President's Message

This will be my first official communiqué as 1992 SPEE President. It is truly an honor to serve in this capacity during the historic happenings in our society and industry. At the same time, it is a real challenge to follow in the footsteps of illustrious predecessors. SPEE has been blessed by a long line of impressive leaders. This is a good time to acknowledge the fine service by Chuck Brittan as 1991 President. A tip of the hat is also due to Dick Banks, Bob Doubek and Vaughn Scanland, whose Board terms expired in 1991. Although gone, you are not forgotten, and we look forward to many more years of Society service by you and association with you. New Board members were reported in the December, 1991, newsletter and are listed on the left side of this page along with newly elected officers.

Close scrutiny of the Committee Chairmen and Individual Appointments listings shows two notable changes. Since Fred Haston has assumed the Vice Presidency, he has relinquished his position as Membership Chairman. Rick Garza of Houston has kindly agreed to head membership activities. Chap Cronquist has accepted service as SPEE liaison on the SPE Oil and Gas Reserves Committee.

Enclosed is a copy of the minutes of the January 22, 1992, SPEE Board Meeting. These minutes incorporate discussions and reports which indicate a high level of activity on a Society, Chapter and Committee basis plus an overall healthy Society condition. Cash reserves are adequate, and membership growth is very encouraging (membership stood at 378 on 1-1-92). This is an increase of 12 1/2% over the prior year. Particularly encouraging is the fact that we now have seven junior members and are gaining a significant number of younger regular members, all of which portends well for the future. Fred Haston has done an outstanding job in the membership arena. Vaughn Scanland and Chuck Brittan have consented to comprise an Ad Hoc Committee which will study and recommend changes to the Society's By-Laws and possibly the Articles of Incorporation. More on this subject will follow.

In addition to a new chapter which is gestating in New Orleans (reported in another article in this newsletter), efforts will be focussed on establishing Chapters in Oklahoma City, Calgary and the Los Angeles area.

Also in another section of this newsletter is an update on the status of proposed changes to the SPE Oil and Gas Reserves Definitions.

It's that time of the year again, i.e. time for the Annual Evaluation Parameters Survey Questionnaire (enclosed herewith). The survey results are a popular publication within the petroleum industry and serve a very useful purpose in reflecting opinions of those who deal extensively with oil and gas property values. Your participation in this survey is urged.

The 1992 Annual Meeting is rapidly taking shape. Scheduled for June 14-16 near Jackson Hole, Wyoming, it promises to be a most educational and entertaining event in a spectacular Rocky Mountain setting. Vice President Fred Haston has done an excellent job of planning and program scheduling. Registration materials were sent earlier via separate mailing. Please make plans to attend.

As 1992 evolves, if you have any questions, complaints or suggestions, feel free to submit same to me, another Society Officer, Director or Committee Chairman. One of my personal goals is to visit each chapter during the year in order to make the Society better. Hope to see each of you at the Annual Meeting, if not sooner.

Regards,

Arlen L. Edgar
WELCOME NEW MEMBERS

Scott R. Clark (Jr. Member)
Teton Oil & Gas Corporation
1200 17th St., Suite 2100
Denver, Colorado 80202
303-629-8686

René G. Daigre, Jr.
Daigre & Associates
211 Evangeline Drive
Mandeville, Louisiana 70448
504-845-8103

William E. Deupree
(Jr. Member)
Coopers & Lybrand
1100 Louisiana, Suite 4100
Houston, Texas 77002
713-757-5261

Richard D. George
Axem Resources Inc.
7800 E. Union Ave., Suite 1100
Denver, Colorado 80237-2757
303-740-9000

Byron H. Greaves
Kerr-McGee Corporation
P.O. Box 11050
Midland, Texas 79702
915-688-7000

Don Paul Griffin
Ryder Scott Company
1100 Milam, Suite 3200
Houston, Texas 77002
713-651-9191

Russell K. Hall
Nations Bank of Texas, N.A.
303 W. Wall
Midland, Texas 79701
915-685-2071

John P. Krawtiz
(Jr. Member)
Huddleston & Co., Inc.
1111 Fannin, Suite 1700
Houston, Texas 77002
713-658-0248

Michael L. Laird
M.L. Laird & Associates
P.O. Box 7005
Billings, Montana 59105
406-252-8893

Jeffrey Lam
French Petroleum Inc.
1000 Louisiana, Suite 3350
Houston, Texas 77002
713-739-0750

David W. Lee
Denovo Oil & Gas, Inc.
P.O. Box 4394
Houston, Texas 77210
713-658-8286

Richard J. Miller
Richard J. Miller & Associates
116152 Beach Blvd., #107
Huntington Beach, California 92647
714-375-2790

Daniel Ray Olds
(Jr. Member)
Wintershall Energy
5 Post Oak Park, Suite 800
Houston, Texas 77056
713-850-2510

Nanette Jean Schulz
First Interstate Bank of Denver
12757 W. 7th Avenue
Denver, Colorado 80401
303-293-5175

Jimmy Frank Stinson
K Energy Consultants, Inc.
3555 Timmons Lane, Suite 1100
Houston, Texas 77027
713-840-8510

MEMBERSHIP

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 will be notified his election”.

APPLICANT

William D. Anderson
Netherland, Sewell & Associates
4500 Thanksgiving Tower
Dallas, Texas 75201

Larry A. Barnett
Ralph E. Davis & Associates, Inc.
3555 Timmons Lane, Suite 1105
Houston, Texas 77027

Frederick P. Dwight
Producers Engineering Co.
13831 Northwest Fwy., Suite 245
Houston, Texas 77040

Anna M. Hardesty
L. A. Martin & Associates
5300 Memorial Dr., Suite 540
Houston, Texas 77007

John R. Schuyler
Consultant
15492 E. Chenango Ave.
Aurora, Colorado 80015

John M. Thibeaux
J. P. Morgan Investment Mgt.
1100 Milam, Suite 2000
Houston, Texas 77002

David F. Yard
Columbia Engineering
6957 N.W. Expressway, Suite 118
Oklahoma City, Oklahoma 73132

SPONSORS

C. Glenn Harrison
Randall E. King
Frank J. Marek

Frank M. Foster
Harry E. Orell, Jr.
Joe P. Watson, Jr.

Frank M. Foster
Fred M. Haston, Jr.
Thomas G. Stevens

L. A. Martin
James Wilde
Thurman Pinkerton

Dave O. Cox
Marchall J. England
Walter A. King

Harvey Gold
Russell Long
Robert M. Stephens

Robert W. Gentry
Charles G. Massey
R. Curtis Phillips

SPEE LEEVES

H. J. (HANK) GRUY and A. G. (BERT) GOLDEN announced the formation of H. J. Gruy and Company as a subsidiary of Golden Engineering, Inc. The company will furnish complete engineering services to the industry and is located in Pennzoil Place in Houston. The staff will include Dr. Jim Hartsock, Jim Vincelette and Buz Brown, formerly with Gruy Engineering Corporation, and Ed Krider, Mario Maldonado, Jack Douglas and Dean Rietz, formerly with Golden Engineering, Inc. Mr. Brown will manage the Dallas office of the new company. Mr. Gruy has been the founder and principal of a number of consulting firms, during the last 42 years, and has served most recently as Chairman of the Board of Gruy Engineering Corporation.

After 26 years in the oil and gas business, CHUCK BRITANN has elected to start his own consulting practice, C. L. Britann & Associates, Inc. located at 1100 Milam, Suite 3460, Houston, Texas 77002, telephone 713-650-9713.

ROBERT O. HUBBELL has established an independent consulting office at 8401 Westheimer, Suite 110, Houston, Texas 77063, telephone 713-975-6523.

DAVID KNEPPER decided that downtown was too long a drive and has left DKM Resources to work for STZ Petroleum, Inc. David has owned a small interest in STZ since 1990 and plans to continue evaluating deals for STZ's purchase.
CHAPTER OFFICERS AND MEETING INFORMATION

DALLAS
Chairman: C. Glenn Harrison
Vice Chairman: Frank Marek
Secretary/Treasurer: Doug Lang
Meetings:
- Petroleum Club
  - 3rd Thursday
  - 11:45 A.M.

DENVER
Chairman: Walt King
Vice Chairman/Program: Tom Reagan
Secretary/Treasurer: Allan Heinle
Meetings:
- Various locations
  - 3rd Wednesday of first month of each quarter
  - 11:45 A.M.

HOUSTON
Chairman: Rick Carter
Vice Chairman: Rick Riseden
Secretary/Treasurer: Emmett Wassell
Program Chairman: Harry Saul
Meetings:
- Petroleum Club
  - 1st Wednesday
  - 11:30 A.M.

MIDLAND
Chairman: Buddy Sipes
Vice Chairman: Scott Hickman
Secretary/Treasurer: Louis Moseley
Meetings:
- Bi-Monthly

TULSA
Chairman: Bob Pielsticker
Vice Chairman/Membership: Jack Keeling
Vice Chairman/Program: Leroy England
Secretary/Treasurer: Eddie Hudson
Meetings:
- Oliver's Restaurant
  - 1st Tuesday
  - 11:30 A.M.

CHAPTER NEWS

DALLAS
The chapter's first meeting of 1992 will be held on March 19 at the Energy Club. Mr. Joseph M. Specktor, President, Senior Presentation Analyst - Legal Presentation, Ltd. will speak on “Data Management in Litigation”. All members in attendance will receive a free copy of the Dallas Energy Council Directory while they last.

DENVER
The Denver Chapter held its regular quarterly meeting on January 29th. The meeting was dedicated to discussion of how the local chapter can best serve its members needs. The members present at the meeting agreed that the recent growth rate of about 10% per year was appropriate. It allowed growth of the local chapter while maintaining the integrity and reputation of the group which the members felt was of utmost importance.

The members also agreed to continue meeting quarterly and to include a mix of outside speakers, member presentations, and roundtable discussions at future meetings.

HOUSTON
The Houston Chapter hosted the local chapter of SIPES at the January 16, 1992 meeting. Louis W. Powers, Powers Petroleum Consultants presented the program “Analysis of Congress of the U. S. Office of Technology Assessment Report entitled U. S. Oil Import Vulnerability”.

In February there were 55 members and guests in attendance to hear Dale Steffes speak on ‘National Energy Policy: What It Means to Each Party and 1992 Rig Forecast’ and in March Tom Coffman of TIPRO in Austin was the guest speaker.

On April 1st the chapter will hear G. Mauro, Land Commissioner for the State of Texas who will speak on “Natural Gas Vehicle Legislation and Technology”.

Chuck Watson, President of the Natural Gas Clearinghouse will speak at the May meeting which will be the second Wednesday, May 13, due to a conflict with the Petroleum Club’s Fellowship luncheon. The Petroleum Club will be closed for remodeling from June 15 to September 15, 1992. Other arrangements will be made for the September meeting.

MIDLAND
At the regular Midland Chapter meeting at the Petroleum Club in February, Robert Albrecht of Albrecht and Associates spoke on the various of advising and negotiating sales of oil and gas properties from both the buyers and sellers point of view.

The Midland Chapter, with 24 members as of January 1 this year, was the fourth largest chapter in SPEE. Our newest members, Byron H. Greaves, Russell K. Hall, Joel T. Mays and Ron Strawser were recognized at the February meeting.

TULSA
Frank Eby, Buttonwood Petroleum, spoke on the Energy Advocates Group at the February 4, 1992 meeting.

On March 3 W. Bland Williamson, Attorney with Pray, Walker, Jackman, Williamson and Mariar discussed the recent “PACK vs Santa Fe” decision which cancelled a lease after 60 days cessation of production, while the well was shut-in due to poor gas prices.

NEW CHAPTER PLANNED IN NEW ORLEANS
A tenth SPEE member in the New Orleans area has been secured. In progress is an application for Local Chapter status which, per the By-Laws, is to be submitted to the SPEE Executive Committee for approval. If approved, this would be the sixth SPEE Chapter. Congratulations and thanks are due to Skip Wiggins for his good work in local member recruitment.

MAKE YOUR RESERVATIONS NOW!!

ANNUAL MEETING
Jackson Lake Lodge
Moran, Wyoming
JUNE 14, 15, & 16
Great Slate of Speakers, Snake River Ride and Western Bar-B-Q and Dance
FINALLY!!!!!!

An integrated Economics and Interactive Graphics System that Does it all:

FORECASTING AND EVALUATION SYSTEM (FES):
System input is managed through a screen-oriented facility that includes full screen input, cursor or mouse movement and pop up windows including access to other system files from the property record. And all data items are checked at the moment of input or when the record is stored in order to assure data integrity.

All calculations in FES are performed monthly; hence, FES can guarantee rigorous calculation of ROR at the lease level and at subtotal and grand total levels. Also, FES calculates rigorous payouts and economic limits. (If your system has a limited number of time slots, e.g. 40, you cannot calculate rigorous ROR’s, payouts, economic limits, etc.)

FES calculates from three to 20 times faster than its competitors. And all calculations are stored so that only revised properties need to be recalculated. (FES calculates up to 5,000 leases per hour on 386 microcomputers.)

Data can be input directly into FES/PGS from Dwight’s, PI, OGRB, etc., or from any other data source in any format. Also, you can include your mainframe unique lease code in FES/PGS, thereby providing a “seamless” interface between your mainframe and FES/PGS. FES/PGS can provide an audit trail whenever you make changes to FES/PGS records.

Logical (Boolean) expressions can be used to select any data from the system to be used in report writing. And a generic report writer provides the ability to write reports of any data items in any format including both input and calculated data.

Full partnership splitting is accomplished through the use of entity files. Hence, any system of interest that can be expressed by a network diagram can be calculated by FES. Also, various interest entities can be collapsed.

FES provides rigorous after tax calculations. These calculations are based on tables which may be modified by the user to provide his own tax scenario.

PRODUCTION GRAPHICS SYSTEM (PGS)
PGS is completely integrated with Forecasting and Evaluation System (FES) so that once you finish your decline curve work and transfer the results, they are ready in FES to calculate economics.

PGS allows you to plot hardcopy decline curves on any matrix or pen plotter to fit any preprinted semilog graph paper.

PGS allows you to fit exponential or hyperbolic decline curves interactively for all or selected portions of your data. Or PGS allows you to use your cursor or mouse to pick exponential or hyperbolic decline curves through all or portions of your data.

FullEGA or VGA resolution is available to plot your curves crisply in multiple colors.

Call or write Dick Banks if you would like to increase your productivity when doing property evaluations.