



**SIERRA
CLUB**
FOUNDED 1892

Houston Regional Group

P.O. Box 3021

Houston, Texas 77253-3021

713-895-9309

<http://texas.sierraclub.org/houston/>

December 3, 2019

Oil & Gas EIS Project
Mr. Robert Potts
Natural Resources and Planning Team Leader
National Forests and Grasslands in Texas
2221 North Raguet
Lufkin, Texas 75904

Dear Rob,

The Houston Regional Group and Lone Star Chapter of the Sierra Club (Sierra Club) provide this sixth set of comments for scoping for the U.S. Forest Service (FS) oil/gas leasing environmental impact statement (OGLEIS) under the National Environmental Policy Act (NEPA) for the National Forests and Grasslands in Texas (NFGT).

Although the official scoping period is over, the Sierra Club will continue to send the FS documents and articles that relate to the OGLEIS. The Sierra Club has been told in the past that although there is an official scoping comment period, that scoping extends from the beginning of the scoping comment period until the draft EIS is released.

There are three additional articles that the Sierra Club provides to the FS with this letter.

1. "Stock drop, layoffs rattle energy sector", Jordan Blum and Sergio Chapa, Houston Chronicle, December 3, 2019.

This article states "Skeptical investors, lackluster oil prices and the broad slowdown in drilling activity buffeted the Houston energy sector again Monday as oil field services companies cut more jobs and one exploration and production company's stock fell near its lowest level since the beginning of the century." "Boom and bust" oil/gas has economic consequences that are also negative, not just positive, and must be revealed in the OGLEIS analysis and EIS.

2. "Natural gas producers in sad state", Jordan Blum, Houston Chronicle, December 2, 2019.

This article shows that not just oil, but natural gas is in a condition of oversupply. This can lead to reduced economic benefits and more flaring and thus more environmental

"When we try to pick out anything by itself, we find it hitched to everything else in the universe." *John Muir* ¹

impacts. The FS must analyze these conditions over the life of wells or fields and how this affects the NFGT and surrounding lands and communities.

3. "Oil and gas slow to adapt artificial intelligence", Chris Tomlinson, Houston Chronicle, December 2, 2019.

This columnist reports that artificial intelligence could create a new impetus for additional drilling. This could cause more environmental impacts in the future with more wells being drilled and developed.

4. "Some Texas Dems refusing oil money", Benjamin Wermund, Houston Chronicle, Washington Bureau, November 30, 2019.

This article documents that some Democratic politicians are refusing to take oil money to fund their campaigns. They suggest that the jobs that the oil industry provides are temporary. "That's, the one thing about fossil fuel jobs ... They're not permanent jobs. They are temporary jobs."

5. "Oil sector posts worst decline in months", Catherine Ngai, Bloomberg News, Houston Chronicle, November 30, 2019.

This article documents that the oil sector is undergoing extreme economic changes in a downward direction as oversupply of oil continues. Additional disruptions of the oil market are considered possible in the future.

These articles emphasize the need for the FS to conduct a comprehensive economic, environmental, and social analysis of oil/gas shale and oil/gas energy. The NFGT must document all of the economic, environmental, and social factors, effects, and costs, both positive and negative, for oil/gas exploitation in a balanced analysis for the OGLEIS.

The Sierra Club appreciates this opportunity to provide these additional initial scoping comments about the OGLEIS. Thank you.

Sincerely,



Brandt Mannchen
Forest Management Issue Chair
Lone Star Chapter of the Sierra Club
Chair, Forestry Subcommittee
Houston Regional Group of the Sierra Club
20923 Kings Clover Court
Humble, Texas 77346
281-570-7212
brandt_mannchen@comcast.net

the past and future of the so-called sweet science, with up-and-comers including the son

intact. Spectators arrived in limousines, drinks flowed and scantily-clad women flashed

his son didn't enjoy the club where he was training. Not only could this fight help cement

appointment when Vasquez could not make weight, so in-
Boxing continues on A7

with Democrats to interfere in the 2016 election.
GOP continues on A7

Third Ward murals 'remnants of history'

Artists preserve neighborhood's culture in project

By Julian Gill
STAFF WRITER

Maya Imani Watson finds the attention amusing.

Strangers hold her umbrella. Bus drivers shout compliments. Drivers honk and people snap photos of her creation: a colorful mural that disguises an otherwise unsightly metal box in a busy Third Ward intersection.

The 46-year-old artist spent days painting the mural at the corner of McGowen and Emancipation, a street she knew as Dowling growing up in the neighborhood. As a kid,

her father warned her to stay away from the thoroughfare. Now she's using it as a canvas.

"It was a little rough," she said. "But it's changing. The dynamics are changing."

Gentrification for years has been creeping through Third Ward, along with other neighborhoods close to Downtown, changing the infrastructure and demographics of historically black and Hispanic communities.

Watson says her neighbors are more diverse than ever — a welcome change, in her eyes — but her mural reflects how she remembers the area. It pays homage to influential figures in the community and her family.

Murals continues on A8



Elizabeth Conley / Staff photographer

Artist Maya Imani Watson's mural pays homage to influential figures in Third Ward and her family.

Stock drop, layoffs rattle energy sector

Oil, gas struggles continuing with more job losses

By Jordan Blum
and Sergio Chapa
STAFF WRITER

Skeptical investors, lackluster oil prices and the broad slowdown in drilling activity buffeted the Houston energy sector again Monday as oil field services companies cut more jobs and one exploration and production company's stock fell near its lowest level since the beginning of the century.

The developments were the latest in recent struggles of the oil and gas industry, which has sliced some 6,000 jobs in Texas since the spring and

pulled more than 270 drilling rigs — a 25 percent decline — from operation in U.S. oil and gas fields since the beginning of the year. Energy companies are cutting spending and jobs as profits fall, share prices plunge and oil prices remain mired between \$50 to \$60 a barrel.

Apache Corp. led Monday's bad news when its stock plummeted more than 12 percent, near its lowest level since 2001, after reporting vague results from its exploratory well off the coast of the South American country of Suriname, a prospect considered vital to the Houston oil and gas company's future growth. That was followed by disclosures that Houston oil

Energy continues on A8

Index

Business.....B1 | Directory.....A2 | Lottery.....C6 | Sports.....C1
Comics.....D4 | Editorials.....A9 | Markets.....B3 | TV.....D3
Crossword.....D3 | Horoscope.....D4 | Obituaries.....B6 | Weather.....B8

@HoustonChron

Houston-Chronicle

@HoustonChron

@HoustonChronicle

Breaking news alerts:
Text Houston to 77453

HoustonChronicle.com: Visit now for breaking news, constantly updated stories, sports coverage, podcasts and a searchable news archive.





Texans' trick a real treat vs. Pats PAGE C1

HOUSTON CHRONICLE

TUESDAY, DECEMBER 3, 2019 • HOUSTONCHRONICLE.COM • VOL. 119, NO. 51 • \$2.00 ★★

EYES ON THE PRIZE



Coach Joseph Rivera, 43, trains Jaylon Sample, 20, at 713 Boxing Gym, weeks after someone stole its trophies and equipment. Photos by Maria D. De Jesús / Staff photographer

After burglary at boxing gym that serves as home for troubled youth, its best fighter steps into the ring

By Lomi Kriel
STAFF WRITER

Hundreds of eyes trained on Joseph Rivera as he stepped into the ring, donning his trademark black and gold cape, for the eighth professional fight of the 22-year-old's career.

Among the viewers was Jesse Sifuentes, who had recorded a song for Rivera, his friend and idol, to strut into the ring. The two grew up together at the 713 Boxing Gym near Aldine, opened by Rivera's father a decade ago. As Sifuentes' father bounced in and out of prison, he turned to the gym for solace.

"It's like a family," he said.

The crowd at Houston's Arabia Shrine Event Center on Nov. 23 was electrifying, reminiscent of a bygone era before sportswriters began lamenting boxing's decline. It featured



Joseph Rivera Jr., 22, quietly prepares for his much-hyped fight against Ariel "La Guerra" Vasquez in late November.

of Evander "The Real Deal" Holyfield, one of boxing's all-time greats. The father was in attendance, his famously maligned ear by Mike Tyson

pearly whites and other body parts.

It was a big moment for 713 Boxing Gym, which Rivera's father, Joseph Sr., started when

the young boxer's professional reputation, but it followed a devastating few weeks in which someone broke into the gym and stole valuable equipment and irreplaceable trophies and medals. The plight went viral once Astros pitcher Lance McCullers Jr. donated and sent his legions of Twitter followers to the GoFundMe account.

This night, Rivera was in the coveted closing spot. His opponent, Ariel "La Guerra" Vasquez, was older, stockier and had 44 fights under his belt. From the hardscrabble capital city of Managua, Nicaragua, Vasquez seemed tougher than the baby-faced Rivera, nicknamed "La Tormenta," or storm, for both his hurricane-prone hometown of Houston and his fierce jabs.

The much-hyped event had kicked off with a touch of dis-

GOP says Ukraine pressure apolitical

House Republicans say evidence clears Trump of acting in self-interest

By Nicholas Fandos
NEW YORK TIMES

WASHINGTON — House Republicans plan to argue that President Donald Trump was acting on "genuine and reasonable" skepticism of Ukraine and "valid" concerns about possible corruption involving Americans, not political self-interest, when he pressed the country for investigations of his Democratic rivals, according to a draft of a report laying out their impeachment defense.

In a 123-page document that echoes the defiant messaging that Trump has employed in his own defense, the Republicans do not concede a single point of wrongdoing or hint of misbehavior by the president, according to a copy reviewed by the New York Times before its planned release on Tuesday.

The report amounts to a pre-emptive attack by some of Trump's most ardent supporters against Democrats' arguments for impeachment. The Democrats have finalized a written report of their own and are scheduled to vote on Tuesday to transmit it to the House Judiciary Committee, kick-starting the next phase of the impeachment inquiry in the House as it barrels toward a likely vote on articles of impeachment.

In the Republicans' dissenting views, they argue that after two months of investigation, the evidence "does not support" that Trump withheld a coveted White House meeting for Ukraine's president or nearly \$400 million in security assistance for the country as leverage for securing the investigations.

The conclusion is at odds with sworn testimony from senior U.S. diplomats, White House officials and other administration officials who recounted how Trump sought to use U.S. influence over Ukraine to suit his domestic political purposes, repeatedly insisting that President Volodymyr Zelenskyy of Ukraine announce investigations into former Vice President Joe Biden and an unproven claim that Ukraine conspired

FROM THE COVER

MURALS

From page A1

Her work was commissioned as part of the Mini Murals Houston project, a beautification effort that transforms traffic signal control cabinets into art. More than 250 murals already dot the city's concrete landscape, but in a changing community such as Third Ward, artists say they are not just beautifying.

"If you move into a gentrifying neighborhood and you're different in some way from the people — maybe you're a different ethnicity or you have a different income — (the art) is a way to build a bridge to the other residents and acknowledge that their lives are important," said William Fulton, director of Rice University's Kinder Institute for Urban Research.

'Richer meaning'

The concept of mini-murals has taken root for decades in other cities.

UP Art Studio in 2015 brought the idea to Houston to enhance the landscape and boost civic pride "where there would otherwise be blight," according to the project's website.

The studio came to an agreement with the city's public works department to allow artists to paint the cabinets. Sponsors foot the bill and host meetings for input on designs that reflect the community, director Elia Quiles said.

Mayor Sylvester Turner's Complete Communities Initiative sponsored the Third Ward murals, dishing out around \$2,500 for each piece. Watson, Israel McCloud and Marc Newsome were chosen as the best artists for the job through a number of neighborhood meetings.

All three grew up in Third Ward, and their work helps deepen the meaning of the area for newer residents, Fulton said. It creates a sense of "cultural understanding," he said.

"Part of (gentrification) is fear among the older residents that they're going to get displaced by rising property taxes, but part of it is a sense that the characteristics and cultural identity of a community important to them is going to be lost," Fulton said.

"If new people move in ... and don't seem to care about anything in that neighborhood, that's not going to feel very good. At the same time, your life can have much richer meaning if you understand more about what came before it."

Local legends

Watson spent roughly 40 combined hours painting two mini-murals in the neighborhood.

On the mural at McGowen, one



Jon Shapley / Staff photographer

"Utilize every canvas possible, utilize those in a positive way to speak to the people," artist Israel McCloud said as he painted a mural on a traffic signal control box at McGowen and Emancipation.



Elizabeth Corley / Staff photographer

With more than 250 murals already dotting the city's concrete landscape, the Mini Murals Houston project uses dull traffic signal control cabinets as blank canvasses for art.

side depicts Watson's parents at their wedding. Another side shows John Biggers, a legendary teacher and American artist who in 1949 established the art department at Texas Southern University. A third panel illustrates the Rev. William Lawson and his late wife, Audrey, of Wheeler Avenue Baptist Church.

Both Biggers and Lawson are integral to Watson's experience

in the neighborhood.

Watson met Biggers when she was about 18. She caught him right before he set out for a walk along Brays Bayou, and he encouraged her to make art that reflected her community.

"He was really into the idea that if you studied your history and your culture that it would empower young people, and certainly it had," she said.

As for the Lawsons, the couple in 1962 started Wheeler Avenue Baptist in their home. The church has since grown to serve more than 12,000 members, and Watson and her daughter regularly attend services.

Lawson retired from Wheeler in 2004 as one of the most influential ministers in the city. In a recent phone interview, he said that Third Ward residents helped

define Houston and that black churches gave them a spiritual home.

Public figures such as Deloyd Parker, a community activist and executive director of the Third Ward's S.H.A.P.E. center, come to his mind.

"When you think of the impact of Martin Luther King Jr. in a place like Alabama ... I think that happened partly because of places like Ebenezer Baptist Church," he said, referring to the Atlanta church where King was originally ordained as a minister. "I think very much the same thing happens here."

'Beacon of light'

Artists McCloud and Newsome collaborated on the other Third Ward mini-murals. They're known for injecting their art with the neighborhood's culture and personality.

A fourth-generation sign painter, McCloud comes from a family of Third Ward artists. He and his father did the sign work for several area storefronts in the 1960s and '70s. They contributed to the "imagery and flavor" in the neighborhood back then, he said.

McCloud has worked on several murals around the city, including one at the corner of Wheeler and Alameda dedicated to Trayvon Martin, the Florida teenager who in 2012 was fatally shot by a neighborhood watch member.

McCloud's mini-mural at the corner of Elgin and Emancipation shows a woman with uplifted hands wearing an African head wrap. The image, he said, reflects the dignity of being a black woman. Another image symbolizes "The Tre," a longtime nickname for the Third Ward.

"It's like the last remnants of history," he said of the murals. "It's something that's visible that can still resonate with heritage, culture and indigenous representation."

Newsome's past work touches directly on gentrification — an issue he deals with firsthand with rising property taxes around his home near the University of Houston. One of his most popular pieces, "I Love 3W," presents the neighborhood's real-estate scramble as a Monopoly game.

Through the mini-murals project, Newsome can remind the neighborhood about legendary musicians from Third Ward, such as a saxophonist Arnett Cobb and blues guitar player Sam "Lightnin'" Hopkins.

History is one of the driving forces for his art, he said.

"I look at Third Ward as kind of the cultural epicenter of Houston," Newsome said. "(The art) is almost like that beacon of light saying 'Hey, we're here.'"

Julian.gill@chron.com

ENERGY

From page A1

field services company National Oilwell Varco would suspend operations at its Galena Park plant and lay off 85 workers, and that oil field services giant Hallibur-



ment.

The company reported a \$244 million loss during the third quarter, which followed a \$5.4 billion loss in the second quarter. Earlier this year, the company enacted a voluntary early retirement plan designed to save \$7 million. Executives estimate they can save \$160

ton would close an office in El Reno, Okla., and lay off 800 workers.

Andy Lipow, an energy analyst and president of Lipow Oil Associates in Houston, said the outlook for the energy sector, while not as dire as it was during the last oil bust, is still rough and getting worse. In a world awash in oil amid a weakening global economy, the situation for crude prices would be disastrous if not for U.S. sanctions keeping Iranian and Venezuelan oil off the market and OPEC's production cuts.

The cartel and its allies will meet later this week to consider whether to extend or even deepen those cuts — a decision with significant implications for oil prices and the energy industry that drives the Houston economy. Oil prices rose about 1 percent to settle at \$55.96 a barrel in New York on modest hopes that OPEC will opt for deeper production cuts.

"Oil producers aren't making much of any money," Lipow said. "There's still going to be tough times ahead in 2020."

Drilling down in Suriname

Apache's tough times have already started. The company, which employs about 900 in Houston and 3,400 worldwide, lost more than \$1 billion in stock market value in one morning after it said it would continue drilling its first test well in Suriname to greater depths, rather than announcing positive results for the hotly anticipated prospect off-



Courtesy Apache Corp.

Monday's setbacks were just the latest for the oil and gas industry, which has cut about 6,000 jobs in Texas since the spring amid a broad slowdown in drilling activity and lackluster oil prices.

shore of the tiny nation on the northeast coast of South America.

Apache's stock plunged more than 14 percent during intraday trading, ultimately closing down more than 12 percent at \$19.54 a share.

The Suriname prospect is considered Apache's premier exploration project for future crude oil production. In Suriname, Apache is hoping to replicate Exxon Mobil's success in finding oil off the coast of neighboring Guyana. Apache has pointed out that it is drilling just 7 miles from the Guyana maritime border.

Apache insists it isn't pinning all its hopes on Suriname, but the development of the offshore oil field represents a crossroads for the company, following the

abrupt departure of its exploration chief in October, mounting financial losses and declining activity in its heavily touted Alpine High discovery in West Texas. Apache said it lost \$170 million in the third quarter, following a \$360 million loss in the second.

"This is hardly the champagne cork moment that was potentially at play here," energy analyst Paul Sankey of Mizuho Securities said of Suriname update. "But then again, nor is this firmly a dry hole."

In the meantime, Apache recently announced it is cutting an undisclosed number of jobs and further centralizing its organization to save an extra \$150 million per year. In addition, Apache plans to cut its 2020 capital spending by up to 20 percent — a

cutback of as little as \$250 million to as much as \$500 million.

National Oilwell Varco, which like most oil field services companies has suffered from the decline in drilling activity, also is cutting back. In a Nov. 22 letter to the Texas Workforce Commission, made public Monday, the company said it would cease operations at its Galena Park plant by Jan. 21, permanently laying off workers there.

Located just outside Loop 610 and along the Houston Ship Channel, the Galena Park facility makes equipment for offshore and onshore drilling rigs. It is not clear if those operations would shift to another facility or if the company would discontinue that work. National Oilwell Varco did not respond to requests for com-

million a year by restructuring its workforce over the next year.

Halliburton, which reported that its third-quarter profit fell by nearly half from a year earlier, has been cutting jobs since the second quarter of the year, stacking equipment and pulling hydraulic fracturing crews from the field as producers slow activity in U.S. shale plays, a market the Houston company dominates. Halliburton reduced 8 percent of its North American workforce during the second quarter and cut another 650 jobs in four western states in October.

In a letter filed with the Oklahoma Office of Workforce Development, Halliburton said that it plans to close its office in El Reno, Okla., about 30 miles of Oklahoma City. El Reno was home to a command center and several hydraulic fracturing crews.

Permanent layoffs

Out of the 808 employees expected to be laid off, the company's filing shows that more than one-third worked with acids used in the hydraulic fracturing process and nearly one-tenth performed cementing work for oil wells. "The layoff is expected to be a permanent employment loss," Michael Queener, a Halliburton vice president, wrote in the letter.

A spokeswoman for Halliburton did not have an immediate comment.

Jordan.blum@chron.com
sergio.chapa@chron.com

FUELFIX NOTEBOOK

Natural gas producers in sad state

When it comes to the Houston energy sector, crude oil is king. But it's called the oil and gas industry for a reason.

After all, the shale boom started with natural gas more than a decade ago. Since then, a flood of natural gas has launched a burgeoning liquefied natural gas industry, provided the feedstock that triggered the petrochemical boom and almost put coal out of business.

But the natural gas sector is suffering, even more than oil producers stuck in the purgatory of \$50 to \$60 a barrel oil.

Natural gas prices have plunged about 35 percent in the past 12 months. The U.S. benchmark's average price in October of \$2.33 per million British thermal units was the lowest October average in 21 years.

In West Texas' booming Permian Basin, many companies drilling for oil are burning away their natural gas in a process called flaring as they consider it little more than an annoying byproduct of crude production.

The U.S. has essentially doubled its natural gas production since 2005, just prior to the first wave of the shale revolution. Oil output has surged even more, more than doubling since 2011, when the shale revolution shifted from gas to oil.

Facing facts

Simply put, United States has a natural gas glut that has recently extended to Asia and Europe, putting LNG exports in jeopardy heading into 2020. Despite challenging prices, U.S. natural gas production has still

jumped 10 percent from 2018. And the pesky Permian keeps producing more natural gas, to the chagrin of a lot of the companies.

The S&P 500's select index for oil and gas producers is down nearly 40 percent over the past 12 months. But investors have been even tougher on companies focused on natural gas. The stock of Oklahoma shale gas pioneer Chesapeake Energy is down more than 80 percent in a year, trading at only about 60 cents per share. The stock of Spring-based South-

western Energy is down more than 60 percent in a year to less than \$2 per share.

Ultra Petroleum filed for bankruptcy, emerged and moved its headquarters from Houston to Denver. Its shares are now trading for pennies after being delisted by the Nasdaq stock exchange in August. In September, Ultra suspended its drilling activities and said in November that it has no plans to drill for all of 2020.

The stock of Denver's Antero Resources is down about 85 percent in 12 months. Fort

Worth's Range Resources' shares are down 75 percent in a year. The shares of nation's largest natural gas producer, EQT Corp. of Pittsburgh, are down more than 50 percent.

Only one major natural gas producer is performing relatively well, and that's Houston's Cabot Oil & Gas. Don't let the name fool you; Cabot doesn't produce oil. The company focuses on natural gas Pennsylvania's Marcellus shale.

Sad state

Cabot's stock price is down 33

percent this year and that's deemed a borderline miracle. Considered the lowest-cost gas producer, Cabot is making money, hiding dividends and buying back shares, so the sharp slide in its stock price really speaks to the state of the natural gas sector.

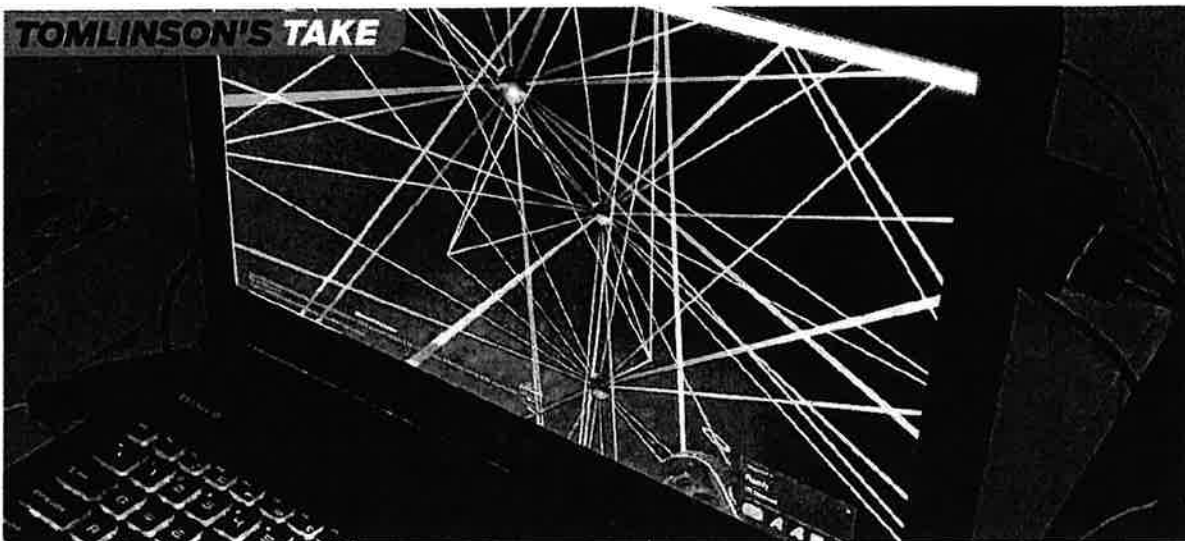
It's a tough, cold world out there for these companies, but at least there's plenty of excess natural gas to keep them warm during the rough winter.

Jordan.blum@chron.com
twitter.com/jdblum23



Jon Shapley / Staff photographer

The Permian Basin is producing so much natural gas alongside crude that it has become a nuisance to be burned away.



Luther Tummelle / Hearst Connecticut Media

Oil and gas slow to adopt artificial intelligence

The oil and gas industry's technological innovation over the last 50 years is truly astonishing, which is why its lackadaisical adoption of artificial intelligence is so surprising.

Geologists have figured out how to vibrate the earth and use seismic imaging to describe rocks thousands of feet below the surface. Mechanical engineers have designed tools that can steer a drill bit through a narrow band of oil for more than a mile.

Likewise, petroleum engineers have collected billions of data points from hundreds of devices to design the most productive



**CHRIS
TOMLINSON**
Commentary

**A BioXcel
Therapeutics
computer laptop
shows a
visualization of
AI data.**

wells. But when it comes to using that data to train an artificial intelligence to generate insights, the industry is still dabbling.

"There's a lot of interest, there's a lot of buzz, and there's a lot of proof of concepts," said Geir Engdahl, co-founder of Cognite, a Norwegian firm that works with oil industry data. "But when it comes to actually putting things into production, operationalizing it and actually realizing the value, we see very little of that happening."

Engdahl was on a panel I moderated at Time Machine 2019, an artificial intelligence conference

sponsored by SparkCognition, an Austin firm that develops machine learning tools. This is where an explanation of terms should come in handy.

Artificial intelligence is so poorly defined, universally overused and clearly over-hyped that it's losing meaning. In the popular imagination, AI is a computer with general intelligence that can answer all of your questions in natural language.

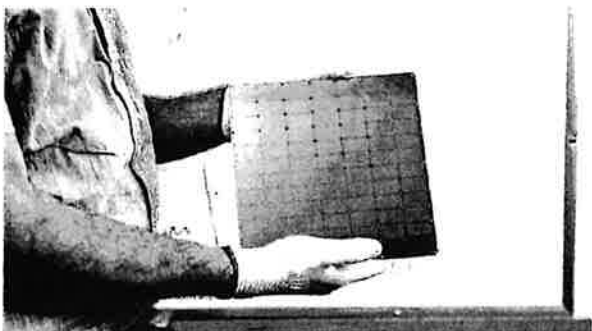
In reality, though, AI is an umbrella term for many technologies, a subset of which is machine learning, the most useful AI application yet. This is what

most people are talking about when they say AI.

In machine learning, programmers give a computer millions of data points related to a specific problem, then apply a series of algorithms to recognize patterns. The machine purportedly learns from the patterns and provides useful predictions or insights based on probability.

Engdahl's company worked with SparkCognition and Aker BP, a Norwegian offshore oil driller, to analyze data from pumps and other critical equipment on offshore wells. After the machine

Tomlinson continues on B7



Jessica Chou / New York Times

Cerebras CEO Andrew Feldman holds a computer chip the company claims is the largest ever built, which could improve AI learning.

Tomlinson from page B6

was trained, it could identify which parts needed maintenance before they broke down, saving Aker money.

Data and AI firms cannot train the machines on their own, though, and oil and gas firms must commit their top experts to maintain safe operations, Paal Eirik Syvertsen, leader of the smart maintenance team at Aker BP, added.

"We as an operator must dare to use the data, but we need to define the safety boundaries," he told the conference.

When lives – and billions of dollars – are at stake, companies are reluctant to grant access to just anyone. There are dozens of companies promising huge savings from digitalization, but without a track record, executives are unwilling to spend the money.

"One of these wells by Aker BP generates 60,000 barrels a day, so that's \$13 billion in revenue per year, so you don't take chances

on that very easily," said Yash Kaman, a partner at Kerogen Capital, a Hong Kong-based private equity firm that invests in oil and gas. "Yes, there has been slow pace of change, but there are reasons for that as well because these are very high-value assets."

High commodity prices often drove past technological breakthroughs in oil and gas. Hundred-dollar-a-barrel oil inspired experimentation with hydraulic fracturing and horizontal drilling, two costly technologies at the time.

What's different in 2019 is that low prices are the driving force. Producers must compete on price, and they know that anything that can lower drilling costs or prevent an unscheduled outage will give them an advantage.

The industry also needs machines that can analyze oil field data in real-time and reduce costs per barrel, not necessarily produce more barrels.

Hunt Oil Co. is experimenting with an algorithm

modified from high-frequency stock trading to monitor its drilling rigs in the Permian Basin, said Ken Topolinsky, senior vice president of engineering for the Dallas-based company.

"We've got models for torque and drag ... but also bit-wear, because clearly if the bit wears out when you're just about to the end of the hole, and you've got to pull, that's a very expensive operation," he explained. "If we can get smarter about adjusting the drilling parameters to have the bit last longer, then that's great."

The world is awash with oil, and some argue the world has found all the oil it should ever burn. The companies with the smartest machines will survive the longest and generate the highest profits if they invest now.

Tomlinson writes commentary about business, economics and policy.
twitter.com/ctomlinson
chris.tomlinson@chron.com

BUILD A BRIGHTER FUTURE



START YOUR
JOURNEY NOW

THE EDUCATIONIST

VISIT CHRON.COM/EDUCATION

North Shore takes down Katy
in powerhouse playoff matchup PAGE C1



HOUSTON CHRONICLE

SATURDAY, NOVEMBER 30, 2019 • HOUSTONCHRONICLE.COM • VOL. 119, NO. 48 • \$2.00 ★★

Discounts, family traditions keep Black Friday rush alive



Photos by Godofredo A. Vásquez / Staff photographer

Galleria shoppers are part of about 165 million Americans to shop in-store and online between Thursday and Monday.

Despite rise of online shopping, crowds still pack into malls, stores

By Paul Takahashi
STAFF WRITER

Nancy Conway, 58, and her daughter, Amy Clipper, 35, wore matching "Black Friday Squad" T-shirts as they cruised the aisles of Academy Sports + Outdoors early Friday morning.

Conway's niece had the custom shirts made four years ago to mark their first Black Friday bonanza, and ever since, the black, yellow and green shirts have become part of a festive family tradition. This year, the squad shopped Thanksgiving Day from 2 to 11 p.m. and were back at it when Academy's doors opened at 6 a.m. the following morning to buy a dog bed, a BB gun, socks and shoes to put under the family Christmas tree next month.

Inside

» Some shoppers express nostalgia for a time of Black Friday mayhem and pre-dawn battles.

Page B1



Maritza Rosales, 19, keeps guard of her family's outlet-store buys as she waits for her mother to come back with more.

"We're not big shoppers, but this is our time to hang out and shop every year," Conway said. "We enjoy our time together."

Black Friday draws fewer shoppers into stores each year, now that discounts are seemingly year-round and products ranging from furniture to Christmas trees can be procured online with a couple of clicks. But plenty of shoppers, such as Conway and Clipper, still ventured out on Thanksgiving and Black Friday, battling crowds, traffic and sleep deprivation to partake in one of the biggest shopping events of the year. Some were driven by family tradition, others lured by deep discounts.

An estimated 165 million
Shopping continues on A1

Trump remarks surprise Taliban

Western diplomats,
militant group caught
off guard by call for
cease-fire in conflict

By Mujib Mashal
NEW YORK TIMES

KABUL, Afghanistan — After abruptly axing nearly a year of delicate peace talks with the Taliban in September, President Donald Trump put the negotiations back on the front-burner this week in a similarly jolting fashion by seeming to demand a cease-fire that his negotiators had long concluded was overly ambitious.

Despite a sense of relief at the prospect of resuming talks to end the 18-year conflict, Western diplomats and Taliban leaders were scrambling to figure out whether Trump had suddenly moved the goal posts for negotiations.

They were particularly confused by his remarks, made during an unannounced Thanksgiving visit to Afghanistan, that the United States was once again meeting with the Taliban to discuss a deal but that "we're saying it has to be a cease-fire."

Demanding a cease-fire would amount to a big shift in the U.S. position and require a significant new concession from the Taliban — one that Americans have little leverage to extract.

For much of the yearlong talks, the Taliban and the United States were fundamentally on the same page: The Taliban wanted the Americans out of Afghanistan, and Trump has made no secret his desire to end what he has called the unending U.S. wars. But agreeing upon the details of a deal proved complicated.

In the agreement the two sides were on the verge of finalizing before Trump pulled the plug,
Taliban continues on A2

Family mourned

Residents return as plant burns

Some Texas Dems

after plane crash

Texas' tight-knit Uzbek community dealt a stinging blow by deaths of 5

By Dylan McGuinness
STAFF WRITER

Some time after Otabek Oblokulov and his wife moved from Uzbekistan to the United States, he went about building a home for the couple on a cul-de-sac in Missouri City.

The construction engineer and his wife had three children, and the family quickly became a fixture on the quiet street just off the Beltway.

They organized pot-

lucks, invited neighbors to a Ramadan celebration and brought toys to their next-door neighbors, the Buxtons, when they had their son two years ago.

"He was a family guy," Milton Buxton said.

Now, they're all gone. Oblokulov, his wife, and their children — ages 3, 11 and 15 — died in a plane crash Wednesday evening after visiting relatives in Canada. Oblokulov's brother- and sister-

Crash continues on A11



Kim Brent / Beaumont Enterprise

Port Neches Police Chief Paul Lemoine points out closures and restricted areas to Jefferson County Judge Jeff Branick before a news conference on the TPC Group chemical plant fire. Story on page A3.

refusing oil money

By Benjamin Wermund
WASHINGTON BUREAU

WASHINGTON — Living in the refinery town of Pasadena, Sema Hernandez has seen the oil and gas industry up close.

Hernandez knows how the sight of flares and the sound of sirens put her neighbors on edge. She has studied cancer clusters and disasters such as the Texas City refinery explosion. She has asked doctors about the dangers the chemicals pose to her kids.

She says her exhus-

band, who worked as a contractor for many gas and oil outfits in the Houston area, told her of the shortcuts the companies take. And through him, she's seen the jobs in the industry disappear, just as fast as they came.

"That's the one thing about fossil fuel jobs," said Hernandez, a progressive Democrat running for the second time for U.S. Senate. "They're not permanent jobs. They are temporary jobs."

Hernandez, who brought in roughly a quarter of the vote in her 2018

Dems continues on A12

Index

Business.....B1 | Directory.....A2 | Lottery.....C10 | Sports.....C1
Comics.....D4 | Editorials.....A13 | Markets.....B3 | TV.....D3
Crossword.....D3 | Horoscope.....D4 | Obituaries.....B7 | Weather.....B6

@HoustonChron

Houston-Chronicle

@HoustonChron

@HoustonChronicle

Breaking news alerts:
Text Houston to 77453

HoustonChronicle.com: Visit now for breaking news, constantly updated stories, sports coverage, podcasts and a searchable news archive.



ONE TIME ONLY SPECIAL / OVER \$4,000 IN SAVINGS / TOUR TODAY

CALL: (346) 800-4990 / VISIT: 504 Bering Dr., Houston, TX 77057

FROM THE COVER

TALIBAN

From page A1

the best U.S. negotiators could get the Taliban to consent to was some reduction in violence. Discussions on a comprehensive cease-fire were relegated to future talks between the Taliban and Afghan leaders – only after the United States had pledged, and begun, to withdraw its troops.

But Thursday, Trump suggested the Taliban position had shifted.

"They didn't want to do a cease-fire, but now they do want to do a cease-fire, I believe," he said. "And it will probably work out that way. And we'll see what happens."

The Taliban seemed surprised by Trump's declaration. While the group's negotiators have held informal meetings with U.S. diplomats in recent weeks about ways to go back to the table, on Friday their leaders said their original position on a cease-fire had not changed.

"The Americans walked away from the negotiating table, and now the ball is in their side; it is up to them to come back if they want to solve this and get the document to signing and to the stage of implementation," Suhail Shaheen, a member of the Taliban's negotiation team, said. "Our positions remain the same."

It's unclear how U.S. negotiators could get the Taliban to agree to a cease-fire now, when they were unable to do so earlier.

The U.S. military has already begun scaling back its presence in the country, giving negotiators even less leverage than they had before. Last month, the top U.S. commander in Afghanistan, Gen. Austin Miller, said the number of troops had been reduced by 2,000 over the past year.

Trump, on Thursday, said he was "bringing down the number of troops substantially."

For the Afghan president, Ashraf Ghani, Trump's statements



Alex Brandon / Associated Press

President Donald Trump steps off Air Force One, accompanied by Sen. John Barrasso, R-Wyo., in West Palm Beach, Fla., after he returned from a visit to the troops in Afghanistan. Trump said talks with the Taliban are back on, months after declaring them dead.

were welcome. For months, Ghani had unsuccessfully tried to persuade Americans not to give away a U.S. troop withdrawal without a cease-fire because that would leave his government even more vulnerable.

The government has already been weakened by being excluded from the talks so far because the Taliban refuse to engage before a U.S. troop withdrawal.

The hope is that peace talks would eventually lead to direct negotiations between the Taliban and Afghan leaders over the political future of the country af-

ter the United States commits to withdrawing its remaining troops, currently about 13,000 or fewer.

Keeping the peace process alive after Trump canceled talks in September has required quiet, delicate diplomacy, including work that resulted in a prisoner swap and some reduction in violence.

Trump's latest interjection in what has been a tedious diplomatic balancing act will once again have his negotiators scrambling to try to pull off what many Western officials have described

as an unrealistic goal.

The Taliban see a cease-fire before the signing of a deal for the end of the U.S. military presence as an existential issue. They believe they will not be able to rally their forces again if they ask their fighters to stop fighting and then the deal breaks down.

But the government of Ghani has said negotiating the future cannot happen under the barrel of a gun, demanding a cease-fire as a precondition to any talks.

When Trump called off the talks, the Taliban realized they had pushed their hand too far by

continuing to launch attacks just days before what was expected to be a signing of the deal. In recent weeks, U.S. diplomats persuaded the group to significantly reduce large attacks in the Afghan capital as part of the prisoner swap that saw the release of two hostages – one American and one Australian – in return for senior Taliban leaders.

But delivering a comprehensive, declared cease-fire is always going to be difficult internally for a movement that is trying to maintain unity as it negotiates potentially divisive issues.

DEMS

From page A1

primary run against former U.S. Rep. Beto O'Rourke of El Paso, is one of at least three Democrats in the primary election who have sworn off taking money from the industry, unafraid of the message it might send to voters working in those jobs – hundreds of thousands in Houston alone.

They argue that Texas, the nation's top producer of wind energy, can lead the nation in transitioning to all forms of clean energy as well, creating plenty of jobs in the process. And they say it's a vitally important move in the face of a climate crisis, as evidenced by repeated massive floods hammering Houston in recent years.

It's a new approach for Democrats in the state where oil and gas has long reigned supreme. Even O'Rourke accepted hundreds of thousands in donations from the industry in his 2018 Senate run – bringing in the second-most in donations from the industry of any Senate candidate that year,



the country. She led the pack in a UT-Tyler poll released earlier this month with 9 percent.

"I think the oil and gas industry already has a very large voice in our democratic process, and I want people to know that I'm acting in the best interest of Texans and in the best interest of our economy, our future and our environment," she said.

Hometown industry

Others in the race say it's a mistake to go so far. Virtually all agree the state needs to work to shift toward a clean energy economy – and they all argue Texas is in a unique position to lead that effort – but several Democrats say the oil and gas industry needs to be part of that effort.

Two Houston-area candidates – City Council member Amanda Edwards and, former U.S. Rep. Claris Bell – have taken thousands from the oil and gas industry already, according to the Center for Responsive Politics. Edwards has accepted more than \$8,300, and Bell has taken in at least \$2,500.

Edwards said accepting dona-

behind only his rival, U.S. Sen. Ted Cruz, according to the Center for Responsive Politics. Other Democrats in the Senate race have already accepted thousands from the industry, which they say will be a key partner in the eventual transition to clean energy.

But this talk of phasing out fossil fuels will cost them in Texas, one veteran Republican strategist says.

"It's the third rail of politics in Texas," said Jeff Roe, who ran Cruz's 2018 campaign and said attacks on O'Rourke's record on energy were crucial to Cruz's victory. "It makes everything you want to say about them true — job killing, taxes, big government. It makes it all true when you mess with the economic engine in the state."

Whichever Democrat emerges next spring will face a longtime darling of the industry in Republican Sen. John Cornyn, who has already accepted more than \$350,000 in donations from the oil and gas sector in his re-election bid — the most of any 2020 Senate candidate, according to the Center for Responsive Politics.

"If you're willing to take on John Cornyn, then you have to be willing to take on his donors," Hernandez said. "We are not afraid of the industry."

In the Senate, Cornyn has pushed legislation to help the industry. Most recently, he was instrumental in helping pass the GOP's massive tax cuts bill in 2017, which was a boon for oil and gas



"If you're willing to take on John Cornyn, then you have to be willing to take on his donors," said Sema Hernandez, a progressive Democrat making her second U.S. Senate bid.

corporations. Cornyn added to that bill a measure specifically preserving a tax break that benefits pipeline companies.

Cornyn, however, has also said climate change is a problem and is pushing legislation aimed at curbing greenhouse gas emissions.

"Sen. Cornyn is proud to fight every day for the hardworking Texans who are the backbone of our energy industry," Cornyn's campaign manager, John Jackson, said. "The fact that our opponents refuse to stand up for these folks shows just how out of touch with Texas they've become."

Others sign on

Swearing off oil money is the latest sign of the emergence of a new brand of Democrats in the state, who hope to energize voters — especially younger voters — by taking unabashedly progressive positions. Hernandez and Cristina Trintzun Ramirez, also a Senate hopeful, have signed a pledge to reject any donations from oil and gas executives.

Former Air Force pilot MJ Hegar, another Democrat vying to

challenge Cornyn, says she has likewise sworn off such donations, though she hasn't signed that specific pledge, which, like the Green New Deal, has become something of a marker of where candidates stand on issues of energy and climate change.

Several other congressional candidates have signed it, too, including Jessica Cisneros, a Laredo immigration attorney challenging longtime U.S. Rep. Henry Cuellar in the Democratic primary. Some Texas House candidates have also signed the pledge, as has Julian Castro, the former San Antonio mayor running for president.

Under pressure, O'Rourke signed the pledge during his presidential run, but he refused to do so on the campaign trail in 2018, and his campaign took more than half a million from the oil and gas industry, according to the Center for Responsive Politics.

"It may work a lot of places, but not here," Roe said.

Cruz in 2018 accused O'Rourke of wanting to boost gas taxes, including supporting a \$10 tax on each barrel of oil — an attack Pol-

itiFact later deemed "mostly false," but one that Roe said he believes helped clinch Cruz's victory.

The Democrats swearing off fossil fuel money are competing in a crowded Senate race. Polling suggests few Texans yet know who they are.

Hegar, who led the field in a University of Texas/Texas Tribune poll released this month with 12 percent, said she's sworn off any money with "strings attached."

"I do not think elected officials should take money from corporations that want those officials to legislate in a way that impacts their profits," she said. "That's my bottom line."

Hernandez was second in that poll at 6 percent. The poll had a margin of error of 4 percentage points.

Trintzun Ramirez, meanwhile, stressed that Texas could be creating jobs in clean energy fields as well, pointing to U.S. Department of Labor statistics that show jobs in solar and wind energy are the fastest growing occupations in

tions from those in the energy industry isn't necessarily indicative "of your stance on energy and climate change."

"It's really just being in a place where you live in the energy capital of the world," she said.

"To say you're just going to eradicate fossil fuels and roll over the oil and gas industry is not realistic and it would devastate our economy," Bell said. "Let's work together to address the problem."

Bell even counts among his advisers a longtime oil and gas executive, William Maloney, currently on the board of directors of Trident Energy and a retired executive vice president of Statoil. He's exactly the type of donor others in the race have sworn off.

Maloney said much of the oil and gas industry has awakened to the fact that it needs to begin transitioning toward clean energy. He pointed to the Oil and Gas Climate Initiative, which includes many of the biggest oil companies — including Exxon Mobil, Chevron, Occidental Petroleum, BP and Royal Dutch Shell — and claims to have invested more than \$1 billion in technologies to cut carbon emissions.

"For me, money talks. These companies are putting their money where their mouth is," Maloney said. "You might get some short-term gain by saying you don't want money from people like me, but is it really the answer in the long term? I would say it's not."

ben.wermond@chron.com

BUSINESS

HOUSTON CHRONICLE • SATURDAY, NOVEMBER 30, 2019 • SECTION B ★★

● **DOW:** 28,051.41, down 112.59, -0.4% | ● **S&P:** 3,140.98, down 12.65, -0.4% | ● **OIL:** \$55.17, down \$2.94, -5.1% | ● **NATURAL GAS:** \$2.28, down 22¢, -8.61%

Oil sector posts worst decline in months

OPEC, allies signal that they're averse to deep output cuts

By Catherine Ngai
BLOOMBERG NEWS

Oil fell the most in more than two months amid signals that OPEC and allied crude producers are averse to deepening output cuts when they convene next week.

Futures dropped 5.1 percent in New York on Friday, closing the U.S. benchmark's poorest weekly performance since early October. Saudi Arabia probably will indicate to the cartel next week

that it's no longer willing to compensate for excessive production by others, according to people familiar with the kingdom's thinking.

Meanwhile, Russia's oil minister said it'd be better to postpone any new supply caps until April, the Tass news agency reported. In the U.S., futures-trading volume was suppressed on the day after the Thanksgiving holiday, increasing the potential for dramatic price moves.

"The OPEC accord with Russia could be fraying a bit," said John Kilduff, a partner at Agaln Capital. "It undercuts and undermines everyone's perception of the commitment."

OPEC and allies including Russia are expected to extend the current supply pact, rather than make deeper reductions, when they meet in Vienna late next week, a Bloomberg survey showed.

That comes as government data showed the U.S. was a net exporter of crude and refined products for a full month for the first time in at least seven decades. The milestone, which was previously reached on only a weekly basis, underscored the growing influence of American crude in foreign markets, a point that won't be lost on OPEC.

Despite Friday's slump, New York-traded futures were on

track for the biggest monthly advance since June amid optimism the U.S. and China are closing in on a trade accord. As for OPEC, a special committee that analyzes market data before ministerial meetings didn't consider steeper cuts, according to delegates who asked not to be named.

West Texas Intermediate for January delivery slipped \$2.94 to settle at \$55.17 a barrel on the New York Mercantile Exchange. There was no settlement Thursday due to the U.S. holiday and all transactions were to be booked Friday.

Brent for January settlement, which expired Friday, dropped \$1.44 to \$62.43 on the London-

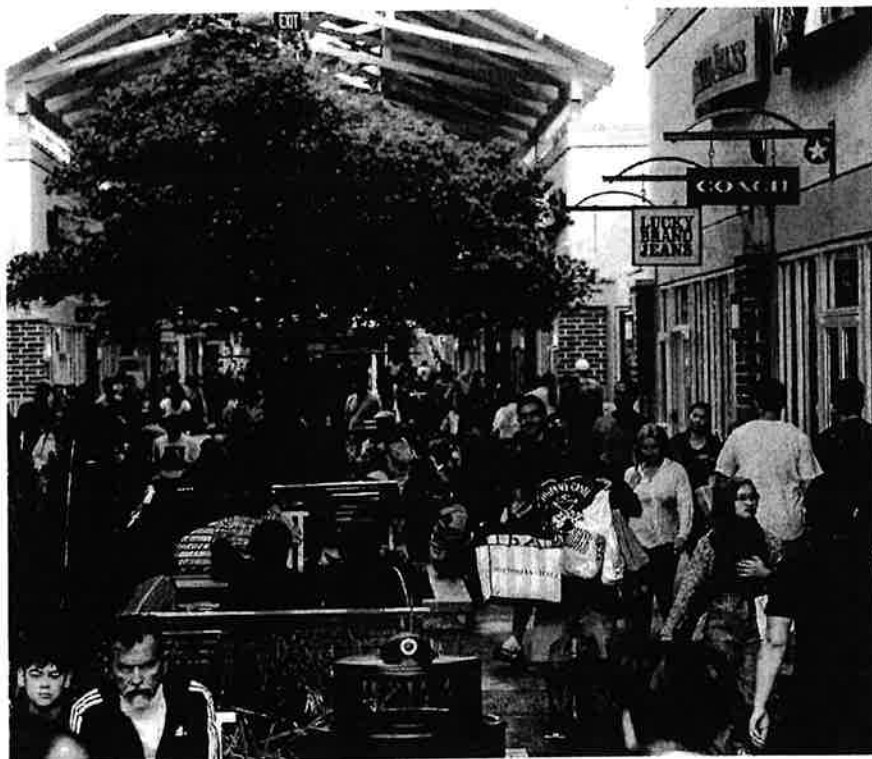
Inside

» Saudis have had enough of OPEC+ quota cheats. **Page B2**

based ICE Futures Europe Exchange. The global benchmark crude traded at a \$7.26 premium to WTI.

Saudi Arabia has largely turned a blind eye to cheaters within the OPEC+ alliance, making additional reductions to its own output to offset excesses by the likes of Iraq and Russia. Ministers from the Organization of Petroleum Exporting Countries and its partners will meet in Vienna on Dec. 5 to 6 to decide on policy going forward.

RETAIL



Godofredo A. Vasquez / Staff photographer

People shop for Black Friday deals at the Houston Premium Outlets in Cypress, northwest of Houston.

Some admit they miss Black Friday mayhem

Protect yourself on Cyber Monday

By Diego Mendoza-Moyers
STAFF WRITER

As the Thanksgiving turkey digests, you may have checked your email inbox, only to be flooded by promotional deals and online offers for the busiest shopping days of the year this weekend.

But the big-box chains and e-commerce giants aren't the only ones looking to profit off Cyber Monday. Online criminals come out in force this time of the year, all looking to take advantage of frantic shoppers seeking the cheapest deals.

In the whirl of holiday shopping hoopla, it can be easy to click a scam link, get duped by fake reviews or leave your personal information unprotected. But there are ways you can come out of the holiday season as both your family's best gift-giver and the most savvy online shopper. Below are tips for safe shopping this Cyber Monday and beyond.

Ditch debit: A debit card may be convenient, but it's safer to use a credit card for online purchases. Under the Fair Credit Billing Act, credit card users who report fraudulent charges made on their card face a maximum liability of \$50.

Cyber continues on B7

Cheaper insulins

By Jenny Deam
STAFF WRITER

It might have seemed crazy in the relative calm and daylight of 11 a.m., but Matthew Goforth and his wife Stephanie, shopping at the Best Buy Galleria, admitted they kind of miss the pre-dawn excursions of Black Fridays of yore.

"There was this element of excitement," said Matthew Goforth. "You fed off the energy of others."

Black Friday crowds have di-

As brick-and-mortar crowds diminish, shoppers express nostalgia for a time of predawn battles for best deals

minished in recent years as online shopping expanded and retailers began offering bargains well before the traditional kickoff to the holiday shopping season — and even on Thanksgiving. For better or worse, the days when doors actually got busted appear to be over.

Shopping on Black Friday is

a two-decade tradition for the Lubbock couple, who now come out with their teenaged children in tow. But back when the kids were little, safely tucked into bed under the watchful eye of grandparents, the duo would venture into the darkness and wait in line for doors to fling open.

They carefully crafted shopping lists and strategies on Thanksgiving night and then waited. Sometimes when they arrived, though, the coveted toy or electronic gizmo was sold out. Or worse, Stephanie Goforth said, there were plenty, which made her wonder whether she had picked badly. When shopping is sport, it is always important to scope out the competition's cart.

The couple would hit multiple stores, have breakfast at the

Nostalgia continues on B2

sought by FDA

By Laura Garcia
STAFF WRITER

The Food and Drug Administration has been quietly paving the way to bring a cheaper type of insulin to market — an effort that could improve access to lifesaving medication for millions of Americans with diabetes.

The federal agency announced efforts this week to help make the development of "biosimilar" and interchangeable insulin products more efficient, which could ultimately bring them to the market more quickly. Biosimilar insulin mimics the therapeutic effects of brand-name insulins. Interchangeable products are biosimilar products that meet additional guidelines, according to the FDA.

Under the draft guidance released this week, biosimilar drug-makers could skip certain costly clinical trials if they meet certain conditions, including that the proposed product is close enough to one that's already on the shelves. The guidance clarifies what data and information would be needed to get FDA approval.

Increasing market competition among insulin products could potentially lower costs for patients and payers, such as insurance companies and government agencies, while increasing access and

Insulins continues on B7

Waco beats Marshall as patent case hotbed

By Mark Curriden
THE TEXAS LAWBOOK

For more than a dozen years, the U.S. District Courts in the Eastern District of Texas — the courthouse in Marshall in particular — have ruled Texas as the premier jurisdiction for patent litigation.

The reign appears to be over.

New data obtained by The Texas Lawbook shows that the Western District of Texas — Waco, to be specific — is now, by a hair, the most popular jurisdiction in the state for businesses and individuals to file allegations of patent infringement. More than 220 such

cases have been filed this year in Waco alone and more than 589 statewide.

The credit, according to intellectual property law experts, goes to U.S. District Judge Alan Albright, a former intellectual property attorney who took the bench 14 months ago and has made his courtroom the newest hotspot for high-stakes patent litigation.

Legal experts say that Albright has introduced new rules and procedures in patent cases that make his court user-friendly, including accepting briefs and motions in an audio format so that he

Patent continues on B7



Courtesy photo

Alan Albright's courtroom is a new hotspot for patent cases.