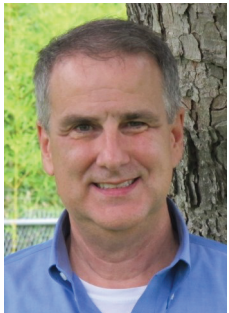




September SIPES Luncheon

ChromaStratigraphy®: the New Stratigraphic Analysis Tool
**William E. Ellington, Jr., Jacob C. Moore, Nancy L. Engelhardt-Moore, Doug Kneis
 Ellington & Associates**



We present a new quantitative analysis technique for lithologic formation logging, geologic identification, and well correlation. For many years we have observed color variations while

processing and analyzing well cuttings and core samples. Our goal has been to capture this information using a rigorous methodology that would be highly repeatable, objective, and economic.

The use of color as a descriptive tool for geologic samples has traditionally relied upon qualifying modifiers such as "light" or "dark" to describe the varied range of rock Values and Hues. Attempts at more systematic methods have introduced complex descriptive systems, such as Munsell Soil Color Charts. Although these efforts represented improvements, they remained highly qualitative and failed to remove the primary source of poor accuracy and precision – observer subjectivity and error. Furthermore, these descriptors are not readily converted into a useful tool for visual interpretation and analysis (e.g., well logs). Here we present ChromaStratigraphy®, a quantitative technique

for the rapid, reproducible characterization and correlation of chromatic data in well log format.

Using proper protocols, quantitative chromatic data can be rapidly and reproducibly gathered from ditch cuttings, core, or outcrop samples on rocks from any region or age. Saturated slurries of pulverized sample and distilled water are analyzed under tightly controlled conditions. Raw color data is extracted from each sample via an imaging device and proprietary software used to calculate an average color for that depth or interval. This method can be equally performed in the laboratory setting or at the rig site for near real-time results. For simplicity, we have chosen to utilize the RGB and HSV color systems, though others remain suitable. Color data can be displayed in as individual color-components (e.g., Red, Value) to identify absolute deviations, or relative changes

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September Hospitality Sponsor

KiwiEnergy

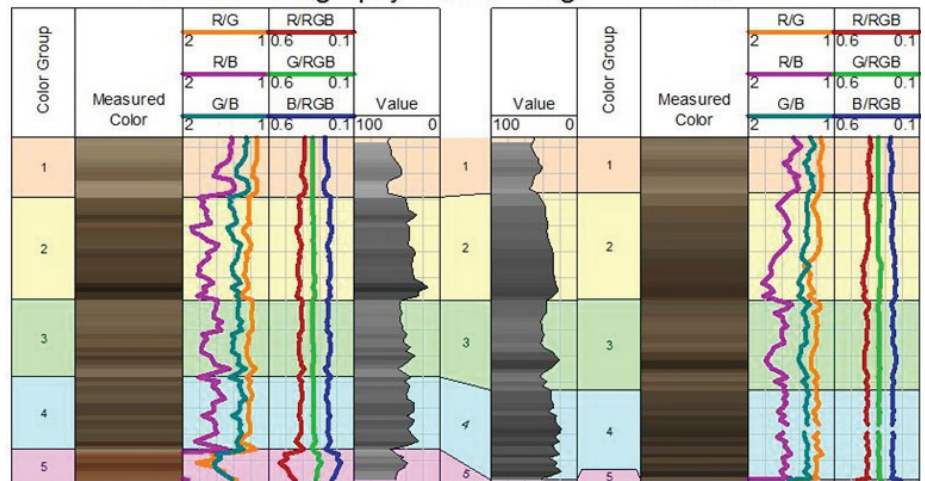
Date: Thursday, Sep. 20
**Place: Petroleum Club
 800 Bell St.**
Time: Social 11:15
Lunch 11:45

Registration deadline is Tues, Sep. 18
—see page 2 for details—

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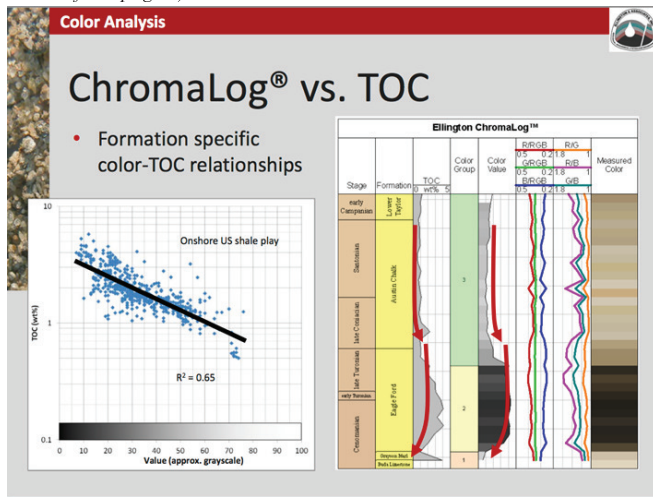
ChromaStratigraphy® from Ellington & Associates





Luncheon, continued

(Continued from page 2)



beginning in 1978 with Downhole Data, Inc, followed in 1986 with The Mudlogging Co, Inc, and in 1993 with The Mudlogging Co. USA LP. In 1992, he was a founder of The Mudlogging Co. Pt Mitryasa, Indonesia, and, in 1995, The Mudlogging Co. Mexico. In 2011, Doug and his partners sold their interests to The Reservoir Group. The name of The Mudlogging Co. was then changed to Empirica. Doug stayed on as V.P. Advanced Services until 2012 when he joined Ellington to head up their sales efforts.

Doug has influenced many R & D projects in the mudlogging industry throughout his 35 year career. These include measuring and recording real-time drilling fluid chemistry to match mud reports, high speed FID chromatography mass spectrometry while drilling, and integrating their interpretations into mudlogging and rock work.

Mudlogging and Interpretation companies that have operated in the United States, Mexico, Venezuela, Ecuador, and Indonesia. He co-founded and served as President or principal partner in a sequence of service companies

Doug holds a B.A. in Business and Economics from Houston Baptist University and is currently member of AAPG and HGS.

Chairman's Message, by John Hankey

"You Knew It Would Happen"

We all knew it would happen. I mean, that it was going to happen at some point in time. That it happened so soon, surprised not just the naysayers but also many of the believers. And it happened on Thursday, August 16th, or at least that's when I became aware that it had happened. And SIPES was the one to make it public, at least to me, and from two separate SIPES sources.

What happened? Natural gas replaced coal as the largest source for generation of electric power. That is huge. Why did it happen? Natural gas is cheaper. Plain and simple. It was a "pocket book" decision. Say what you want about cleaner, lower CO2 emissions, less particulate matter, etc., it's all about the cost.

But guess what? The environment noticed: CO2 emissions decreased by 20%. Amazing things happen when a cheaper, cleaner energy source is available. Consumers "vote with their pocket books" and the environment gets better. It's Win-Win. Hooray for natural gas! Now we need to continue growing our power generation market share and expand into transportation. Price, increasing GDP and environmental benefits will lead the way!

The two SIPES sources? An AP article email blast from former SIPES National Chairman Marc Maddox and our August 16th luncheon speaker, Dan Steffens. SIPES was all over it! (Go to www.sipeshouston.com and catch both the AP article and Steffens' talk.)

Now the next question: Is this resource sustainable?

Again, SIPES is right here to help you and me decide. For our Continuing Education Seminar October 19 "Shale Play Assessment", Art Berman has assembled experts from majors, independents, academia, and financial institutions on all sides of the issue to tell it as they see it. Then with Jory Pacht moderating they will square off to debate critical issues of reserves, profitability, and sustainability.

You do not want to miss this! If you plan to drill, evaluate, or invest in a shale resource play, this is a must. If you don't, you need this to plan your future business.

And remember – some of us heard it first at SIPES. Come & learn – it's amazing what we pick up at SIPES.

See you October 19th.