



# The PipeLine

Volume 3 Number 11

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## INTERSTATE NATURAL GAS News on the Net

### KANNEY AND ROHRER - GUESTS OF LEADERSHIP KENTUCKY

Sixty members of Leadership Kentucky were in Pikeville recently to learn about the healthcare, coal, gas and oil industries in the area.

As part of the coal, gas and oil segment of the program, the general partners of Interstate, **Jerry Kanney** and **Denny Rohrer**, were invited to speak to the group on the

gas business at the Garfield City Annex Building in Pikeville.

Following data and illustrations presented on a power point, Kanney and Rohrer informed the guests about the benefits of natural gas as an energy source, the long life and diversified asset base of the fuel, the status of the drilling business in Eastern Kentucky, the pipeline infrastructure, and other related topics. Members of the group were excited to hear about the viability of compressed natural gas as an alternative fuel with its record of being "clean" to burn, its abundance, and its affordability, being half the price of oil.

**Rusty Justice** of Jigsaw Enterprises spoke to the group about the importance of coal to the area, the state and the country. He addressed some of the negative stereotypes associated with the mining industry and the broad array of misinformation about coal mining today.

*(left) Darrell Maynard, president of SouthEast Telephone and a 2007 graduate of Leadership Kentucky, presents Kanney and Rohrer with a print in appreciation of their participation in the program.*



### Brandeis Delivers New Drill

September was a busy month for Jigsaw Enterprises. The addition of a new drill, delivered by Brandeis reps, was cause for celebration. On hand for the unveiling of the latest piece of Jigsaw heavy equipment was (l-r) Barry Justice (Brandeis General Manager), **Denny Rohrer**, **Rusty Justice**, and **Jerry Kanney** (Co-owners of Jigsaw), **Harold Coleman** (Jigsaw) and Rick Johnson (Brandeis).





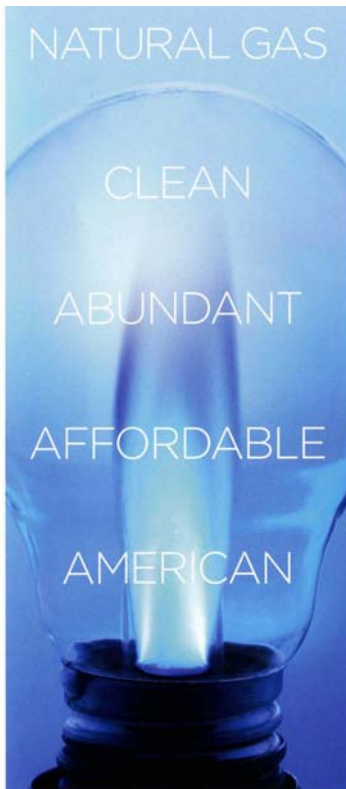
## Smoking Cessation Program Rewards Gannon

The latest employee to enjoy the rewards of the Smoking Cessation Program is Kenny Gannon, a member of the Pipe line crew. Kenny, who has remained tobacco-free for the last six months, took home a \$500 reward for his efforts. Kenny’s wife Donna also collected a reward of \$100 for supporting her husband.

*(left) Operations Manager Ron Carlisle makes the presentation to Gannon.*

## Crossrock Drilling Reaches Another Milestone

As of September 24, Crossrock had drilled 215 wells for 2008! That translates into a whopping 765,451 feet or 144.97 miles! The company is expecting to drill over 300 wells by the end of the year.



## FOR CLEAN ELECTRICITY AND CLEAN VEHICLES, NATURAL GAS IS AMERICA’S BEST ENERGY ANSWER

### CLEAN

Particulate and mercury emissions from natural gas are non-existent and carbon dioxide emissions are far lower than coal or oil.

### ABUNDANT

Vast new natural gas fields are being discovered every year across North America, representing at least a 120-year supply. Steady supply growth is the main reason it remains so affordable.

### AFFORDABLE

While natural gas prices have increased over the past five years, the rate of increase is far less than many other commodities. On a BTU basis, natural gas remains about half the price of oil.

### AMERICAN

It reduces the need for OPEC oil imports, thereby strengthening our economic, energy and homeland security. More than 98% of the natural gas Americans use comes from North America.

*Sources: Potential Gas Agency, Dec. 2006 and US Dept. of Energy, EIA, Oct. 2007*

***The PipeLine is a publication on our web site which focuses on newsworthy items/articles as they pertain to Interstate Natural Gas Company, Crossrock, Inc., and Jigsaw Enterprises.***

**Jerome A. Kanney and Dennis L. Rohrer—General Partners**

**Jeanne W. Clark—PipeLine Editor**



**Allen and Glass  
Attend the  
Ultimate  
Employer  
Conference**



On September 11, Human Resources Coordinator **Johni Allen** and Human Resources Manager **James Glass** attended the Gateway Society for Human Resource Management *Ultimate Employer Conference* at Jenny Wiley State Park in Prestonsburg. Topics of interest to human resources departments included employment law, hiring and firing, Workers' Compensation, drug testing regulations and much more. The keynote speaker, Meagan Johnson, authored the book Success is A Team Effort.

**Can You Afford NOT to be Protected by C.I.Agent?**

C.I.Agent is a **non-toxic, non-hazardous, non-corrosive**, non-carcinogenic **environmentally friendly** petroleum-based blend of polymers, used to immobilize petroleum and related petrochemical emergency releases on land and water.

Having met all the criteria for being listed on the Environmental Protection Agency, National Contingency List Product Schedule, C.I.Agent is a dry granular powder specifically blended to encapsulate petroleum-based liquid spills through the rapid transformation sive rubber-like mass upon con-up a liquid through expansion, a removable mass with minimal the liquid for easier removal. This that you get from absorbent mate-escape or be squeezed out. This contamination.



of a liquid material into a cohe-tact. Unlike absorbents that soak C.I.Agent solidifies the liquid into volumetric increases and retains eliminates the "drilling" effect rials by not allowing the liquid to greatly minimizes any residue or

C.I.Agent can be used to **treat spills** or as a preventative measure where a spill is like to occur in many applications. C.I.Agent is a powder that can be put on spills such as oil, diesel fuel, hydraulic fluid, transmission oil, and any other petroleum based fluid, and it **solidifies into a rubber-like mass**. Then the solidified product can be used as a fuel or sold to companies that produce a filler to add strength and flexibility to their products. If you choose to, in most cases, the waste can just be thrown away. That's right. Once C.I.Agent solidifies a fluid, you may **dispose of it in the trash** (check with your local EPA for restrictions).

***Jigsaw Enterprises is the exclusive distributor for C.I.Agent.  
For additional information, contact Barbie Bow at 606.437.9090.***

## The Marketplace

### Jenny Lind Crib

New Mattress and Bedding  
\$300

Call Donna at 606.432.6963



2006 **KAWASAKI** Prairie 360

4 Wheel Drive—Red  
Low Miles—Like New

Reduced to \$3400 –Must Sell!

Contact Maedea at 606.437.6147

### 2005 Mobile Home

16' x 80'

3 Bedrooms/2 Baths  
Front and Back Decks

Security System

Custom Upgrades

Asking \$42,500

Seen by appointment only.

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606.437.6147



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1 Dozen ICS400 Carbon Arrows with 100 Grain 4-Blade Mussy Broad Heads

6 Practice and 6 Hunting Arrows \* Hard Case \* Peet Sites

A DEAL AT \$500

Contact Heather at 606.432.6963

## The ABCs of Oil and Natural Gas

*How well can you "speak" the language of the oil and natural gas industry?*

**Barrel (BBL):** A standard measure of volume for crude oil and liquid petroleum equaling 42 gallons.

**British Thermal Unit (BTU):** A measure of the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit.

**Christmas Tree:** A term applied to the valves and fittings assembled at the top of a well to control the flow of oil.

**Conveyance:** The assignment or transfer of mineral rights to another person.

**Crude Oil:** Liquid petroleum after being produced but before being refined.

**Directional Drilling:** Intentionally drilling a well at an angle from the vertical.

**Fracturing:** A procedure to stimulate production by forcing under high pressure a mixture of oil and sand into the formation.

**Joint Interest/Joint Venture:** An association of two or more persons or companies to drill, develop, and operate, jointly, properties. Each owner has an undivided interest in the properties.

**Landman:** A person experienced in mineral leasing activities.

**Lease Agreement:** An agreement between two or more parties by which a lessee is given the right to enter a property, survey and locate a well site, perform drilling operations, and remove any minerals found.

**MCF:** A thousand cubic feet of natural gas.

# NATURAL GAS

## *The Time is Now!*

*Jerry Kanney and Dennis Rohrer, general partners of Interstate Natural Gas, along with many others in the business, hold the view that our country can no longer afford to ignore the use of natural gas as a credible alternative fuel source. Although independent gas operators across the nation do not speak with the same vociferance as the major oil producers, these same gas producers are united in the belief that a major route to energy independence is the utilization of natural gas and the mass production of natural gas vehicles (NGV). Subsequently, Kanney and Rohrer and others in the industry, would like to encourage the public and the media to join them in strongly articulating the seriousness of this issue so that our government leaders will address the problem with a renewed sense of urgency.*

*In that regard, Interstate will be presenting a series of articles on its website that forward the argument concerning the use of natural gas as an alternative fuel.*

Among the most critical issues facing our nation is our dependence on petroleum for nearly all of our transportation fuel. This dependence and global competition for the resource present enormous risks to our future energy supply, the environment and to our nation's economy.

Reducing these risks cannot be achieved solely with a dramatic increase in our domestic production for many reasons; yet, the outstanding potential for developing and increasing the use of alternative transportation fuels has been relatively unfulfilled. Clearly, petroleum will continue to be the dominant transportation fuel in the near term, requiring us to maintain economically viable production and refining sectors, but we also must increase our efforts to hasten the development of alternative fuels and to deploy far more efficient vehicles and means to move goods and services. *(James D. Boyd, Vice-Chair and Commissioner, California Energy Commission and David Fleischaker, Oklahoma Secretary of Energy)*

Prior to October 5, 1973, little thought was given to the need for alternative transportation fuels or for improved vehicle fuel efficiency. The cost of oil was \$3 a barrel, and gasoline was just under 30 cents a gallon.

On that day, the Arab-Israeli War broke out, followed by the Arab Oil Embargo and a quadrupling of petroleum prices over the next two years. The economic

upheaval and geopolitical instability caused by this "Petroquake," combined with an increasing awareness of the environmental impacts caused by vehicle emissions, led many of our country's leaders to call for a gradual transition to alternative transportation fuels. They vowed to move forward.

Three decades later, we are not much further along in making that transition, putting our country's security, environment and economy at even greater risks due to an ever-increasing list of global reasons:

- The September 11, 2001 attack on the U.S., crystalizing the fact that the world immediately became a more insecure and unstable place.
- The continued political instability of the countries, and regions, where the bulk of the world's petroleum resource exists.
- Petroleum on the world market now reaching record highs, and no petroleum analyst can capably predict the future short-, mid- or long-term world petroleum price.
- The demand for petroleum in the developing world surpassing the demand of the developed world within three years, and not appreciably abating into the future.
- The urgency to achieve sharp and sustained greenhouse gas and criteria emission reductions to mitigate the likely impacts of global climate change and to improve climate health.

*(Western Governors' Association Conference on "Transportation Fuels for the Future", February 2008)*

