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Drilling activity may drop again

United Press International DALLAS — The domestic drilling industry, already staggered by the year-long glut in crude oil supplies, may suffer another jolt because of OPEC's failure to agree on oil pricing and production policies.

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Industry experts agree that any worldwide plunge in the price of crude oil that might follow the failure of OPEC members to agree would result in a decline in drilling activity within the United States

After the Geneva OPEC

tives said it was too early to get an accurate idea of what will happen to prices. "But uncertainty has always

tended to stack rigs," said Bates Grinnell, economist for the Dallas consulting firm of DeGolyer & McNaughton.

If we were to see a price decline, I would expect that some of those marginal (domestic) wells would not be drilled." Dr. Edgar Barrett, director of

the McGuire Oil and Gas Instimeeting ended Monday with no tute at Southern Methodist Uni-

agreement, many economists versity, said, "If the price of oil and production company execu- falls, you have to believe that the amount of drilling will dip below what it has been. After all, drilling is done in expectation of making money

> But economists and analysts from some of the big oil com-panies said OPEC nations probably will come up with some sort of working stategy, despite the inconclusive end of the meeting in Geneva.

Such petroleum-producing states as Texas and Oklahoma stand to lose if the price of oil drops.

Sen. Rodger Randle, chair-man of the Oklahoma Senate Appropriations Committee, said: "OPEC's failure to reach a new agreement ... increases the likelihood that we will see the beginning of a slide in world oil prices. Since each dollar's decline in the price of Oklahoma oil costs the state's general fund more than \$10 million, falling oil prices certainly would deepen Oklahoma's strained revenue problem.'

In Texas, Lloyd Rolen of the comptroller's office said Exxon told the revenue estimating de-

partment that the consensus was discourage drilling in the same that prices would settle at about period." \$27 a barrel in Texas. The price before Monday's OPEC development was \$29, down from a high of \$31 several months ago

Dr. James E. Jonish, an economics professor at Texas Tech, said he expects a short-term drop in gasoline prices to follow OPEC's disunity.

'I wouldn't want to forecast the magnitude, but it will lower employment in the drilling industry," he said. "If there is an oil and gas glut, it would tend to

period.

At Phillips Petroleum in Bart-lesville, Okla., an official who did not want to be identified said

the OPEC squabbling probably would force prices down by \$2 to \$4 a barrel. This, he said, un-questionably would hurt domestic drilling.

Marginal production, which includes stripper wells and expensive enhanced recovery programs, would feel the effects first, he said.

It may be hard for some oil-men to digest, but the much-

this year.

know it works.

same size, he said.

Superinsulation

in house cuts

despised windfall profi a factor in cushic blow of any drop in custom Jim Weimer, a partner Dallas Office of Price house, said the federal a ment would absorb much drop in revenue caused plunge in oil prices. So "old oil" sold by a majorp er is taxed at a 70 percer The rate for independe percent.

Thus, he said, fall prices in some cases "me be that great a determ companies drilling in pr fields.



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heating costs United Press International INDIANAPOLIS — Bruce Sklare paid only \$146 to heat his superinsulated, 2,400-square-foot home last winter. He's hop-ing to lower the cost even more

passive solar techniquesa perinsulation in building

The entire house was ped with an air infiltration rier of a plastic material. keeps out wind and wate normal insulation. Building lets water vapor escape costs were only 3 percent more Sklare installed 22 tm ture sensors to monitor the ciency of insulation in the the attic, foundation and a

"We just used common sense, that's all," Sklare, 31, said. "There's nothing magical, nospace thing mysterious about it all. I lated house is that therem 1978 as haven't gone to school to learn be enough oxygen for per about superinsulated homes. breathe.

"We simply said: 'Let's see what is practical, what can be done to make a home energy efficient and yet look normal.' The big burying two since to be pipes" eight feet in the simporta to bring outside air to be "If And then we put all those ideas nace. One pipe providea together in this house.

cials told me a house of this size

should have cost between \$700 and \$800 to heat," the Indiana-polis builder said. "I used the

house as a guinea pig, and now I

ordinary construction methods.

than a conventional house the

The house contains triple the

In June 1981, Sklare decided to see how heat-tight he could build a normal house with

as heat efficient as possible. The the return air duct, pro priorities were to keep heat in, keep cold air out and maintain air quality." He also avoided sud * special, air quality.

air quality." He also avoided such special, Sklare paid \$146 to heat his rials as particle board in the mo three-bedroom home from erate formaldehyde and Good

October 1981 through April. The major difference in the house is a double-thick exterior wall with an insulation rating of R-39 — double the norm for central Indiana.

"Citizens Gas company offi-s told me a house of this size and have cost between \$700 Sklare also used suc snaps in light-weight i methods as large window ing south to collect the SARA sun, and believes in "using - Foi

> Humor eople' Mor

The trouble with a super the Hu

ether in this house. We designed this house to be chamber. The other feed "Fu combustion in the but

