President's Message

With football season in full swing, hunting season underway and cooler air moving in - it's apparent that we are coming into the last lap of 1993. The year has been another lean one for our contracting industry, but there are some positive things happening - horizontal drilling technology continues to create new exploration and development opportunities, rigs are scarce in the Gulf of Mexico and the "94 strip price" (12 month average price) for natural gas on the NYMEX is in the range of $2.25 mmbtu. I am cautiously optimistic that we will see continuing improvement in our industry next year.

Here is an update on some of the things that are going on in SPEE:

* We are continuing to receive comments on SPEE's Strategic Long Range Plan. Glenn Harrison will be reviewing and consolidating the comments preparatory to discussion of the plan with the Board in January and implementation beginning in early '94.

* Jim Eisterhold has volunteered to conduct a study/survey of the state registration requirements in the primary oil and gas states. Certain states are now requiring a specified number of hours of continuing education in order to maintain registration while other states are considering or planning on similar requirements. The results of this survey will be made available to our members.

* Our membership in Calgary is approaching the minimum number required to establish a chapter (10). We have a goal of establishing this new chapter before our annual meeting there next year.

* The Professional and Public Affairs Committee, chaired by Sam Singer, is evaluating and monitoring developments in the following two areas which could be of considerable importance to our members who are engaged in consulting:

  1) Federal/State requirements to be a licensed real estate appraiser in order to do evaluations on certain oil and gas properties for federal institutions - which includes banks that are members of the Federal Reserve system.

  2) The possibility of introducing and passing legislation to provide significant liability protection for consulting engineers.

* The 1993 SPEE Evaluation Parameters Survey was published in the Oil and Gas Journal following our Annual Meeting and SPEE has now been approached by the Journal to have the survey put on their new electronic bulletin board. Les Nemeth and Mike Roberts are looking into this possibility.

The Nominations Committee, headed by our immediate Past President, Arlen Edgar, has submitted the names of six members to run for three seats on the Board of Directors. Each position will be for a 3 year term commencing January 1, 1994. Enclosed with this Newsletter you will find a list of the candidates and a ballot for your use. Please exercise your voting right.

Our next Newsletter is scheduled for January 1994. Therefore, although it seems a bit early, I wouldn't want to miss the chance to say to you: "Season's Greetings and Best Wishes for a prosperous 1994!"

Regards,
Fred M. Haston, Jr.
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 membership of the Society.

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

APPLICANT

William Lee Abernathy
Vintage Petroleum, Inc.
42 One Williams Center
Tulsa, Oklahoma 74174

Thomas Dale Badgwell
BADGWELL & HAAS
1525 Elm Street, Suite 2030
Dallas, Texas 75201

Russell B. Bertholf
Harold W. Bertholf, Inc.
1601 Executive Ct., Suite 1
Sacramento, California 95864

Joe Cliff Bullard
Bcp Resources, Inc.
13700 Veterans Memorial Dr.
Suite 225
Houston, Texas 77014

Andrew R. Fair
Self-Employed
279 Casa Grande Dr.
Houston, Texas 77060

Ralph E. Hughes
McDaniel & Associates Consulting Ltd.
2200 Bow Valley Square 3
255 - 5th Ave. SW
Calgary, Alberta T2P 3G6
Canada

Richard Alan Johnston
Don Ray George & Associates
1604 Rio Grande
Austin, Texas 78701

Steven R. Maley
CNG Producing Company
1450 Poydras
New Orleans, Louisiana 70112

Keith Brian Masters
Don Ray George & Associates
1604 Rio Grande
Austin, Texas 78701

Robert Winston Rasor
Miller and Lents, Ltd.
1100 Louisiana, 27th Floor
Houston, Texas 77002

SPONSORS

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Randy King
Robin LeBleu

Edward Miesch
Tom Calhoun
Dwight Purcell

Harold Bertholf
James Weddle
Jon Crawford

Roy Williamson
Russ Long
John Warner

Amiel David
Russ Long
Buddy Sipes

David Tutt
Glenn Robinson
Walter Wright

James D. Hughes
T. Scott Hickman
Kerry Pollard

Richard Miller
Max Maxwell
Robin LeBleu

James D. Hughes
Danny Wilson
Kerry Pollard

James Hartsough
Earl Krieg
Marilyn Wilson

MEMBERSHIP COMMENT

This is the first of what is hoped to be many regular articles meant to enhance the quality of our NEWS- LETTER. There are many talented people in SPEE that have experiences, thoughts and ideas to share with other members on ANY items of specific interest to any "evaluation engineer". This would include reports associated with strengthening SPEE's monitoring of legal and legislative developments that impact the evaluation process and the evaluation engineer, changes in Severance Tax rules, etc. Also, this column could serve as a way of referencing articles in other publications that are of particular interest to SPEE members. There are a number of quality articles that some of us may have missed; this column could reference the article and possibly provide a quick summary of it. Or this column could simply be whatever its members want it to be - its evolution depending on your input.

Like evaluation work itself, the SPEE is not meant to be "general". Because reserve evaluations and the evaluation engineer are really pieces to a bigger puzzle, it is important that we do not lose sight of the importance of remaining abreast of related areas. How do we receive "input" for this column? If you have an item of interest, either call or drop a note to Jim Patterson or B. K. Starbuck, P.O. Box 27709, Houston, Texas 77227. This column will attempt to acknowledge the name of the individual contributing the salient point of interest.

WELCOME NEW MEMBERS

James Michael Drennen
Devon Energy Corporation
20 N. Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

Catherine H. Norwood
(Jr Member)
T. Scott Hickman & Assoc.
550 W. Texas, Suite 950
Midland, Texas 79701

Rick Alan McGee
Graham Energy Services, Inc.
109 Northpark Blvd.
Covington, Louisiana 70433

Danny Dale Simmons
Netherland, Sewell & Assoc.
4500 Thanksgiving Tower
Dallas, Texas 75201
SOCIETY OF PETROLEUM EVALUATION ENGINEERS

CANDIDATES FOR THREE YEAR TERMS ON BOARD OF DIRECTORS
BEGINNING JANUARY, 1994
(Listed Alphabetically)

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Dallas, Texas

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R. T. Garcia & Company, Inc.
Principal
Houston, Texas

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Vice President - Director
New Orleans, Louisiana
CHAPTER OFFICERS
AND MEETING INFORMATION

DALLAS
Chairman: Frank Marek
Vice Chairman: Edward P. Miesch
Secretary/ Treasurer: William D. Anderson
Meets: Southland Center Hotel
3rd Thursday
11:45 A.M.

DENVER
Chairman: Walt King
Vice Chairman/Program: Tom Ragan
Secretary/ Treasurer: Allen Heine
Membership:
Dave O. Cox
Meets: Various locations
3rd Wednesday of first month of each quarter
11:45 A.M.

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

NEW ORLEANS
Chairman: Jim Haag
Vice Chairman/Program: Max Maxwell
Secretary/ Treasurer: Paul Loveless
Meets: Petroleum Club
3rd Wednesday
11:30 A.M.

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

OKLAHOMA CITY
Chairman: Charles G. Massey
Vice Chairman (Program): J. Kent Smith
Vice Chairman (Membership): R. Curtis Phillips
Secretary/ Treasurer: Richard A. Brown
Meets: Every other odd numbered month

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

CHAPTER NEWS

DALLAS
The October 21, 1993 meeting of the Dallas Chapter will host Mr. Mark Doering as the speaker. His topic will be "Acquisition Pitfalls: Operating Cost Forecasts".

"How Do Wellhead Prices Affect Reserve Values?" will be discussed by William Streig and Donna McClure at the November 18 meeting.

The chapter meets the third Thursday of the month and will be meeting at the Southland Center Hotel.

DENVER
The next Denver Chapter meeting will be held on Wednesday, October 20, 1993, at the Board Room of the Colorado National Bank building. The lunch meeting will begin at 11:30 AM.

Our speaker will be Monte Deckard, Vice President, Colorado National Bank. Mr. Deckard's topic will be: "Financing The Small Exploration And Production Company".

In addition, Officers for 1994 will be elected. The Denver Section nominating committee, Jack Haley - Chairman, will present their nominations. Nominations will also be taken from the floor.

At our July 21, 1993 meeting, Dave Cox spoke on "Coal Bed Methane Wells - Forecasting Production and Reserves". Twenty-six members and guests attended the meeting.

HOUSTON
The Houston Chapter has resumed regular meetings following the summer break. The September meeting had a near overflow crowd to hear Author Anderson Partner Victor Burke's presentation of their annual reserve survey. Many also plan to attend the October meeting where Dr. Jim Hartsock with H. J. Gray and Company will present his paper titled "So You Want to do Risk Analysis?"

The Chapter also plans the following programs for November: Panel Discussion of Economics Software, and for December: Property Sales Package Fermias.

Regular meetings are held the first Wednesday each month at the Petroleum Club. Reservations can be made with B. K. @ 651-1639.

MIDLAND
On August 8, 1993 the Midland Chapter heard a presentation entitled "Environmental Considerations With Ownership Transfer of Oil & Gas Properties" by Bob Booth with Joe C. Neal & Associates.

The October 12, 1993 program will be presented by Sid Smith, Senior Vice President and Petroleum Engineer for Midland National Bank in Midland, Texas. Mr. Smith will discuss "Current Banking Trends in Energy Finance".

The Midland Chapter currently has a total of 31 members with 5 applications pending. We regret that Sloan J. "Jack" Black has resigned because of his move to Krum, Texas. Jack served ably as our Secretary/ Treasurer and we appreciate the contributions that he made to our Chapter.

Joe Neal, Vice-Chairman, organized our annual "social" which consisted of an evening at the Midland Summer Mummers presentation of "Roguery on the River" or "The Great Goober Grab".

We are pleased and excited to announce that our own Arlen Edgar will receive the prestigious 1993 SPE DeGoyler Distinguished Service Medal which recognizes distinguished and outstanding service to the Society of Petroleum Engineers, to the professions of engineering and geology, and to the petroleum industry.

Congratulations Arlen for this deserved recognition!

NEW ORLEANS
The Chapter Chairman, Mr. Rene G. Daigue, Jr, has relocated to Denver and will continue his SPEE activities there. Jim Haag was chosen as new Chairman for the 1993/1994 term. Max Maxwell will continue as Vice Chairman and Paul Loveless will move into the Secretary/ Treasurer position. The Membership position will be filled soon.

The New Orleans Chapter held its last meeting in September. The guest speaker was Mr. Nigel S. Gladvoll of Anderson and Anderson, Inc. who spoke on "Insurance and Oil and Gas Properties". At the upcoming meeting on October 20, Mr. Fred M. Haston, Jr., SPEE President, will speak on the current focus and outlook of the SPEE.

OKLAHOMA CITY
The Oklahoma City Chapter held their noon luncheon at the Petroleum Club on September 23, which was attended by seven members and three guests. The program consisted of an informal round table discussion on the Code of Ethics of Engineers promulgated by the ABET, the Accreditation Board for Engineering and Technology.

There was considerable confusion regarding the suggested guideline for use with the fundamental Canon of Ethics Item 4.D.1. It was the general consensus that consultants were free to solicit employment from clients who were or were not presently utilizing other consultants.

The next meeting is scheduled for November 4.

TULSA
A joint meeting of the SPEE and the American Society of Appraisers will be held at Oliver's Restaurant on Tuesday, October 5, 1993. Mr. Tim Dowd, an attorney with Wozka, Hazbrock & Dowd, will be speaking on "Environmental Risk Impacting Appraisal Values/ Legal Aspects in Oil and Gas and Real Property Appraisal."
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COMEDY CORNER

Rumor has it that a new unit of velocity is under consideration in the United Kingdom - furlongs per fortnight.

Donald L. Horton, P.E.
Energy Consultant

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