EXECUTIVE SUMMARY

1. 1990 Annual Meeting will be held in Santa Fe, New Mexico on April 29, 30 and May 1.


5. Director election and dues time again.

PRESIDENT’S MESSAGE

This newsletter includes a report from Gordon Biescar’s Task Force on New Membership categories. As you may know, this matter has been under careful consideration over the last year or so. The addition of an Associate Member category would open our membership to qualified individuals in the financial community. These individuals have no reason to become registered engineers or certified geologists, but are recognized experts in financial and other matters that may impact the engineering evaluation process. The addition of a Junior Member category would help promote professionalism among younger engineers and help ensure continuity of the Society as older members retire. I urge you to consider this proposal and provide written comments (both "pro" and "con") to SPEE Headquarters by the 15th of December. The SPEE Board seeks your thoughtful consideration of this matter. Please note...this matter is being placed before the membership at this time for comment only. This is not intended to be a "straw" vote or ballot. The report will be placed before the 1990 SPEE Board of Directors and, depending on member response, may become the basis for proposing one or more amendments to the Society’s By-Laws at the Annual Meeting.

Regarding the Annual Meeting, please note the announcement by Chuck Brittan, who is responsible for arrangements and program. We would appreciate your suggestions on any aspect of the meeting, but especially on program topics and speakers.

Committee work in progress includes the efforts of an Ad Hoc Committee to investigate whether the SPEE should revise the standards for auditing oil and gas reserves, which was promulgated several years ago by the SPE. This committee, chaired by Glen Harrison, includes Arlen Edgar, Russ Long, Don O'Neill, John Wright, and Bob Moses (Board liaison). Also serving on the committee is Roy Devlin (Mobil), who is representing the SPE Reserves Committee.

Deal of the year!!: You may obtain an "official" SPEE seal from B. K. for only $37.15 (the seal is reproduced in the membership directory in lieu of a "mug shot" for members who do not send a photo).

On a personal note...the "SPEE curse" is alive and well. For the last several years, most SPEE Presidents have become unemployed, either during their tenure in office or shortly after. I joined the ranks of "independent consultants" early in October, and opened an office in Houston’s Main Building (713-759-1141). I would be pleased to collaborate with any SPEE member who could use some help.

Best wishes to you and your family for the holiday season (as of this writing, only 38 shopping days left until Christmas!!)

Regards,

Chap
MEMBERSHIP TASK GROUP

The report from the SPEE’s Membership Task Group is summarized below. Please review this material and provide your written comments to B. K. Starbuck prior to December 15.

Background

The proposal to establish two new categories of membership has received a good deal of discussion from the membership since its presentation at the 1969 Annual Meeting and publication in the Newsletter. Reactions have been mixed and reflect a number of concerns by the membership.

Creation of additional categories has been recommended by the Long Range Planning Committee.

The purpose of SPEE as stated in Article II of the By-Laws is to:

(1) Promote the profession of petroleum evaluation engineering
(2) Foster scientific research
(3) Disseminate facts to the membership and public

New classes of membership are expected to allow us to continue to serve the purposes of the Society.

Associate Member

Candidate would apply to the Society for Associate Membership and meet all qualifications of education and experience required of a Regular Member.

Registration would not be required.

A degree in Engineering or Geology would not be required; a “scientific” based degree would be required.

Associate Members would pay the annual dues as set by the Executive Committee.

Associate Members could not vote or hold office.

The aggregate number of Associate Members would not exceed 10% of the Regular Membership at the date of their election.

It would be expected that applicants for this class of membership would be reviewed carefully by the Qualifications Committee at the referral of the Executive Committee, and election would reflect outstanding qualifications by virtue of education, experience, and accomplishments as well as contribution to the science and profession.

Junior Member

A candidate would apply to the Society for Junior Membership and meet qualifications of education and experience such that he or she would be expected to qualify as a Regular Member within 5 years.

Registration would be required.

Junior Members would pay annual dues as set by the Executive Committee.

Junior Members could not vote or hold office.

The aggregate number of Junior Members would not exceed 15% of the Regular Membership at the date of their election.

Junior Members would qualify with 5 to 7 years of actual or responsible charge of evaluation experience.

Junior Members who do not apply for Member status within 5 years of election would no longer be members of the Society.

Submitted by:

Gordon H. Riescar
(713) 874-2772

NEW LOCATIONS

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Address</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Eddie R. Ayres</td>
<td>Gray Engineering Corporation</td>
<td>Vice President 400 North St. Paul, Suite 1300 Dallas, Texas 75201 (214) 720-3800</td>
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<tr>
<td>Morris A. Brown</td>
<td>Gray Engineering Corporation</td>
<td>Executive Vice President 400 North St. Paul, Suite 1300 Dallas, Texas 75201 (214) 720-3804</td>
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<tr>
<td>Robert E. Burchingham</td>
<td>Burchingham Engineers</td>
<td>President 427 South Boston, Suite 509 Tulsa, Oklahoma 74103 (918) 383-2415</td>
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<tr>
<td>Paul R. Cleveenger</td>
<td>Burchingham Engineers</td>
<td>President 112 East Pecan Street Suite 1414 San Antonio, Texas 78205 (512) 225-2696</td>
<td></td>
</tr>
<tr>
<td>Robert J. Cochran</td>
<td>Citicorp (NA)</td>
<td>VP - Petr. Eng. 1200 Smith St., Suite 2000 Houston, Texas 77002 (713) 654-2946</td>
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</tr>
<tr>
<td>Reed W. Ferrill</td>
<td>Reed Ferrill &amp; Associates</td>
<td>3000 Youngfield St., #388 Lakeview, Colorado 80215 (303) 231-9465</td>
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<tr>
<td>Charles M. Frick</td>
<td>Quintana Petroleum Corp.</td>
<td>Eng. Manager P. O. Box 130348 Houston, Texas 77219-0348 (713) 651-8634</td>
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<tr>
<td>J. Curtis Grindal</td>
<td>Zillaha Acquisitions</td>
<td>1201 Louisiana, Suite 3200 Houston, Texas 77002 (713) 655-5979</td>
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<tr>
<td>Raymond S. Hansen</td>
<td>Raymond S. Hansen Company, Inc.</td>
<td>5995 West Loop South, Suite 200 Bellaire, Texas 77401 (713) 666-2096</td>
<td></td>
</tr>
<tr>
<td>T. Scott Hickman</td>
<td>T. Scott Hickman &amp; Assoc.</td>
<td>President 950 West Texas Ave., Suite 950 Midland, Texas 79701 (915) 683-4391</td>
<td></td>
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</table>

RALPH W. JACKSON
3322 Princess Lane Dallas, Texas 75229

RANDALL E. KING
Perkett Parkman & Co. 333 Clay Street, Suite 700 Houston, Texas 77002 (713) 650-3383

GEORGE C. KOENIG
Conoco Oil & Gas Corp. VP - Reservoir 5 Greenway Plaza, Suite 436 Houston, Texas 77046 (713) 877-7599

ROBERT J. MOSES
British Borneo Executive Vice President 1212 Main Street, Suite 850 Houston, Texas 77002 (713) 650-8292

P. DWIGHT PUCKETT
Tellco Petroleum Corp. President 9 Parliament Place Dallas, Texas 75225

JOHN B. RANAS
Bennolvent Energy, Inc. Chairman & CEO 2500 Tanglewood, Suite 270 Houston, Texas 77003 (713) 952-6506

JARED DARBY SERE
Bellweather Exploration Co. President 1221 Lamar, Suite 1500 Houston, Texas 77010 (713) 650-1025

RonalD E. RHODES
American Exploration Co. Manager of Reserves 12310 Hoo Creek Drive Houston, Texas 77070 (713) 220-8242

THOMAS C. STEVENS
1212 Main Street, Suite 463 Houston, Texas 77002 (713) 221-0168

C. ARILAS WALTERS
Energy/Investments 4800 Sugar Grove Blvd. Suite 250 Stafford, Texas 77477

J. WOOD, JR.
Gray Engineering Corporation President 400 N. St. Paul, Suite 1300 Dallas, Texas 75201-6806 (214) 720-3800

IN MEMORIAM

We regret to note the passing of:

HERBERT D. THORNTON of Houston who died on September 12, 1989

SPEE HAROLD VANCE FOUNDATION, INC.

Please make your scholarship donations by separate check to "SPEE Harold Vance Foundation, Inc." and mail along with your SPEE dues.
BIographical INFORMATION

POSITION 1

Arlen L. Edgar is an independent petroleum investor and consultant in Midland, Texas. In 1957 he received a B. S. Degree in Petroleum Engineering from the University of Texas and was selected as a Distinguished Engineering graduate of that institution in 1981. He worked for the predecessor to Amoco Corporation, a Midland consulting firm, Tipperary Corporation in Australia and Midland and was General Manager of Western States Producing Company. Since 1973 he has been self-employed. He was 1981 President of SPE, 1986 President of AIME and is currently Chairman of the SPE Foundation.

Roy C. Williamson, Jr. graduated from the University of Oklahoma with honors in 1956 with a Bachelor of Science in Petroleum Engineering and Geological Engineering. He served in the military from 1956-1958. Upon his discharge from the military he worked at Gulf Oil Corporation as a Petroleum Engineer from 1958-1967. He then went to work at Leibrock, Landreth, Campbell & Callaway (now Williamson Petroleum Consultants, Inc.) as a reservoir engineer and is currently president of that company. He is a past director of the Independent Petroleum Association of America and the Permian Basin Petroleum Association.

POSITION 2

Thomas P. Mehlberg received a B. S. Degree in Civil Engineering from the University of Washington in 1968. He joined Humble Oil & Refining (now Exxon) in Kingsville, Texas in 1968. After 10 years of various reservoir engineering assignments with Exxon in Texas and California, he joined Crocker National Bank. Currently, he is employed by Trust Company of the West in the evaluation of oil and gas properties for investment by pension funds. Tom has been a member of SPE since 1969 and SPEE since 1979 and has served on various committees for each organization.

Orhan M. Salman joined Security Pacific National Bank in 1977 as Chief Evaluation Engineer. Previous experience includes petroleum evaluation engineering, petroleum reservoir engineering, production and drilling engineering and management experience. He is a graduate of Ohio State University with a B. S. in mining engineering in 1948, and the University of Southern California with M. S. in Petroleum Engineering in 1950. (18 Units toward PhD). He is a member of Pi Epsilon Tau (National Petroleum Engineering Honor Society), SPEE, AAPG, and is a registered Petroleum Engineer in California, New Mexico and Texas. He is a U. S. citizen (born in Turkey in 1925).

POSITION 3

P. Dwight Purcell is owner and President of Tellco Petroleum Corp. and manages personal investments. He is a 1957 P. E. graduate of The University of Texas. His 32 years of experience is equally divided between industry and banking. In banking, he was with Texas Commerce, MBank, and Premier. In industry, he worked for Shamrock, Tenneco and May Petroleum, where he was Sr. Vice President of Acquisitions. He also was an owner and President of Chapco Drilling Inc. and PCH Exploration, Inc.

Gary S. Swindell received a B. S. degree in Geological Engineering from the University of Oklahoma and was employed by Ensearch Exploration (formerly Lone Star Producing Company) as district engineer of the company's North Texas district until September 1980 when he formed an evaluation consulting firm. He is registered in Texas and Pennsylvania and is author of several articles and papers on the Hardeman Basin.
BALLOT FOR DIRECTORS

SOCIETY OF PETROLEUM EVALUATION ENGINEERS

Each Director will serve for a three year term.

Please vote for one Director for each position:

<table>
<thead>
<tr>
<th>DIRECTOR POSITION</th>
<th>NAME</th>
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<tbody>
<tr>
<td>1</td>
<td>ARLEN L. EDGAR</td>
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<td></td>
<td>ROY C. WILLIAMSON, JR.</td>
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<td>2</td>
<td>THOMAS F. MEHLBERG</td>
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<td></td>
<td>ORHAN M. SALMAN</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>P. DWIGHT PURTELL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GARY S. SWINDELL</td>
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Return the Ballot to be received before December 15, 1989 be counted.

Sincerely,

Chapman Cronquist
President

NO._________
SPEEE LEEVES

Herb Poyner will probably not miss another SPEEE luncheon for fear of being pronounced dead again. At the September luncheon one of our esteemed members mentioned to Carle Sharp that Herb Poyner had passed away. Unbeknownst to Carle, the esteemed informant had gotten Herb’s last name mixed up with someone else. As you would suspect, everyone was in shock when Carle announced Herb’s fate. For those who have not heard, Herb Poyner is, in fact, still alive and well!!! . . . . Lou Powers has been busy lately. On October 11, 1989, he appeared on the Channel 8 Barbara Ford special telecast in Houston. The topic, Oil and Gas Exploration with Emphasis on the USSR, was discussed by Lou, Salem Akhter (University of Texas Research Science Associate), and Dick Martin (Middle East consultant). Most recently Lou entertained the Gulf Coast Chapter of the AAPG with a speech concerning the oil and pricing outlook for the 1990’s. Chap Cronquist has left Gruy to work on his own - good luck, Chapi! . . . . Fred Diggle, with First City Bank, has decided to take some time off. Maybe we will see him at the Annual Meeting! . . . . Scott Isaac, age 15 - son of Bud and Kaye Isaac - representing Littleton High School won the 1989 Scripps Howard National Spelling Bee in Washington, D. C. last week in May. Congratulations Scott!!

NEW MEMBER APPLICATIONS

Pursuant to Article IV, Section 1 of the By-Laws, the following applicants have been reviewed and approved for membership in the Society of Petroleum Evaluation Engineers. The names, along with the names of their sponsors, are being presented to the membership of the Society.

"If no objection is received within 30 days, the applicant shall be notified of his election".

APPLICANT

Peter Lynn Bauerlein
Concord Oil Company
1500 Alamo Building
San Antonio, Texas 78205

Milton William Braden
Wolverine Exploration Company
42 Bounty Road E.
Fort Worth, Texas 76132

Granville Carter
Atwater Consultants, Ltd.
318 Camp Street
New Orleans, Louisiana 70130

Carl Edward Haskett
Haskett Associates
P. O. Box 131567
Tyler, Texas 75713

Richard Jackson Keeling II
Helmrich & Payne, Inc.
816 W. Baton Rouge
Broken Arrow, Oklahoma 74011

Michael Ford McKenzie
D-O-R Engineering, Inc.
P. O. Box 51707
Lafayette, Louisiana 70505

Frank John Marek, Jr.
7822 Glenn Eagle
Dallas, Texas 75248

John Robert Pielsacketer
OXY USA Inc.
P. O. Box 300
Tulsa, Oklahoma 74102

Tung Kuan Yu
Columbia Gas Development Corp.
5847 San Felipe, Suite 2600
Houston, Texas 77057

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7822 Glenn Eagle
Dallas, Texas 75248

John Robert Pielsacketer
OXY USA Inc.
P. O. Box 300
Tulsa, Oklahoma 74102

Tung Kuan Yu
Columbia Gas Development Corp.
5847 San Felipe, Suite 2600
Houston, Texas 77057

CHAPTER NEWS

LOCAL CHAPTER OFFICERS

DALLAS
Chairman
Gary S. Swindell
Vice Chairman
Eddy Ray Ayres
Secretary Treasurer
Earl Krieg

DENVER
Chairman
Robert J. Doubek
Vice Chairman
Reed Ferrill
Secretary Treasurer
Paul Kerth

HOUSTON
Chairman
Carle F. Sharp, Jr.
Vice Chairman
Paul Kerth
Secretary Treasurer
Fred Diggle

TULSA
Chairman
Richard B. Banks
Vice Chairman
Dwayne Godsey
Secretary Treasurer
James M. McUsic

DALLAS

The Dallas Chapter continues to meet the third Thursday of each month at the downtown Petroleum Club. Recent speakers have included Randy Neal, President of UPCA, on future developments in economics software; a travel film by Ray Harr and coalbed methane developments.

The chapter is active in planning the Dallas Energy Council’s Energy Symposium in January, a sequel to last year’s highly successful meeting. The symposium emphasizes interdisciplinary subject and will include papers on environmental regulation, marketing and price trends, gas reserves, and international exploration, among many others. C. Glenn Harrison is a member of the planning committee.

Chapter Chairman, Gary Swindell, has been developing a database of field studies and papers from all over the United States, and it presently references 2500 such studies. The Dallas Chapter is planning to make this database available to other SPEE members, possibly in early 1990. We would like to know of similar projects other members or chapters might have that could be contributed to this work. Please contact Gary Swindell at (214) 987-2847.

We are also formulating a proposed study of severance and ad valorem taxes for all producing states and would like to work with other chapters once a plan can be presented to the SPEE Board of Directors.

DENVER

The speaker for the October 4th meeting was Mr. Ton Petrie of P etrie Parkman & Company. He spoke on A Capital Market Prospective for Energy Investing in the 90’s. Approximately 25 members and their guests were in attendance.

New officers for 1990 are as follows:

Chairman - John D. (Jack) Hailey
Vice Chairman/Program - Reed Ferrill
Secretary/Treasurer - Doug Lang
Membership Chairman - Walter A. King

HOUSTON

A reminder that the Houston Chapter will hold its regular monthly meeting on December 6th and that it is time to elect local chapter officers for 1990. The nominating committee is hard at work selecting a slate of candidates. Plan to attend and vote for your choice.

The speaker for the December 6th meeting will be Keith Dowling, a Vice President of Powera Petroleum Consultants. Keith will present his recent study of Natural Gas Supply and Demand in the year 2000. He will discuss factors that affect supply and demand and the relationship of future gas prices to deliver ability.

TULSA

At the September meeting Dewey Barlett, Jr. spoke on the Department of Energy’s National Energy Strategy hearings held in Tulsa in connection with the Conference of State Legislators.

John Nixi, President of Unit Corp, will speak on “The Future of the Gas Industry in Oklahoma at the November meeting.

SPEEE plans to establish an active chapter in the New Orleans area and is seeking qualified applicants for membership. Any interested party can contact the Local Membership Chairman listed below for additional information.

Skip Wiggins
Atwater Consultants, Ltd.
318 Camp Street
New Orleans, Louisiana 70130
(504) 581-6527
1990 ANNUAL MEETING

Mark your calendar! The Annual Meeting will be held April 29th, April 30th and May 1, 1990, in Santa Fe, New Mexico. More information and registration details will be provided early next year. In the meantime, please let Chuck Brittan know of any topic ideas that you have at (713) 650-6066. Let's shoot for the best turnout that we have ever had, in a City with a splendid mountain setting and a unique cultural heritage.