

# The Dreamcatcher

Southwind Drilling Newsletter · Issue 6 · October 2016







Dear Southwind Employees,

We in management have pretty much been spot on with predicting how this year would progress, figuring that there would be a modest upswing in the drilling activity the 2nd half of 2016. We are hopeful that some of this momentum and the slight boost in oil price will carry in to the 1st half of 2017. In these lean times, we are optimistic about the future and confident that we will be able to keep busy. As I have said many times, “we are a service company and you must treat the customer right to maintain their business”, and the majority of that falls on the rig crews and toolpushers. Good job to everyone that makes this happen!

In this month’s issue, I really hope toolpushers (and especially drillers and roughnecks), will pay attention to page 8 and the article on Lead Poisoning. Lead Poisoning is really a situation that should not be taken lightly. Please read it and take precautions for you and your family. We are currently exploring and looking for an alternative product that will replace the lead based pipe dope we have used for years. Hopefully we will have something figured out and a new product on the rigs in the very near future.

Sincerely,

*Todd E. Morgenstern*

Todd E. Morgenstern

President/CEO



# What is in this issue of the Dreamcatcher?

Rig Move	4-5
Safety Blog	6
Reminders	7
Drilling Tips from Frank Rome	7
KIOGA Booth, State Fair	7
Lead Poisoning	8
Crossword	9
Employees Spotlight	10
Oil Update	11
Top 10 Petroleum Producers	12
Comparative Prices	12
Southwind Efficiencies	13
No Loss Time Accident	13
Graphs	14
Did You Know?!	15



VISIT OUR WEBSITE @ SOUTH-  
WINDDRILLING.COM & LIKE OUR  
FACEBOOK PAGE



Want a chance to win a gift card?

If so, dress up on Halloween, and either stop by the office on October 31st to be judged or send your picture to [km@southwinddrilling.com](mailto:km@southwinddrilling.com). We will be giving away two prepaid gift cards!

Good Luck!



# BEHIND THE SCENES

## of a rig move

(from Katie's perspective)

By: Katie Morgenstern



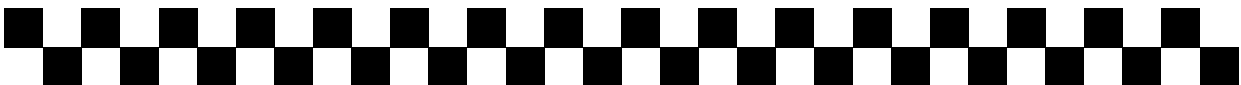
As the alarm went off at 5 a.m., I just laid in bed thinking, “why did I volunteer to go on a rig move”. I managed to drag myself out of bed and get dressed, all while thinking how easy it would be to just crawl back into bed. However, I really thought I needed to experience a rig move at least once.

As I walked out the front door, I felt the humidity hit my face and it dawned on me what a beautiful, peaceful morning it was. I got in my car, and drove to Casey’s to get my morning cup of coffee. Heading west to the shop, I could see the trucks already lit up and ready to go. I opened the door to get out of my car and the smell of diesel filled the air as the trucks were idling. I grabbed the brownies that I had baked the night before and proceeded to hand them out to the guys as they were preparing for the day. Once we were ready to leave, it was like an “every man to their aircraft” type of situation. I had the privilege

of getting to ride with Fred Castillo in a convoy which was led by Frank, followed by Fred and me, Mac in the gen truck pulling the derrick, Will and Patrick in the tandem loaded with the drawworks, Chris and Todd hauling the doghouse, and finally Jay blocking with the geo trailer. Our destination was a location northwest of Gorham, Kansas, known as the Schmidtberger #1.

On the way to location, I found it extremely remarkable how everyone watches out for each other by constantly talking on the radio. They would note if intersections were clear, if cars were about to pass, and give notice when a turn was approaching, etc. I watched in amazement of how Mac handled pulling the derrick making impossible turns, and even having to go through the ditches. The drive to Gorham was educational and Fred and I talked the whole way. He made sure to slow down for anything he thought I should see.

Once there, I got out to snap some pictures and watch everyone do their job trying my hardest to stay out of the way.







On location, I wouldn't necessarily describe the scene as poetry in motion, but more like orchestrated chaos. Everything is just so busy, and everyone knew exactly what to do and when to do it. I found out that rigging up is no easy task and something that should not be taken lightly. Once I literally watched Will back his truck up so precisely that there was only a few inches to spare on each side. Patrick then hooked up a 40,000 pound mud pump and Will calmly proceeded to suck it up on the bed strategically placing it where it needed to go on location. While all of this was happening Mac was busy loading and unloading drill pipe on the racks, and Fred had left to get another load. Frank never stops working, chaining equipment up and helping on the drill floor, truly being a hands-on drilling superintendent. Probably the crown jewel of the day was watching the derrick being raised, basically it was like the climax of a movie. I am so glad I got to experience this all firsthand because I constantly hear about it, but it is totally different when you actually get to see it happening. I came away with a brand new perspective of what a talented group of guys we have and how dangerous this work really is.

I had such an amazing day on location and cannot wait to experience it again. Thanks to all the guys that made my day very special, hopefully I didn't bug you all too much!



The Magnificent Seven (Fred, Frank, Patrick, Will, Chris, and Mac — Todd not pictured.



# THE SAFETY BLOG

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The highest frequency of accidents in the drilling industry occurs on the rig floor. More specifically around the rotary table. It stands to reason since most of the rig crew's activity is around the rotary making a trip or connection. Most of these accidents are: struck by, caught between equipment or tubulars.

## Rig Floor/Rotary Table Safety:

1. The rotary table and surrounding work area should have some type mat or covering to prevent slips or falls.
2. Keep tools and other materials off of the rotary table. Once the need for tools is done, pick up all tools and items that could cause a fall around the rotary table.
3. Keep tools and other materials picked up around the rig floor when they are not in use.
4. Keep the rotary table surface and rig floor work area clean and dry as possible.
5. Be alert, watch driller, and other coworkers for signals.
6. Simultaneous operations such as drilling ahead and maintenance require special attention.
7. When conducting maintenance work on the rig floor while drilling, be sure to keep aware of the rotating Kelly.
8. Check the tong dies to ensure they are sharp and properly secured.
9. Inspect tongs, snub lines, pull back lines, elevators, mud bucket, and slips to make sure they are in good condition.
10. Be sure all coworkers are mentally alert and ready to work.
11. Protect against dropped objects. Have the Derrickman check for loose objects on the derrick board and in the derrick.
12. Be sure you are wearing your hardhat, safety shoes, safety glasses, gloves, and no loose fitting clothing.
13. Do not step or stand on rotary.
14. Keep hoisting cables clear of the rotary table and / or Kelly when it is rotating.
15. Do not stand under elevators or between pipe and joint in rotary table when picking up or laying down drill pipe or drill collars.
16. Care must be taken when picking up drill pipe while drilling ahead. Keep the air hoist cable away from the rotating Kelly
17. Always stand clear of tongs and elevators; do not get inside of tong line when the driller is making up a connection.
18. Use extreme care when placing hands on pipe, collars, and tongs.
19. Coordination between driller and rotary helpers is essentials
20. Use sufficient help when setting and pulling slips. Place your hands on the slip handles with the palms up when pulling or setting slips.
21. Use extreme care when locking and unlocking rotary table.
22. Pulling rotary bushings: Hazards include being struck by cable or bushings as they are removed from the rotary, or bushings being dropped on toes, keep feet from below the bushings.
  - A. Care must be taken to keep feet from below the bushings as they are hoisted.
  - B. Prepare and inspect all tools and equipment. Inspect the air hoist cable, chain, and bushing puller.
  - C. Unlock the bushings.
  - D. Tie onto the bushing with the bushing puller. Be sure to place the bushing puller hooks completely into the bushings.
  - E. Pull the bushings out only high enough to clear the rotary table then set the bushings aside.
  - F. Keep feet clear from under the bushings.
  - G. Reinstall reverse of pulling the bushings.
  - H. Be sure to lock the bushings in place once reinstalled.
  - I. Return the bushing puller to its proper storage area.
23. No horseplay should be permitted on the rig floor or for that matter anywhere on the well location.





# Reminder!

1. Open Enrollment started on October 1st, and will end on **October 20th**.
2. Make sure all paperwork is turned in a timely manner to Shannon.
3. It is **your responsibility** to let the office know your current address, social security number, and all other information.

A Drilling Tip from your  
Drilling Superintendent...

*Frank Rome*

*“Coming out of the hole on a trip, if the tool joint is clean, it should be thrown out indicating a wash.”*

## STATE FAIR 2016

Todd, Jill, and Katie spent the day at the Kansas State Fair on September 14th working the KIOGA booth. They answered questions pertaining to the oilfield, and enjoyed some fair food. It was a great day, and they were proud to represent Southwind Drilling.





## Oklahoma Study on Oil Field Workers

According to a study by Fahad Khan, MPH published in the June 2011 issue of *The Journal of the Oklahoma State Medication Association*, the Oklahoma Childhood Lead Poisoning Prevention Program (OCLPPP) found that oil field workers who are exposed to “pipe dope”—a threading compound that often contains high amounts of lead and is hard to remove from clothing or skin—could bring lead home if they don’t follow necessary safety procedures.

Lead exposure is especially hazardous for children. The study notes that childhood lead poisoning may cause developmental problems, lower I.Q., behavioral problems, attention deficit disorder, learning problems, language delay, anemia, damage to the nervous system and, in severe cases, death (particularly in children under age six).

Although residential lead-based paint and lead-contaminated dust and soil are the most common sources of childhood lead poisoning, children can also be at risk if they live with an adult with a job or hobby that involves exposure to lead.



The OCLPPP identified pipe dope containing lead along with lead-based paint hazards as the most likely cause of lead poisoning in at least four children, include two siblings, of three oil field workers working with pipe dope between 2006 and 2009. Elevated lead levels were found on their work clothes as well as inside the washing machines used to wash work clothes along with other family clothes.

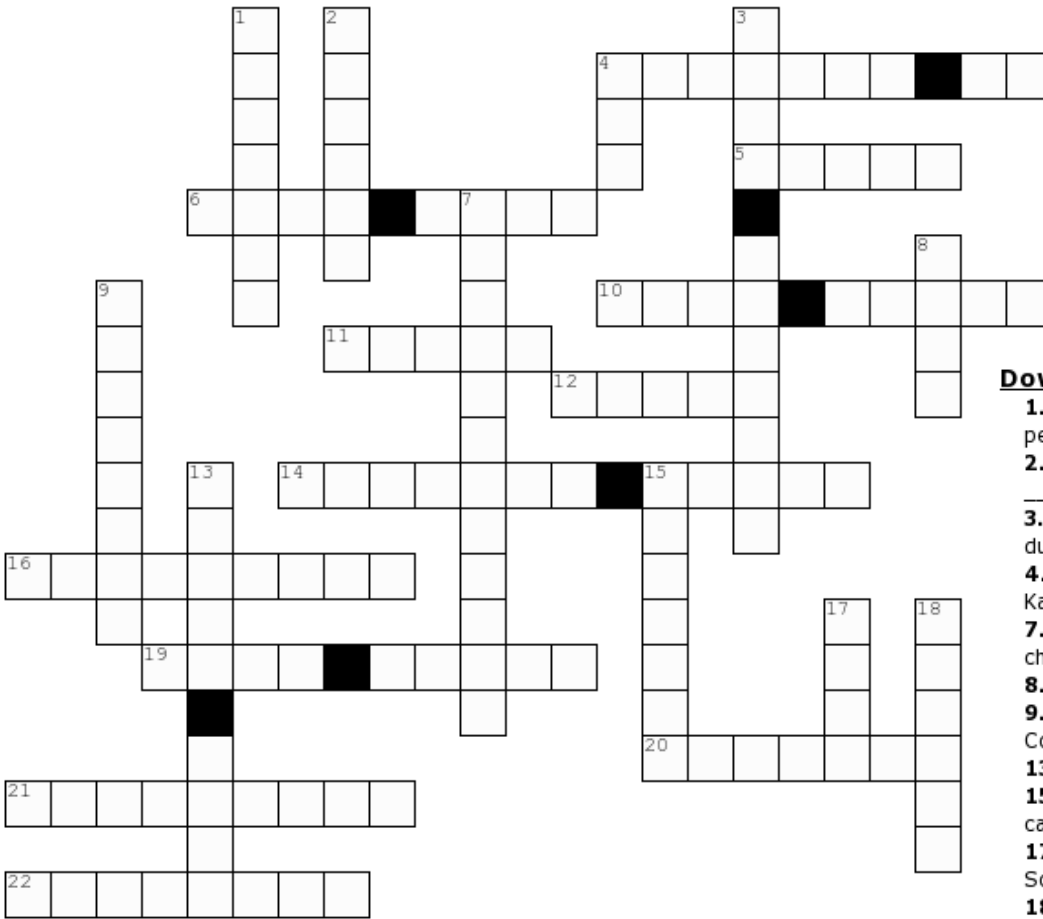
OCLPPP’s investigation of these cases revealed that some workers using this product may not be utilizing adequate PPE or following other instructions in the MSDS for pipe dope, such as washing hands before smoking, eating or drinking. In addition, employers may not be providing shower and other facilities to make sure that workers change out of their possibly contaminated work cloths before leaving work.

The study recommends that workers:

1. Use appropriate PPE, such as oil-resistant gloves, when working with pipe dope
2. Wash their hands, shower and change clothes after handling pipe dope
3. Not enter their residence until they’ve showered and changed into clean clothes and shoes
4. Keep work clothes separate before, during and after washing
5. Not pick up a child while in work clothes
6. Take precautions not to contaminate child’s clothing, toys, household furniture, sleeping quarters, etc.

*“Many workers are exposed to hazardous substances on the job. But if you assume that you leave those hazards behind once you get off of work, think again. Without taking proper precautions, you may bring some hazardous substances home—and endanger your family.”*

# THE CROSSWORD CONNECTION



**\*\* Hint: All of the answers are located in the text of the newsletter**

### Down

1. What state was number 8 on the list of top 10 petroleum producers in the U.S.?
2. Use appropriate PPE, such as oil-resistant \_\_\_\_\_, when working with pipe dope.
3. Keep \_\_\_\_\_ separate before, during and after washing.
4. There are 48.136 producing \_\_\_\_\_ wells in Kansas.
7. The rig location was literally \_\_\_\_\_ chaos
8. What does Patrick like to do in his spare time?
9. In what month in 2015 was the Kansas Rig Count 44?
13. Where is Mac McCraw's Hometown?
15. What product was the most expensive when it came to \$/barrel?
17. How many years has Fred Castillo worked for Southwind?
18. Where did Katie get her coffee the morning of her first rig move?

### Across

4. When will open enrollment end?
5. Todd, Jill, and Katie went to the fair, and worked what booth?
6. What is a threading compound that often contains high amounts of lead and is hard to remove from clothing or skin?
10. During a connection, if the \_\_\_\_\_ is clean, it should be thrown out indicating a wash
11. How many years has Will Straub worked for Southwind?
12. What rig had the highest efficiency?
14. What is the largest natural gas field in North America?
16. No \_\_\_\_\_ should be permitted on the rig floor or for that matter anywhere on the well location.
19. \_\_\_\_\_... so you don't get hurt!
20. Use \_\_\_\_\_ care when placing hands on pipe, collars, and tongs.
21. In what month was the U.S. Rig Count 544?
22. Lead Exposure is especially hazardous to who?

Enter your completed crossword puzzle into our monthly drawing for a chance to win a \$100 gift card to Dillon's. The winner will be announced October 21st @ noon. Please either mail in to PO Box 276 or give to your toolpusher. Make sure you send in entire page.  
**GOOD LUCK!**

Name: \_\_\_\_\_  
Phone#: \_\_\_\_\_



WIN A \$100 GIFT CARD





# EMPLOYEES SPOTLIGHT

## Fred Castillo

**Position:** Safety & Compliance Officer/Truck Driver

**Years:** 9

**Hometown:** Yuma, Colorado

**Messy or Organized:** Organized

**Spare Time:** I enjoy hanging with friends, going to the casino, and drinking beer.

**What Would You Do If You Won The Lottery?:** I would help a lot of people, and go on vacation.

**Favorite Part About Working @ Southwind?:** I have great bosses with Todd and Chris, and just working with everyone.

## Will Straub

**Position:** Truck Driver Pusher

**Years:** 8

**Hometown:** Stroudsburg, Pennsylvania

**Biggest Pet Peeve:** Clutter and Being Late

**Messy or Organized:** Organized

**Spare Time:** Not familiar with the phrase "spare time"

**What Would You Do If You Won The Lottery?:** I would pay off debt, and move to Montana.

**Favorite Part About Working @ Southwind?:** The fact that it is always something different every rig move, it breaks up the monotony. I also enjoy all the employees that I get to work with on a daily basis.

## Mac McGraw

**Position:** Truck Driver Pusher

**Years:** 7

**Hometown:** Great Bend, Kansas

**Biggest Pet Peeve:** Being late to work

**Messy or Organized:** Organized

**Spare Time:** I love to spend time with daughter and nephew, and to watch them play sports!

**What Would You Do If You Won The Lottery?:** I would help a lot of people, buy a nice house, and work on old hot rods.

**Favorite Part About Working @ Southwind?:** Everything! It is a great place to work and I get to be home every night.

**Position:** Parts and Inventory/Swamper

**Years:** 8

**Hometown:** Hutchinson, Kansas (Born in Tucson, Arizona)

**Messy or Organized:** Organized

**Spare Time:** Fishing

**What Would You Do If You Won The Lottery?:** I would send my mom to the Philippines because I know she misses it so much.

**Favorite Part About Working @ Southwind?:** I love everything, but mostly getting out and doing rig moves! It really makes the day go by fast.

## Patrick Henry

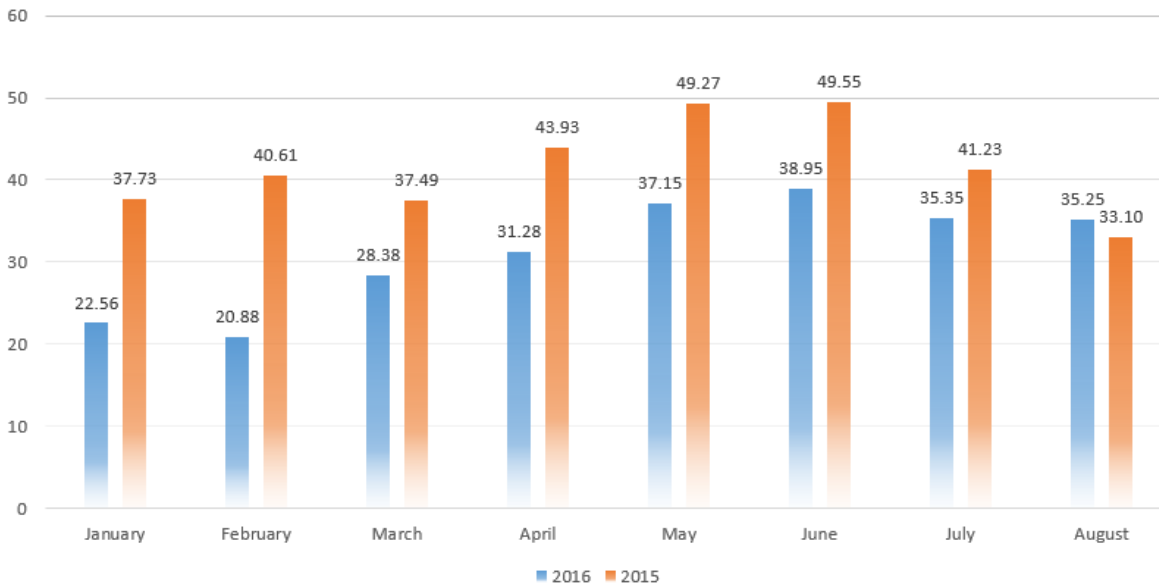


# CLK15 - Crude Oil WTI (NYMEX)



PRICE AS OF 10/12/16

## CRUDE OIL PRICES (KANSAS-COMMON)



update



Can you name the top 10 petroleum producers in the United States?



## Top 10 Petroleum Producers in the U.S.

1. Texas
2. North Dakota
3. California
4. Alaska
5. Oklahoma
6. New Mexico
7. Colorado
8. Wyoming
9. Louisiana
- 10. Kansas**

## Comparative Product Prices versus Crude Oil

Product	Price	Normal Size	Volume (oz.)	\$/Gallon	\$/Barrel
Crude Oil—Kansas Common	\$37.00	1 Barrel	5376	\$.88	\$37.00
Regular Unleaded Gas (pre-tax)	\$2.35	1 Gallon	128	\$2.35	\$98.95
Regular Unleaded Gas (after-tax)	\$2.79	1 Gallon	128	\$3.58	\$117.18
Coca Cola	\$1.19	2 Liter	67.6	\$2.25	\$94.50
Evian (Bottled Water)	\$1.79	1.5 Liter	50.7	\$4.52	\$189.80
Orange Juice	\$2.69	.5 Gallon	64	\$5.38	\$225.96
Budweiser	\$4.79	6 Pack	72	\$8.52	\$357.65
Scope Mouthwash	\$3.69	24 Ounces	24	\$19.68	\$826.56
Head & Shoulders Shampoo	\$4.59	15.2 Ounces	15.2	\$38.65	\$1,623.41
Real Maple Syrup	\$4.59	12 Ounces	12	\$48.96	\$2,056.32
Tabasco Sauce	\$.99	2 Ounces	2	\$63.36	\$2,661.12
Jack Daniels	\$19.49	.75 Liter	25.3	\$98.61	\$4,141.43
Visine	\$5.99	1 Ounce	1	\$766.72	\$32,202.24
Flonase (Prescription Nasal Spray)	\$64.59	16 Grams	.56	\$14763.45	\$620,064.00



# Southwind Rig Efficiencies

	Footage Rate/ Hr	Rig Efficiency	Trip Time	Rig Repair (Hours)	Non-Billable Hours
<b>Rig #1</b>	34.68	84%	2356.90	15.00	122.25
Rig #2	Under Refurbishment				
<b>Rig #3</b>	52.03	88%	2649.50	10.75	102.00
Rig #6	Stacked				
<b>Rig #8</b>	31.02	89%	2853.84	4.25	49.00
Rig #9	Stacked				
Rig #70	Under Refurbishment				

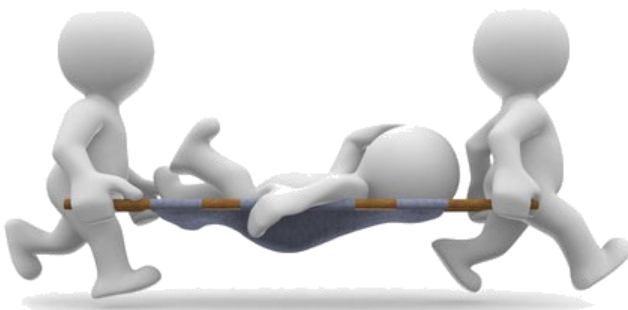
## # DAYS SINCE NO LOSS TIME ACCIDENT

*Rig #1 - 778 Days (12/6/2013)*

*Rig #3 - 7 Days (8/2/2016)*

*Rig #8 - 4 Days (9/18/2015)*

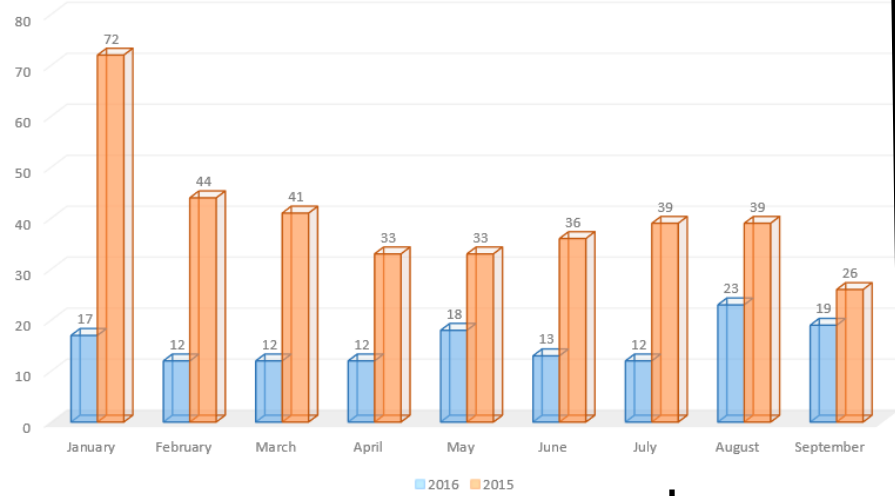
*Truck/Shop - 407 Days (8/11/2015)*



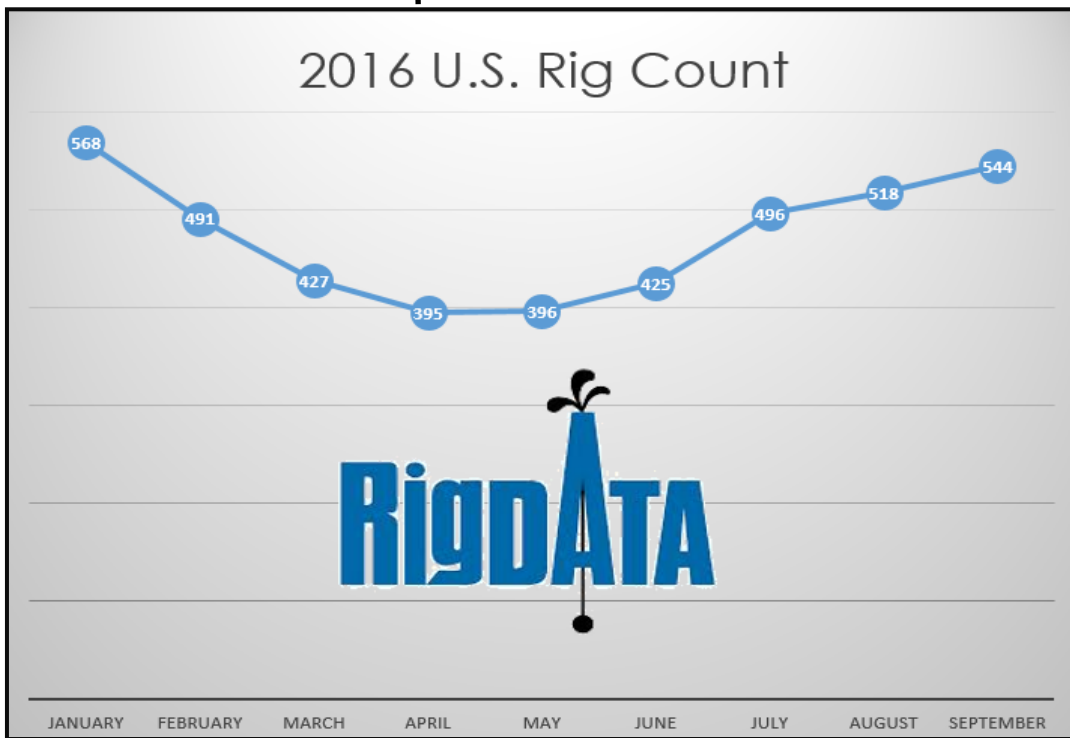




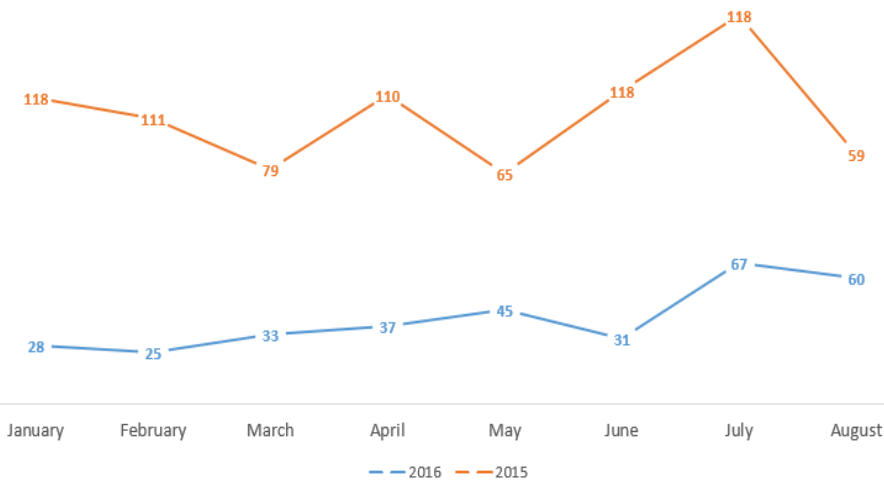
### Kansas Rig Count (Western Kansas)



### 2016 U.S. Rig Count



### NEW LOCATIONS (WEST RANGES)



# Did you know??

2,113 operators produce oil and natural gas in Kansas.

Petrochemicals are used to produce medicines.

On average, 99.5% of fracturing fluids are comprised of freshwater, and compounds are injected into deep shale gas formations and are typically confined by many thousands of feet of rock layers.

There are 48,136 producing oil wells in Kansas.

Top 10 everyday things that started as oil:  
1) Fuel, 2) Plastic, 3) Food, 4) Synthetic Fabrics, 5) Asphalt, 6) Cleaning Products, 7) Medicines, 8) Lubricants, 9) Synthetic Rubber, 10) Cosmetics

In 1859, Oil sold for \$40/barrel.

Kansas' Hugoton Field is the largest natural gas field in North America.

The average oil well in Kansas is over 3500' deep.

Kansas oil fuels 1.3 million Americans.