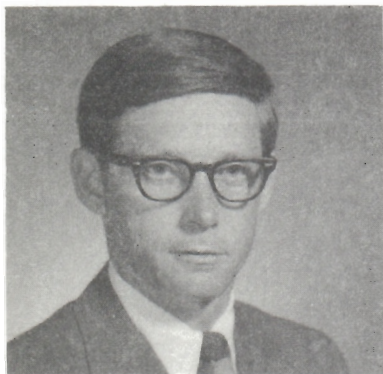


## SPECIAL NOON MEETING

### THE ENERGY PROBLEM - CAN TEXAS MEET THE CHALLENGE

by Forrest E. Hoglund



The news media, television, newspapers, and periodicals have contained many articles in recent months on the United States' energy problem. Texas, the major producer of oil and gas in the United States, also has an energy problem but it has not received as much attention. Texas' oil and gas reserves are rapidly declining at the same time as energy requirements are increasing. Since a major portion of the Texas economy and taxes comes from the petroleum industry, the status of the oil and gas business in Texas is of prime importance to all citizens of the State.

The solution to the declining oil and gas reserves in Texas is to add new reserves by (1) exploration and drilling, or (2) by improving recovery in known fields through full application to technology. The current status and the potential of adding reserves by these efforts will be discussed and any problem areas in achieving that potential will be defined.

Of critical importance is the fact that even though there is significant potential in both these areas, activity is at a very low level. While solutions to some of the problems are at the Federal level, there is also a great deal that can be done in the State. The industry needs to have a better public understanding of problems associated with exploration efforts, particularly the reason behind the need for higher economic incentives. Also, the State of Texas is one of the few producing states that does not have a modern conservation statute to assist in forming additional recovery units. Geologists, engineers, and all citizens of the State should be interested in how the Texas energy problem can be helped.

#### BIOGRAPHICAL SKETCH - Forrest E. Hoglund

Forrest joined Humble in 1956 after graduating from the University of Kansas and worked in various engineering and management positions in the Production Department. His experience also includes serving as Operations Manager for Humble's offshore drilling and producing operations in Louisiana. He was named "Strategic" Planning Coordinator in the Corporate Planning Department in 1969. In that effort he worked on the current U. S. energy problems, which he has related to Texas today. He is now manager of Humble's East Texas Division.