

Members  
Society of Petroleum Evaluation Engineers

Dear Member:

The Society of Petroleum Evaluation Engineers has elected its new slate of officers and new members to the board for 1986. The new officers are President - John Black, Vice President - Scott Hickman and Secretary-Treasurer - Robert Moses. The new members to the board are Carl Sharp and Clark Gillespie. These individuals plus David Frawley, Charles Milner, Tom Stevens and William Barry constitute the 1986 SPEE Board of Directors.

To carry on down the excellent path established by past president, Berry Van Sandt, the SPEE will effectively achieve the following directives for 1986. The SPEE will be the Standard Setter. The Reserve Definition Committee chaired by Barry Van Sandt, will culminate its effort by year end with the publication of the SPEE's Reserve Definitions and Guidelines with the full support of the SPE and other industry organizations. This achievement will be an inspiration to the members, committee chairman and directors on what the Society can accomplish with its resource of qualified individuals.

Larry Martin, Membership Chairman, will reorganize his committee to include a member from each local chapter, Houston, Dallas, Tulsa and Denver, plus New Orleans. The coordination of this effort by Larry will insure the growth of the Society through the addition of well qualified evaluation engineers. I would remind each of you that it is not only your privilege, but your duty to exercise the black ball on any candidate that does not meet the Society's high standards. A SPEE candidate must not only be technically qualified, but firmly established as an ethical practitioner.

Charlie Milner will head up the very important Strategic Planning Committee. This committee has already made outstanding strides with its input for the future direction of the Society. Later in the year the committee will send out a questionnaire to each member for their input into the Society's direction.

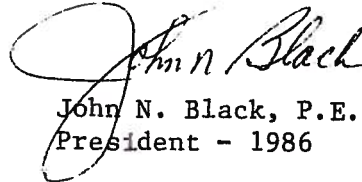
The Harold Vance Scholarship Foundation will be guided by Don Clark this year. The foundation has \$19,255 for scholarship contributions. The \$20 per member contribution by the membership has been very successful.

With this letter the Publication Committee chaired by Cam Stiernberg will be sending out quarterly news letters to the membership. Also, Les Nemeth, Chairman of the Fair Market Value Committee, will be asking for your estimates of oil and gas prices which he will compile into a statistical survey as prior years.

These are a few of the functioning committees of your society. Attached is a complete list of the standing committees and their chairman. If you want to get more involved and contribute to the growth and excellence of the Society give me or the committee chairman a call, there is plenty to do and accomplish for each of us.

Scott Hickman has organized an outstanding annual conference in Nashville, Tennessee April 27-29 preceeding the IPAA midyear convention. Hope to see all 275 members there.

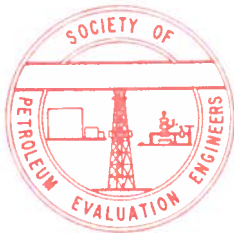
Sincerely,



John N. Black, P.E.  
President - 1986

#### 1986 SPEE OFFICERS

John N. Black	President
T. Scott Hickman	Vice-President
Robert J. Moses	Secretary-Treasurer



#### 1986 SPEE COMMITTEES

Larry Martin	Membership
Sam Singer	Legislative
Unappointed	Engineering Registration
Herb Poyner	Grievance
Unappointed	Engagement Letter
Cam Stiernberg	Publication
Vaughn Scanland	Publicity
Barry Van Sandt	Reserve Definition
Buddy Sipes	Qualifications
Les Nemeth	Fair Market Value
Charles Milner	Strategic Planning
Don Clark	By-Laws
Charles Massey	Evaluation Report
Don Clark - President	Harold Vance Foundation

#### 1986 SPEE DIRECTORS

Barry Van Sandt  
John N. Black  
T. Scott Hickman  
Robert J. Moses  
David Frawley  
Thomas G. Stevens  
Clarke Gillespie  
Carle F. Sharp

Minutes - SPEE Board of Directors Meeting  
January 29, 1986  
Petroleum Club - Houston, Texas

The meeting was called to order by President Barry Van Sandt at 10:00 a.m. with the following Directors present: Barry Van Sandt, John Black, Scott Hickman, Bob Moses, Dave Frawley, Tom Stevens, Clark Gillespie and Carl Sharp. The two new Directors, Carl Sharp and Clark Gillespie were officially welcomed to the Board. Minutes of the last two Executive Committee meetings were reviewed.

Mr. Tom Fuller presented a report on the Harold Vance Foundation, which has a balance of \$7,834.50 in its account with another \$1,500 to be transferred from the general fund for a total balance of \$9,334.50. Of the 200 members who have paid annual dues so far this year, 100 responded favorably to the \$20 volunteer donation contained on the dues statement. The new Foundation Committee consists of Don Clark, President; Tom Fuller, Vice-President; Barry Van Sandt, Secretary-Treasurer and John Black, Ex-Officio member.

Barry Van Sandt gave a report on the Strategic Planning Committee in the absence of Charles Milner. The Committee met recently and used the results of the 1985 membership survey as an agenda guide to arrive at the following recommendations:

- (1) A board member be assigned to every standing committee.
- (2) No formal membership drive be held, but individual members continue to bring in qualified candidates. Each local chapter will have a membership chairman that will serve on the Society's Membership Committee.
- (3) The Directors engaged in a very vigorous discussion of membership qualifications with the sentiment being expressed that the candidate must not only be technically qualified, but firmly established as an ethical practitioner. It was pointed out that when the qualifications of one candidate were questioned, two of his sponsors withdrew their sponsorship. The Directors acknowledged that a member can sometimes come under pressure to sponsor a candidate. The Membership Committee was requested that in their review of the membership application forms, they consider changing both the sponsorship form and submittal procedures to help alleviate this problem. The Directors also instructed the President to remind the membership that they have not only the privilege, but the duty to exercise a veto on any candidate that does not meet the Society's high standards. To this end, it was suggested that more information be given to the membership on each candidate.
- (4) The Publicity Committee put out a periodic newsletter as well as handle the Society's directory. The newsletter, among other things, could include the names of new members and give address changes for existing members.

- (5) Use of the Society Seal is still encouraged, but must remain optional.
- (6) The assignment of membership numbers is not recommended.
- (7) There is continued strong support in the SPEE becoming the standard setter for hydrocarbon evaluations. This is a goal that will be achieved through publicity and exposure and by policing our own organization. Broad acceptance of the SPEE definitions and accompanying guidelines will go a long way toward establishing our preeminence.
- (8) A forum was suggested at the annual meeting on strategical planning with a panel representing consultants, bankers and industry. Such a program would be of benefit to the membership if it is structured and not allowed to degenerate into 150 member committee meetings. A final decision on this is left to the discretion of the annual meeting organizer.

It was reported that Society membership now stands at 272.

Mr. Ray Brack gave a report on behalf of the Reserve Definition Committee as to the progress being made toward the acceptance of our definitions. Mr. Brack is a member of SPE's Standing Reserve Definition Committee. In addition, the SPE set up a special task force, under the leadership of Chap Cronquist, specifically to work with the SPEE. There was good industry representation at the last task force meeting. The position taken by most of the representatives was favorable toward the SPEE definitions. The task force has approved the Proved portion of the definitions, with only minor changes. There will probably be some changes in Probable and Possible definitions that would provide more separation from the Proved category. The SPE National Directors may act on this matter in September 1986. Prior to that time, the task force plans to educate the Directors with a series of white papers covering the issues in question.

Scott Hickman gave a report on the plans for the annual meeting to be held April 27-29 in Nashville, Tennessee at the Opryland Hotel.

The Directors approved a proposal to put out an additional hundred copies of the Society directory free of charge to financial institutions. The Directors approved the nomination of Chap Cronquist and Charlie Milner as SPE distinguished lecturers on reserve definitions. This is an excellent opportunity to give both the Society and its definitions wide exposure.

A motion was made to donate \$10,000 from the general fund to the Harold Vance Foundation. This would leave about \$17,000 in the general fund. The Society needs about \$10,000 a year for normal operations. The motion was approved.

The following slate of officers was nominated by Dave Frawley for 1986: John Black, President; Scott Hickman, Vice-President; and Bob Moses, Secretary-Treasurer. The slate was selected by acclamation.

One Director pointed out that he was aware of a couple of incidents when the Society's fair market value survey was being misapplied. The Directors were in favor of continuing the survey as it represents a valid attempt to determine "industry standards," but both the questions on the survey and the manner in which it is labelled need to be looked at closely to prevent misuse and misunderstanding.

There being no further business, the meeting was adjourned.

T. Scott Hickman  
Secretary

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#### SPEE 1986 ANNUAL MEETING

The SPEE 1986 Annual Meeting will be held in Nashville, Tennessee on April 27-29 at the Opryland Hotel. An outstanding slate of speakers is planned which will cover topics of current interest to the industry. The social events include the traditional golf and tennis tournaments plus a dinner cruise on the paddle wheeler, General Jackson.

More information about reservations and meeting events is forthcoming in a separate mailing to the members.

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#### NEW MEMBERS

Robert Q. Bussell	Tulsa, Ok
Ronald Lee Thompson	Denver, Co
Richard K. Rains, Jr.	Houston, Tx
James R. Anderson	Golden, Co
Norman W. Adams	Denver, Co
Earl Krieg, Jr.	Dallas, Tx
E. Everett Deschner	Houston, Tx
Edward James Gibbon, Jr.	Houston, Tx
James Wallace Frick	Houston, Tx
David Dean Knepper	Houston, Tx