SPEE NEWSLETTER

Houston, Texas  February 1993

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Vice President  C. Glenn Harrison
Secretary/Treasurer  R. Curtis Phillips
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Gerald Sherrod  Grievance
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Newsletter Printer  American Photo Copy and Printing Company
Information  B.K. Starbuck

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PRESIDENT'S MESSAGE

This will be my final column as SPEE President. It has truly been an honor to serve in this capacity and to have the opportunity of visiting with so many of you at the Annual Meeting and at Chapter Meetings during 1992. One of my goals for 1992 was to visit each chapter in the Society. This was accomplished, along with visitation in two areas prospective for chapter establishment (Oklahoma City and Calgary). The Oklahoma City Chapter has now been formed, and plans in Calgary are well underway. One of the recompenses of the chapter visits is witnessing the high level of enthusiasm and participation in local activities. It is also interesting to observe that each chapter has its own "personality."

On the left side of this page is a listing of the Society's 1993 officers elected at the recent Board meeting. Also shown are the directors serving this year. Gratitude for extraordinary service is expressed to the Board members who have just completed their terms of service; Directors Tom Mehlberg and Dwight Partell, plus Chuck Brittan who performed so ably in holding all of the offices from Secretary-Treasurer through Past President. A hearty welcome is offered to new directors Harry Gaston and Russ Long (both from Houston) and Curtis Phillips from Oklahoma City.

Publicized in this newsletter are two important 1993 events. One is the Society of Petroleum Engineers bi-annual Hydrocarbon Economics and Evaluation Symposium to be held in Dallas March 29th and 30th. As was done in 1991, SPEE will host a continental breakfast on Tuesday, March 30th. The second event of note is, of course, the SPEE Annual Meeting scheduled for June 20-22. You are encouraged to mark both events on your calendar and begin making plans to attend.

Also shown herein are current Society membership statistics. Rick Garza has done yeoman service as Membership Chairman, continuing to build on the solid base established by predecessor Fred Haston. The continued expansion of our membership during these difficult times is nothing short of extraordinary. How many other petroleum-related organizations currently exhibiting membership growth can you name?

1993 promises to be an interesting year, albeit one for which predictions are difficult. Following is an excerpt from Forbes Magazine (December 23rd issue) which sums up the current situation quite well.

"At this juncture I don't want to indulge in any forecast. Why? Because there are so many crosscurrents at work and so many important uncertainties ahead that I find it impossible to reach any definite conclusion as to how things are likely to go during the next 12 months."

At this point you're probably thinking "so what else is new?" Actually, a bit of trickery is involved. The article was not published on December 23, 1992, but 1922 - 70 years ago (written by B.C. Forbes himself). This shows that there really isn't much new under the sun. Possibly these words also will accurately describe the matters in 2062.

On that philosophical note I'll say "adios" and hope our paths cross in 1993.

Regards,
Arlen L. Edgar

ATTENTION!!

The SPEE Annual meeting is to be held one hour outside of San Francisco in the beautiful Napa Valley at Silverado Resort, June 20-22, 1993. Wine country tours, picnics art galleries, shopping and renewing friendships. More details to follow!
WELCOME NEW MEMBERS

J. Stephen Bausch
AA Production, Inc.
2807 74th Street
Lubbock, Texas 79423
(806) 748-8512

Larry Connor
Ryder Scott Company
1100 Milam, Suite 3200
Houston, Texas 77002
(713) 651-9191

Stuart Lee Filler
Amax Oil & Gas
1300 W. Sam Houston Pkwy. S.
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(713) 978-7700

James Albert Glanzner
Freeport-McMoran Oil & Gas Co.
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New Orleans, Louisiana 70112
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G. Michael Harper
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(713) 268-7111

Florence S. Hughes
Williamson Petroleum Cons.
1010 Lamar, Suite 1000
Houston, Texas 77002
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John Bradley Juneau
Zilkha Energy Company
1201 Louisiana, Suite 3200
Houston, Texas 77002
(713) 655-5924

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Golden Colorado 80401
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Oklahoma City, Oklahoma 73112
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Texas Energy Sources, Inc.
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Midland, Texas 79708
(915) 683-1814

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Platt, Sparks & Associates
925-A Capitol of Texas Hwy.
Austin, Texas 78746
(512) 327-6930

NEW CHAPTERS

The Oklahoma City Chapter of SPEE has now been officially organized, making it the seventh local chapter. This milestone was achieved thanks to the membership recruiting efforts by Chuck Massey and Curtis Phillips. Chuck is a former member of the SPEE Board of Directors and is Chairman of the Production Tax Survey published annually by SPEE. Curtis begins a three-year term on the Board in 1993.

In November, 1992, David Tutt organized a meeting of current and prospective members of SPEE. The purpose was to assess the viability of establishing a chapter of SPEE in Calgary. Arlen Edgar, 1992 SPEE President, made remarks introducing the Society and the benefits of belonging. Of the approximately 26 in attendance, some 20 were prospective members. Subsequent events indicate considerable interest in increasing the Calgary membership and establishing a chapter.

MEMBERSHIP STATISTICS

Current membership as of 2-1-93 ............ 397
Applications being processed .................. 22

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CHAPTER OFFICERS AND MEETING INFORMATION

DALLAS
Chairman: Frank Marek
Vice Chairman: Edward P. Miesch
Secretary/Treasurer: William D. Anderson
Meetings: Petroleum Club
3rd Thursday
11:45 A.M.

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

HOUSTON
Chairman: Rick Riseden
Vice Chairman: Emmett Wassell
Secretary/Treasurer: Ray Garcia
Program Chairman: Allen Barron
Meetings: Petroleum Club
1st Wednesday
11:30 A.M.

NEW ORLEANS
Chairman: Gene B. Wiggins III
Vice Chairman/Program: Max Maxwell
Secretary/Treasurer: Denton Copeland
Membership:
Meetings: Petroleum Club
3rd Wednesday
11:30 A.M.

MIDLAND
Chairman: David G. Griffin
Vice Chairman: Joe Neal
Secretary/Treasurer: Jack Black
Membership: Joel Castello
Meetings: Bi-Monthly

TULSA
Chairman: Leroy England
Vice Chairman/Membership: Randal Maxwell
Vice Chairman/Program: Bob Plesticker
Secretary/Treasurer: Bill Southmayd
Meetings: Oliver’s Restaurant
1st Tuesday
11:30 A.M.

CHAPTER NEWS

DALLAS
The chapter held a meeting on October 22 at the Energy Club. Mr. Alton Smith with McAndrew & Associates spoke to the group about options for exploration capital in the 1990’s. The meeting was attended by sixteen members and guests.

The November meeting of the SPEE Dallas chapter was held on November 19 at the Petroleum Club. Nineteen members and guests enjoyed an interesting presentation on the state of technology in the C.I.S., by Brian Ausburn. Mr. Ausburn is with J.R. Butler & Company in Houston.

The chapter did not meet in December or January. The next meeting is scheduled for February 18, 1993. The speaker will be Mr. Daniel Johnston of Daniel Johnston & Co., Inc. Mr. Johnston has extensive international experience and will speak on the topic of international production sharing agreements.

DENVER
Our 4th Quarter, 1992 meeting was held on October 21, 1992 at the Board Room of the Colorado National Bank. Attending were 22 members and guests. The speaker was Conley P. Smith, owner of Conley P. Smith, Oil Producer. Mr. Smith spoke on “The Alternative Minimum Tax and Its Effect on the Value of Producing Properties.”

Our January Meeting was held at 11:30 a.m. on January 20, 1993 at the Board Room of the Colorado National Bank. The subject was “Have Your Table Manners Gone Out To Lunch?” The speaker was Red Foot, Division Manager for Food Services of Colorado National Bank and Board Member of International Food Service Executives Association.

In April, Allan Heinle will moderate our yearly round table discussion of ethical issues.

HOUSTON
Election of Houston Chapter officers for the 1993 year was held at the December 2 meeting. The following slate of officers will serve:

Chairman - Rick Riseden
Vice Chairman - Emmett Wassell
Secretary/Treasurer - Ray Garcia
Program Chairman - Allen Barron

Joe M. Hawkins, ResTech, was the speaker and presented a talk on “Predicting Unknown Water Levels and Quantifying the Uncertainties.”

SPEE member, Brian Ausburn, President of J.R. Butler and Company was the speaker at the January 6 meeting. He discussed “Recent Experiences in the Orenburg Region, Russia.”

The February meeting had a panel discussion on “Expert Witness in Oil and Gas Matters.” The panel consisted of Judge Wyatt Heard, Ron Harrell of Ryder Scott and Barry K. Van Sandt. There were approximately 60 members and guests in attendance at this interesting meeting.

MIDLAND
Officers elected for 1993 were as follows:

Chairman - David G. Griffin
Vice-Chairman - Joe Neal
Secretary/Treasurer - Jack Black
Membership - Joel Castello

Meetings are scheduled every other month. In February, Mr. Joel S. Castello, President of NCI Enterprises, gave a talk entitled “A Review of 3-D Seismic Activity in Scurry County, Texas.” NCI specializes in 3-D exploration and producing property acquisition primarily in West Texas area of the Permian Basin.

The Chapter now has a total of 29 members with 2 applications pending. The next regularly scheduled meeting is April 6, 1993.

NEW ORLEANS
Guest speaker for the November 18th meeting was Mr. Bill Harris, Director of Internal Audit for Freepport-McMoran, Inc. who spoke on the accounting concept of “book value” as it relates to the purchase and sale of oil and gas properties. Mr. Patrick S. Neale, Geology Supervisor for Chevron Corporation’s Bay Marchand Profit Center, presented a talk at the December 16th meeting entitled “Modern Technology in an Old Area -Bay Marchand Field Revisited.” A roundtable discussion was conducted at the January 20th meeting on the topic of “Professional Ethics in Petroleum Property Evaluation.”

The New Orleans Chapter currently has 14 members, with four applicants awaiting membership approval. The chapter meets at the Petroleum Club on the 3rd Wednesday of each month at 11:30 a.m. with no meetings during June, July and August.

TULSA
The Tulsa Chapter of SPEE meets monthly on the first Tuesday of each month. In October the luncheon meeting had Mike Baker of ONG discussing Opportunities In Using CNG and in November there was an open forum with attendees invited to present their ideas, opinions and problems concerning Oil and gas appraisals for open discussion.

In December there was a special dinner meeting with Richard Spears of Spears and Associates presented a program on Recent Travels in Russia.

The Tulsa Chapter has elected a new slate of officers for 1993. They are as follows:

President - Leroy England
Vice President (Programs) - Randal Maxwell
Vice President (Membership) - Bob Plesticker
Secretary/Treasurer - Bill Southmayd
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SPEE MEMBERS ARE HOSTS

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COMEDY CORNER

A banker called an oilman to the office to review his loans.

"We loaned you a million dollars to revive your wells, and they went dry," he said. "Coulda been worse," the oilman replied.

"Then we loaned you another million dollars to drill new wells and they all turned out to be dry holes." "Coulda been worse," the oilman replied.

"Then we loaned you another million dollars to buy new drilling equipment, and it all broke down." "Coulda been worse," he said again.

"I'm tired of hearing that!" snapped the banker. "How could it have been worse?"

The oilman replied, "Coulda been my money."