanol can be a valuable commodity for the manufacture of plastics, detergents, fibers, films and pharmaceuticals.
- Introduction of glycerin into the propylene product chain; cost effective routes for converting glycerin to value-added products.
- Generation of synthesis gas by hydrothermal gasification of biomaterials for petrochemicals production.
- The continuous, sustainable production of carbon nanotubes to displace carbon fibers in the market. Such plants can be integrated into the local chemical production complex.
- Demonstration of how surplus carbon dioxide from chemical plants and refineries can be used for new products and enhanced recovery from oil reservoirs.
- Energy management solutions. Cogeneration for combined electricity and steam production (CHP) can substantially increase energy efficiency and reduce greenhouse gas emissions.

Additional information about the topics listed above is available on the MPRI Web site [www.mpri.lsu.edu](http://www.mpri.lsu.edu). The MPRI is headed by Ralph W. Pike, director and Paul M. Horton Professor of Chemical Engineering, and F. Carl Knopf, associate director and Robert D. & Adele Anding Professor of Chemical Engineering.



Please join us for the Department of the Interior's Minerals Management Service  
Earth Day Media Event

***"MMS Affirms Support of Coastal Restoration throughout the Gulf Coast States"***

Speaker: Walter Cruickshank, Deputy Director, Minerals Management Service

Monday, April 16, 2007 at 1:30 p.m.  
Woods Auditorium  
LSU Center for Energy Studies  
Energy, Coast and Environment Building

## **Goddard Participates in PEMEX Radial Drilling Technology Project**

In September 2006, Don Goddard, representing PTTC, and partners from Houston's CEISA-Radial Drilling Services visited the Tampico and Poza Rica offices of Mexico's state oil company, Petróleos Mexicanos (PEMEX), to determine whether certain wells producing from carbonate and turbiditic sandstone reservoirs qualified for use of radial drilling technology. Five wells were determined to possess characteristics necessary for application of the technology: three in carbonate reservoirs and two in turbiditic sandstone. Field work is scheduled for March 2007.

The advantage of the radial drilling technology is its ability to quickly rehabilitate and optimize wells using modified coiled tubing technology. Applicable in gas, oil, water, and mineral wells, the technology increases production rates and reserves from marginal wells, improves injection rates in water disposal/injection wells, and is ideal for wells with near well bore damage. Radial Drilling Services, Inc. (RDS) of Houston, which owns the technology, has drilled more than 200 wells worldwide.

## **Goddard and Team Complete Three-Year DOE Project**

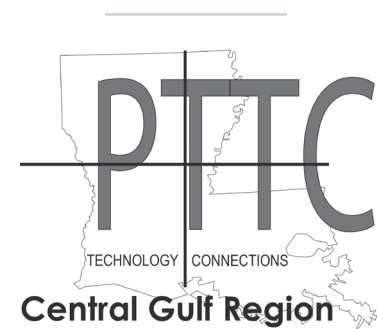
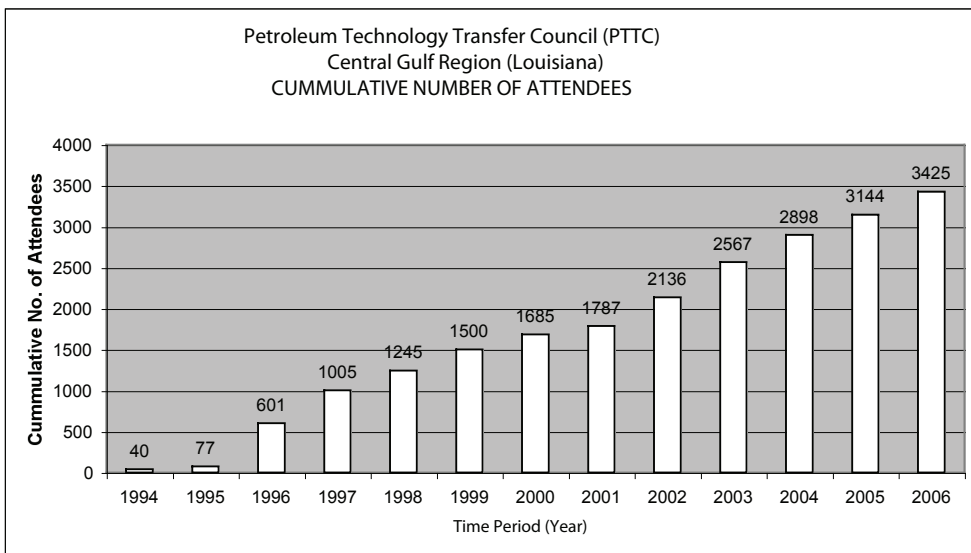
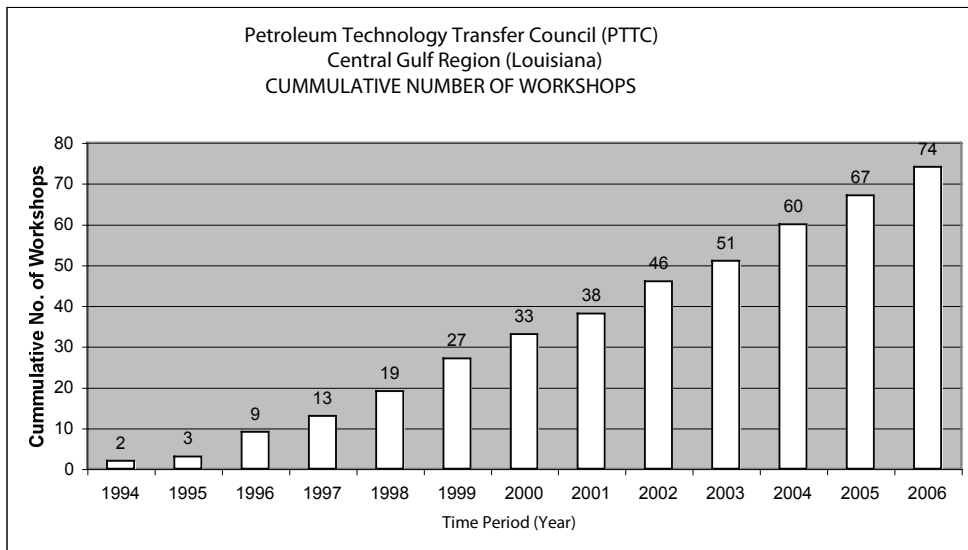
In October 2006, the research team of Don Goddard, CES associate professor, Roger Barnaby, Louisiana Geological Survey assistant professor, and Ernie Mancini, University of Alabama distinguished research professor, completed a DOE-funded project "Resource Assessment of the In-Place and Potentially Recoverable Deep Natural Gas Resource of the Onshore Interior Salt Basins, North Central & Northeastern Gulf of Mexico." Assessment tools included petroleum system identification, characterization and modeling and petroleum-based resource assessment. The project's research conclusions estimated the volumes of the in-place deep gas resources that are potentially recoverable and identified those areas in the interior salt basins with high potential to recover commercial quantities of deep gas resources.

## **Dismukes Appointed to Energy Council's University Advisory Board**

David Dismukes was recently appointed to serve as the Louisiana representative to the Energy Council's University Advisory Board (UAB). The Energy Council is an organization of legislators from 10 energy-producing states, four Canadian provinces, and Venezuela. The UAB is part of the Center for Legislative, Energy, and Environmental Research (CLEER), which is the research affiliate of the Energy Council. Dismukes was appointed by Senator Chris Ullo and serves in the same role previously held by Bob Baumann, who retired in December. Other Louisiana Energy Council members include Senator James David Cain and Representatives John Smith and Wilfred Pierre. The Center has had a long-standing relationship with the Energy Council and CLEER and looks forward to continued participation, discussion, and analysis of timely and important energy policy issues impacting energy producing states, regions, and countries.

## PTTC CGR Workshop

The next PTTC workshop, **“Basin Analysis & Assessment of Deep Gas Resource, North Louisiana Salt & Mississippi Interior Basins,”** will take place at the Petroleum Club of Shreveport, March 27, 8:30 a.m. – Noon. Presenters will be Ernest A. Mancini, Department of Geological Sciences, University of Alabama, and Don Goddard, CES associate professor. For more information, visit [www.cgrpttc.lsu.edu](http://www.cgrpttc.lsu.edu) or contact CES at 225-578-4400.



*The goal of the Petroleum Technology Transfer Council (PTTC) is to connect independent oil and natural gas producers with technological solutions in exploration, drilling and completion, operations and production, reservoir and development, and environmental issues—when they need it.*

## **Iledare Named President-Elect of U.S. Association for Energy Economics**

Wumi O. Iledare, CES professor and adjunct professor of international petroleum economics in the Craft & Hawkins Department of Petroleum Engineering, has been named president-elect of the U.S. Association for Energy Economics (USAEE) for 2007. He will serve as president in 2008.



*Wumi O. Iledare*

The USAEE is a non-profit organization of business, government, academic, and other professionals whose focus is the understanding and application of the economics of energy development and use, including theory, business, public policy, and environmental considerations. Founded in 1994, the USAEE is the largest affiliate of the International Association for Energy Economics (IAEE).

## **Iledare Participates in Petroleum Roundtable**

On March 8 and 9, Wumi Iledare took part in a petroleum roundtable in Nigeria's capital city, Abuja, where he discussed the means by which future generations within an oil-producing nation might benefit from petroleum resources that were depleted in previous generations. The roundtable addressed such issues as the use of appropriate petroleum fiscal system instruments, institutional and structural reform packages, and human and infrastructure capacity development strategy.

Presented by Nigerian Energy Chronicles, the Abuja Petroleum Roundtable offers an opportunity for policy makers and industry leaders to meet and discuss energy industries in Nigeria and the Gulf of Guinea.

## **John to Head Association of American State Geologists**

Chacko J. John, director of the Louisiana Geological Survey (LGS) and state geologist for Louisiana, was elected president-elect of the Association of American State Geologists (AASG) at the annual meeting of the association last summer. He will serve as president of the organization for 2007-2008, the AASG's centennial year.



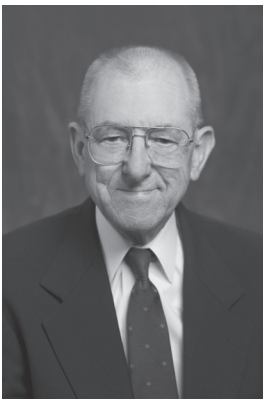
*Chacko J. John*

As president-elect, John is responsible for arranging biannual AASG liaison meetings with federal agencies and other related geological institutions. John, who came to LSU in 1987, has served as director of the LGS and state geologist since 1997. He holds a Ph.D. in coastal subsurface geology and has worked in the oil and gas industry and academia for more than 35 years.

The AASG is an organization of the chief executives of the state geological surveys in 50 states and Puerto Rico. Since 1908, the group has met regularly to discuss issues of common interest to the state surveys and to initiate united actions when warranted. The responsibilities of the various state surveys differ from state to state, depending upon the enabling legislation and the traditions under which the survey evolved.

## **Health Physics Society Honors Scott with Founders Award**

L. Max Scott, radiation safety officer for the LSU System and adjunct associate professor of physics and astronomy, was awarded the Health Physics Society (HPS) Founders Award honoring outstanding professional accomplishments in radiation protection. Scott received the award during the HPS Annual Meeting in Providence, Rhode Island, in June of last year. The award recognizes exceptional service to the HPS and the health physics profession and earns Scott lifetime membership in the society.



*L. Max Scott*

Scott, a certified health physicist and a fellow of the HPS, has spent more than 45 years in the practice of health physics. He began his professional experience at the Oak Ridge, Tennessee, Y-12 Plant in 1961, where he administered the first in vivo monitoring program for uranium. He has coauthored defining papers on uranium detection and exposure evaluation, and has earned a reputation as an international authority on internal dosimetry bioassay and in vivo monitoring.

Since 1985, Scott has served as the radiation safety officer for the LSU System, which includes the medical schools, dental school, and satellite campuses. He is directly responsible for the implementation and review of compliance with regulations and policies to assure the proper and safe usage of sources of radiation. Scott continues to teach medical physics courses on a part-time basis.

## Baumann, Kavanaugh Retire

In fall 2006, Robert Baumann, director of Research and Development, and Barbara Kavanaugh, director of Data and Information Services, retired from LSU. Both had been with CES since 1982.

Kavanaugh's duties through the years were too numerous to name, but among them were the supervision of the Center's energy information collection, the input of energy related statistics, and reporting of information upon request to energy policy makers and researchers. She co-authored two statistical reports titled *Energy Overview and Analyses 1993, 1995*, and *Bibliography of U. S. Government Bibliographies*. Kavanaugh was first a research associate for the Center and later served as general librarian. She has a B.S. (Education) from Louisiana Tech University and a M.L.S. (Library Science) from LSU.

Robert Baumann began his career working on environmental issues at LSU's Center for Wetland Resources before becoming the executive director of the Center in 1988. He served in that capacity through December 1995. From 1995-1999, he directed all energy programs. He is the author of more than 40 articles on energy and environmental topics. Baumann has served as technical advisor to the Governor's Energy Commission under Governors Foster, Edwards, and Roemer. He has served as a consultant on energy policy legislation to the legislatures of five other states and several foreign countries. In addition to his energy work, he has performed government relations duties for the University System and continues to do so in retirement.

## Barnett Joins CES Staff

CES welcomes research associate Michelle L. Barnett. After working seven years as an actuary, Barnett chose to apply her experience in math and statistics to the energy industry, working as an energy load forecaster with Louisiana's public and private utilities. More recently, she has worked within the disaster science arena as a graduate assistant in LSU's CADGIS lab, helping with analysis of flooding along the Gulf Coast. She is a member of the Governor's Office of Emergency Preparedness and Homeland Security LSU team. Barnett obtained her bachelor of science degree in mathematics from Louisiana State University in 1988 and is currently studying applied statistics and disaster science management at the graduate level.

## Regard Remembered

Last fall saw the passing of a long-time friend of CES, Jules F. Regard, Advisory Council member, lobbyist and attorney. A Marksville native, Regard was a graduate of LSU and Southern University Law School. He was a member of the Louisiana Bar Association, Association of Louisiana Lobbyists, and the Louisiana Mid-Continent Oil and Gas Association. He is survived by his wife, Janet, and daughters Elizabeth, Rebecca, Joan, and Kathryn.



*Barbara Kavanaugh*



*LSU President William Jenkins, Brenda Baumann, and Bob Baumann*



*Michelle L. Barnett*

*The Center for Energy Studies conducts, encourages, and facilitates research and analysis to address energy-related problems or issues affecting Louisiana's economy, environment, and citizenry. Whether conducted by its staff or by others it supports, the Center's goal is to provide a balanced, objective, and timely treatment of issues with potentially important consequences for Louisiana.*

Visit [www.enrg.lsu.edu](http://www.enrg.lsu.edu) to read about the latest news and events at the CES.

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