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## Special Report: Untapped Riches

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For those in the oil and gas industry these are challenging times. Industry analysts are predicting the current economic downturn could last another two years.

Currently the Obama Administration wants to impose heavy taxes on the industry to help fund the development of a viable energy alternatives to oil and gas. There is just one problem at present; there aren't any.

And, even if one was available it would cost an estimated four trillion dollars to get it into the market place. That means for at least the foreseeable future we'll continue to need oil and natural gas.

The good news is there is a lot more of it out there than we originally thought. Up until fairly recently the remaining estimates for oil and natural gas deposits in this country were not all that good.

But, with advent of new seismic technology capable of rendering detailed three and four dimensional images of the ground beneath us, we are now finding new large deposits of untapped energy we didn't even know was there.

UL Professor Fathi Boukadi is LAGCOE's Endowed Professor of Petroleum Engineering at UL Lafayette who says with the help of these new detailed images oil and gas bearing deposits can be not only located they can be pin pointed.

With the aid of direction drilling, what used to take a large number of wells to produce a field can now be done with a fraction of that number thanks to directional drilling that taps into the oil or gas bearing strata from the side.

One of the best examples of this new technique is coming from the Haynesville Shale in North Louisiana.

Lafayette native and one of this nation's leading oil and gas executives James Flores, talked about the importance of the Haynesville Shale during the recent LAGCOEe event.

"The Haynesville Shale is a big one, I expect to see 30,000 wells drilled there over the next 20 years" says Flores.

On the down side the current lack of demand in this country has resulted in a lack of activity that is forcing many equipment rental companies to slash their daily rental fees just to keep their heads above water.

One example a piece of equipment that might normally rent for \$100 a day is now going for \$45 a day just so the company can cover their debt service costs.

But internationally, things are looking up, with the demand for oil and gas in China and India expected to increase dramatically in the coming years.



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