

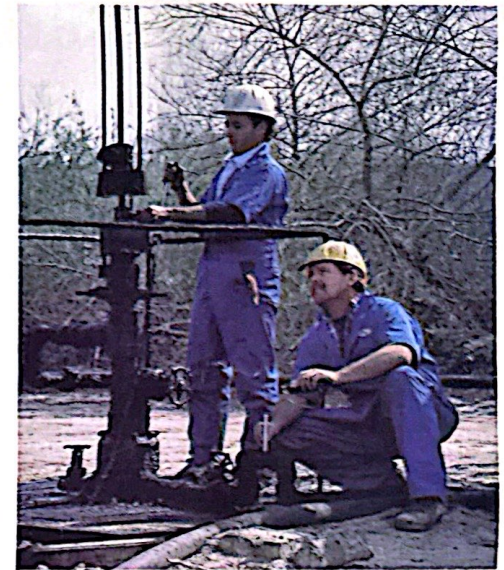
ANATESCO

According to John Naisbitt, author of MEGATRENDS, our economy is now being driven by entrepreneurs. Speaking in Bakersfield in January, Naisbitt explained that the most important source of new jobs isn't found in the expansion of a few large companies such as General Motors, but rather in the creation of the thousands of new, smaller companies.

An example is Anatesco, Inc., located on China Grade Loop in Oildale. Founded in 1976 as Denesha Brothers, by Doug and Terry Denesha, Anatesco was incorporated last November. Seven people work in the Bakersfield office, and another eight in offices in Santa Maria, Los Angeles, East Texas, and Casper, Wyoming.

Anatesco fits another trend mentioned by Naisbitt. Companies most likely to hold their own against competition, both foreign and domestic, are ones which meet very special needs. Anatesco is not only holding its own by meeting special needs, but it's also expanding. The business doubled in fiscal 1982-83, again in 1983-84, and increased 80 percent in 1985, when most oil service companies were cutting back or going out of business.

"We're receiving requests to open branches in other places, too," says Terry Denesha, Doug's brother and Anatesco's business manager. A graduate of U.C. Santa Barbara with a degree in business administration, Terry says internal profit, bank loans, and employee investment have funded Anatesco's expansion so far, but in the



near future stock may be offered.

Anatesco's speciality is calculating the efficiency of oil wells by testing rod pump performance. This doesn't sound so unusual, but by using numbers instead of graphs, as Anatesco has been doing since 1982, data can be interpreted by computers. This allows Anatesco to determine the results with greater speed and accuracy.

Research vice president Doug Denesha described the benefits of oil well efficiency in a paper he presented at the annual regional meeting of the Society of Petroleum Engineers held in Bakersfield last spring:

"A spokesperson for a major oil company in Kern County, California, reported the following after making adjustments on 151 wells based on (Anatesco's) test results:

- (1)...reduced power bills from an average of \$555,000 to \$379,000.
- (2) Extended useful pump life by approximately 30 percent.
- (3) Increased oil production from less downtime (unquantified)."

With results like these, it's not surprising that Anatesco has received

inquiries from Oklahoma, west Texas, Indonesia, the Middle East, Peru, and Alberta, Canada. Asked about Anatesco's success, president Mike Krause says, "It's because we are continuing to keep our costs low, and providing some really important information to oil producers." Anatesco routinely provides information for all the big oil companies in the Bakersfield area, including Chevron, Gulf, Santa Fe Energy, Tenneco, and Texaco. This service is referred to as "information processing", and is another of the megatrends Naisbitt cites as an activity which will soon account for nearly 80 percent of the U.S. economy.

The computer software Anatesco uses to process information was developed by Doug Denesha, and later assisted by Phil Babcock, both of whom are self-taught programmers.

Doug Denesha began his career in the oil fields in 1966 as an engineering assistant for Chevron.

"I noticed right off it was tough to do a good job making these oil wells produce because there wasn't a good indicator of a pump going bad. The only way to

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tell was to watch production going down."

Denesha explained that there may be a number of reasons why wells show a decreased production, such as bad gauges, tubing leaks, perforations, or even a well going dry. "A lot of money was being wasted pulling pumps and putting them back in," he says.

It can be extremely difficult to determine the "downhole" conditions of an oil well. The pump, according to Denesha, may be straining at oil too thick to flow easily, or restricted by underground formations. Also, a pump may simply not be working hard enough, losing oil which should be pumped to the surface.

Oil wells were at one time tested with an instrument called a "dynamometer," an electronic x-y plotter. By measuring certain loads it was possible to make calculations and interpret them so the pumping system could be adjusted to work at maximum efficiency.

"We had to figure out the geometry 24 times to go through an entire pump cycle," says Doug. "It took us a full day, sometimes longer to do just one well. Then we'd stay up all night trying to figure out what we had."

In contrast, using Doug and Phil's computer software, engineers Jeff Haddock and John Lynch recently tested 68 wells in one day. However, it must be pointed out that these wells were shallow and close together. The average number for each testing unit has been between 20 to 30 wells per day.

It took years to develop and later advance this testing procedure.

"I was the worst hacker you ever saw," Doug confesses.

Data is received by cable into a Hewlett-Packard computer housed in a van. Results are printed out almost immediately, which show production efficiency of wells.

Doug is currently developing a new Monitor, Scan, and Test Network (MSTN) that can monitor nine types of production data continuously, including power curves, fluid level changes, and information usually contained on dynamometer cards. Problems appearing in any of the data will trigger an alarm in the field or local office.

The network will also generate daily performance reports on all wells. Engineers will be able to access this data at any time by using a modem connected to the personal computer in their office.

MSTN differs from present equipment in that it does not require costly load cells and troublesome cables attached to pumping units. Instead, sensors in a weatherproof enclosure are piggy-backed to the existing control panel.

Twice a year Anatesco gives two-day schools on "Maximizing Rod Pump Efficiency," and individual company seminars are also requested. The individuals at Anatesco also enjoy hosting a June golf tournament for the oil industry, with a barbecue following.

Former pro golfer Doug Denesha has found a way to enjoy his game, as well as his business of providing a valued service to the oil industry.

— Audrey Cochran

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