President's Letter

Those of you who missed the Annual Meeting in Williamsburg missed a very memorable occasion. Those who enjoyed the hospitality of the “Elegant South” had a chance to observe the countryside that hosted the birth of our nation. I surely thank Skip Wiggins and his many helpers for such a wonderful time with old and new friends.

A number of progressive steps for the SPEE were announced at the annual meeting. Some of the topics were:

a. The first meeting of the Past President's Council was held. The Council is intended to provide the SPEE Board of Directors with advice on important issues and to suggest long-term goals for the Society.

b. The SPE/WPC reserve definition revisions were discussed and a SPEE by-laws amendment was drafted in response to the revisions (see By-Law Amendments on page 5 of this newsletter).

c. An updated draft of Monograph 1 to recognize the new definitions was submitted by Brian Ausburn's committee for review by the Executive Committee and the SPE Oil and Gas Reserves Committee.

d. A new classification of membership was proposed (see proposed By-Law Amendments on page 5).

e. A new Chapter in Fort Worth was proposed.

f. Membership is now up to 485 (466 this time last year).

g. Next year's annual meeting will be in Carmel-Monterey, California, June 5-9, 1998.

I encourage each of you to please consider the By-Law Amendments presented in this newsletter. These amendments were discussed in great detail and were passed in the Executive Committee and Board of Directors meetings. They were then submitted to and were passed by the members attending the annual meeting. These steps are required in order to now submit them to you for your consideration. Your officers and Board endorse the proposed amendments; I hope that you will too. Please fill in the form and return it to B.K. as soon as possible.

Forrest
SPEE Officers, Board of Directors
1997

Officers
President.............................. Forrest A. Garb
Vice President........................... Gene B. (Skip) Wiggins, III
Secretary/Treasurer..................... Andrew A. Merryman
Past President.......................... D. Russell Long

Directors
William D. Anderson
Ricardo E. Garza
J. D. Hughes
J. Douglas Lang
Richard J. Miller
Kerry A. Pollard
J. Glenn Robinson
John Thibeaux

Committee Chairmen
Evaluation Parameters Survey ............. Kerry A. Pollard
Fair Market Value .......................... D. Russell Long
Gas Imbalance .................................. Richard B. Banks
Grievance ..................................... John N. Black
Internet ..................................... Gary Swindell
Inter-Profession ................................ Sam Singer
Membership .................................... Charles R. Vanorsdale
Newsletter Manager ..................... Jon E. “Rick” Riseden
Nominating Committee .................. R. Curtis Phillips
Past Presidents Council ................... Arlen Edgar
Qualifications ............................... M. Vaughn Scanland
Reserve Definitions ....................... Brian Aushum

Individual Appointments
Annual Meeting Advanced Planning .......... Richard J. Miller
Chapter Coordinator .................... J. D. Hughes
1997 Directory ................................ Raymond Garcia
Production Tax Summary .................. Charles G. Massey
Professional and Public Affairs ........ James F. Eisterhold
Publicity Director ......................... M. Fred Duewall
Historian ...................................... Herbert Poyner
Liaison Representative on SPE ............ Chapman Cronquist
AD HOC - Foreign Meeting ................. Paul Clevenger
Investigation Committee ................... Dave Tutt

Others
Newsletter Editor ......................... Diane Pollard
Information ................................. B.K. Buongiorno
........................................ 713-651-1639
Fax ........................................ 713-951-9659

Chapter Officers
1997

CALGARY
Glenn Robinson, Chairman
Robert Odd, Vice Chairman
Mike Brusset, Secretary-Treasurer
David Tutt - Past Chairman and Membership Coordinator
(3rd Tuesday of each month excluding July and August)

CENTRAL TEXAS
S. Tim Smith, Chairman
Richard A. Johnston, Vice Chairman
Wayman T. Gore, Jr., Co-Membership-Austin
Paul Clevenger, Co-Membership-San Antonio
Michael Horne, Secretary-Treasurer
(Quarterly - Austin Country Club)

DALLAS
Fred Duewall, Chairman
Bob Ravnaas, Vice Chairman
Robert Blair, Secretary-Treasurer
Mark Doering, Membership Chairman
(Bimonthly - September through May - City/Place)

DENVER
M. J. (Jack) England, Chairman
Larry T. Nelms, Vice President/Program
Steve Gilbert, Secretary-Treasurer
Nanette Schulz - Membership Chairman
(2nd Wednesday of first month of each quarter - Hersher Room - One Norwest Center)

HOUSTON
Jim Eisterhold, Chairman
Marilyn Wilson, Vice Chairman
Fred Goldsberry, Secretary-Treasurer
Dan Olds, Program Chairman
(1st Wednesday of each month - The Petroleum Club of Houston)

MIDLAND
Scott Epley, Chairman
Cathy Norwood, Vice Chairman
Mike Black, Secretary-Treasurer
Dean Elland, Membership Chairman
(Bimonthly)

NEW ORLEANS
W. Denton Copeland, Chairman
Tim Brookover, Vice Chairman
James A. Glanzer, Secretary-Treasurer
(1st Wednesday of each month)

OKLAHOMA CITY
Richard A. Brown, Chairman
Brian Powley, Vice Chairman/Membership
Max Holloway, Chairman/Programs
Frederic E. Ferris, Secretary-Treasurer
(Every other odd numbered month)

TULSA
Robert E. Burlingame, Chairman
Sharon Voskuhl, Vice Chairman/Programs
J. R. Pielslock, Vice Chairman/Membership
Robin LeBlanc, Secretary-Treasurer
(1st Tuesday of each month - Petroleum Club)
Chapter News

CALGARY
The Calgary chapter currently has 16 members, with 7 applications awaiting SPEE membership committee approval.

With our growing membership and evaluation issues that must be addressed, we have increased our meetings to 10 per year. They are currently scheduled for the third Tuesday of every month, excluding July and August. Every second meeting will be used to address evaluation issues amongst the membership.

The Calgary chapter membership is presently developing a policy with regard to constant prices and costs to be used for public disclosures and also for ceiling tests used in the Canadian oil and gas industry. This and other policies will form part of a manual to record our views on particular evaluation issues.

CENTRAL TEXAS
The Central Texas chapter consists of members from Austin, San Antonio and the surrounding areas. Our last meeting was held July 25th at the Austin Country Club, followed by a golf outing at Lost Creek Country Club. Past President D. Russ Long spoke on the new SPE/WPC reserve definitions. The following new officers were elected: Chairman - Tim Smith, Vice Chairman - Rick Johnston, Secretary/Treasurer - Michael Horne, Membership for San Antonio - Paul Clevenger and Austin - Wayman Gore.

DALLAS
The Dallas chapter has welcomed four new members since February. They are Gavin Garrett, Dee Patterson, Phillip Crouse, and Eric Hyman. Total membership for the Dallas chapter now stands at 42 (with 10 members from Fort Worth). We continue to solicit membership applications from our many guests and have expanded our fax list to attract more visitors to our meetings.

Luncheon meetings are held bimonthly from September through May. No meetings are held during the summer months. Plans are being made to move our meeting location to the Petroleum Club downtown. We believe this will increase our meeting attendance.

We continue to schedule topics of current interest. Speakers this past year have discussed reserve classification and 3-D seismic, E & P trends, the changing environmental laws, and the role of the petroleum professional in litigation. Talks for the coming year include topics such as estate tax valuation, engineering report due diligence, market value royalty determination, ad valorem tax assessment and others.

DENVER
The Denver chapter has held two quarterly meetings. On January 8th, Ronald D. Smith, Sr. Vice President, Anderson International Corp., addressed the chapter regarding the political and economic risks of doing business in the Russian energy sector. Twenty-four members and guests were present.

On April 10th, Allen Rheem, VP of Wells Fargo Bank, discussed the commercial bank's view of production loans for independent producers including loan criteria and maintenance of client relationships. This was the Denver chapter's first meeting at its new site, the Hersher Room - One Norwest Center. Despite the heavy snow, 30 members and guests were in attendance.

The July 10 meeting will have Ronald Harrell, Executive Vice President of Ryder Scott Company, speak on "Independent Evaluations - Why Reserve Estimates Differ." Mr. Harrell will discuss reserve differences which result from uncertainties of reserve definitions, items that impact revisions over time and the reasons for differences in reserve estimates prepared by different evaluators. Recommendations for maintaining consistency among evaluators will be presented.

Currently, Denver chapter membership stands at 42 members, one junior member and no outstanding applications.

HOUSTON
The Houston chapter continues to meet monthly at the Houston Petroleum Club, with the exception of the summer months, generally on the first Wednesday of each month. Attendance averages 57 attendees per luncheon, ranging from 47-75 attendees per event. The September meeting will be the annual joint meeting with SIPES, with SPEE hosting the meeting.

Membership is approximately 170. Membership was reduced by one due to retirement and increased by 10 due to new memberships. In addition, one membership is pending and several other applications have been submitted. Luncheons are frequented with 5-10 visitors, many of whom ultimately join.

The continuing challenge to the Houston chapter is to recruit speakers for the monthly luncheons that result in high interest and attendance. Dan Olds has done an excellent job this year providing speakers and a variety of topics appealing to members with banking, consulting, and producing backgrounds.

NEW ORLEANS
The New Orleans chapter is planning for the remainder of the 1997-98 year. We plan to have speakers at only five meetings with open or roundtable discussion at the other meetings. We are also considering making the Christmas meeting a social only. Our slate of officers for the upcoming year is: W. Denton Copeland of S. A. Holditch & Associates - Chairman, Tim Brooker, Atwater Consultants - Vice Chairman, and James A. Glanzer of Crescent Technology - Secretary/Treasurer.

OKLAHOMA CITY
The Oklahoma City Chapter has conducted two meetings in 1997. On January 23, Bud Ham and Ed Alexander with the oil and gas lending group at Banc First in Oklahoma City gave an overview of current trends and practices in the oil and gas lending business in Oklahoma. A spirited discussion followed.

Continued on page 4
Continued from page 3

On May 8th, David Herrick, Petrophysical Advisor, Mobil Technology Company, and a Distinguished Lecturer for the Society of Professional Well Log Analysts, presented a very informative discussion of the “state of the art” of nuclear magnetic resonance logging. With the advantage of hindsight, we should have set aside a half day for Dave’s presentation; he had prepared a great deal of theoretical and practical material and had some good field examples of nuclear magnetic resonance logs. The other chapters are encouraged to contact Dave at Mobil’s Dallas office if there is interest in a program concerning NRM logging applications.

The chapter has grown to 19 members and plans to meet every odd-numbered month during the rest of 1997. It is also planned to elect new officers this summer; the current slate of officers was elected in June of 1995. Meetings are held at the Oklahoma City Petroleum Club during the lunch hour.

TULSA

Attendance at the local chapter meetings averages 20 members and guests. In January, Claude McMichael presented a report from SPE Reserve Definition Committee, in February Jerry McLaughlin discussed “Gas Guy Through the Looking Glass,” in March Mack Alloway and Bill Bryan gave a talk on “Marginal Well Commission: Making Marginal Wells Less Marginal,” and in April Frank Schloeder discussed “How to Evaluate 3-D Seismic Prospects.” On May 6th, SPEE member David Reese presented “Rate Time Analysis” to the chapter.

Welcome New Members

AVIRA, GREGORY ALLYN
H. J. Gruy and Associates, Inc.
1200 Smith, Suite 3040
Houston, Texas 77002
(713) 739-1000

Membership Applicants

The following member applicant has been approved by the Qualifications Committee. The bylaws require that names be presented to the membership for at least 30 days as a pre-membership requirement. Any member with an objection should address the objection to the Executive Committee (see bylaws regarding other important details) since the application has already passed through the Qualifications Committee.

Applicant | Sponsor
--- | ---
BALOG, STEVE E. | R. K. Agrawal
West Butte Energy Inc. | Glen Robinson
1830 - 144, 4th Avenue S.W. | Noel Cleland
Calgary, Alberta T2P 3N4 | Canada

BOMMER, PETER A. | Paul Clevenger
Bommer Engineering Co. | Kerry Pollard
1100 NW Loop 410, #305 | Spencer Youngblood
San Antonio, Texas 78213

BOOTWALA, JGBA A. | Dion Cole
1107 Rustic Knolls | Harry J. Gaston
Katy, Texas 77450 | John B. Warner

DAVIS, PAUL H. | James Groce
Consultant | Scott Epley
P. O. Box 474 | Roy Williamson
Midland, Texas 79702

DIMIT, ROBERT LESLIE | Joe C. Nea
ARCO - Permian | Atlen Edgar
P. O. Box 1610 #12 | David Griffin
Midland, Texas 79702

GUFFY, CHARLES G. | Raymond T. Garcia
Miller & Lents, Ltd. | George C. Hite
1100 Louisiana, Suite 2700 | Robert W. Raso
Houston, Texas 77002

HARRELL, D. RONALD | Harry Gaston
Ryder Scott Company | Chap Cronquist
1100 Louisiana, Suite 3800 | Brian Auburn
Houston, Texas 77002

HELWERDA, HARRY JAN | M. J. Brusset
Sproule Associates Limited | Noel Cleland
900, 140 - 4th Ave. S. W. | Glenn Robinson
Calgary, Alberta T2P 3N3 | Canada

LACEY, JOHN ROBERT | Noel Cleland
John R. Lacey International | Dave Tutt
Lacey Court, 344 12th Ave. S.W. | Walter Wright
Calgary, Alberta T2R 0H2 | Canada

MOLYNEAUX, FRANK B. | M. J. Brusset
The Bank of Nova Scotia | Robert Odd
3820, 700-2nd St., S. W. | Glenn Robinson
P. O. Box 2540 | Canada
Calgary, Alberta T2P 2N7

NICOL, JOHN EDWARD | Glenn Harrison
Gaffney Cline & Assoc. | Mike Nicol
16775 Addison Rd. | Forrest A. Garb
Dallas, Texas 75248

SIDEY, PETER | Noel Cleland
Wascara Energy Inc. | Ken Crowther
2500, 205 S Ave S.W. | Glenn Robinson
Calgary, Alberta T2P 2V7 | Canada

STEWART, NORA | Noel Cleland
Sproule Associates Limited | Ken Crowther
900, 140 4th Ave. S. W. | Glenn Robinson
Calgary, Alberta T2P 3N3 | Canada

WILSON, JIM LEE | Robert Franklin
Ward Petroleum | Lew O. Ward
P. O. Box 1187 | David F. Yard
Enid, Oklahoma 73702

CATHY ANDREW | Catherine H. Norwood has been approved to change from Junior Member status to Regular Member. Congratulations, Kathy.

IN MEMORIAM

Robert L. Magnie
Denver, Colorado
June 20, 1997
Proposed By-Law Amendments

Housekeeping

The first two proposed amendments to the By-Laws are housekeeping in nature. They correct typographical or spelling errors.

Amendment #1: It is proposed in Article VI, Section 1 - ETHICS that the word “canons” be changed to “code.”

Amendment #2: It is proposed that in Appendix A - Code of Ethics of Engineers that the spelling in the 2nd heading be changed from: “The Fundamental Canons” to “The Fundamental Canons” (only one ‘n’).

Updating to Consider Reserve Definition Changes

The SPE-SPEE definitions of 1987 were “approved” by the Board of Directors in March 1987. Now that these definitions are changing, (SPE calls them fluid and changing) it is necessary that we override the approval and mandate of the old definitions. The proposed amendment does not require that a SPEE member endorse the SPE definitions, but it does require that whatever definitions are used in preparing a report be clearly defined in that report.

Amendment #3: Appendix B - Principles of Acceptable Evaluation Engineering Practices - Article 1 - General Practice currently reads:

2. The Society has adopted and shall adhere to the definitions of reserves for property evaluation as set out in Definitions in this handbook.” (Note: There were no definitions published in the more recent versions of the handbook)

Correct to read:
2. The Society has not adopted specific definitions of reserves. Members will ascertain that their reports include a full disclosure of the reserve definitions used, either by reference to a known industry set of definitions or by actual inclusion of the definitions used. The reference or inclusion of the definitions shall be clearly presented so as to enable the reader to easily ascertain the definitions used.

Associate Membership Classification

In the opinion of the officers of the Society, the next proposed change in the By-Laws is perhaps the most important one for the long-term viability of the Society. Our Membership Committee report for June 1, 1997 shows that 146 members (30% of membership) are 65 years of age or older. Another 92 members are between 55 and 64. Thus, some 49% of the membership is over 55 years old. The forecast age distribution in 5 years will have 60% of the Society over 55.

The officers believe that there are many good qualified people working in property evaluation both domestically and abroad who would contribute greatly to the SPEE, but are prevented from full membership because they lack registration. Some work in a country where registration is not available nor required. Many of these qualified persons would participate with the SPEE at some level, if there were another class of membership which permitted them to do so. Most chapters report that they have nonmembers who consistently attend meetings, and who would undoubtedly become members, but cannot meet the full-member requirements.

It is apparent that the ratio of foreign to domestic petroleum investment opportunities is increasing. Your officers and Board believe that the SPEE should continue to contribute and influence the standards used in evaluation not only in the U.S. and Canada, but also in all oil and gas producing countries of the world.

The Board therefore drafted the following amendment, not in an effort to increase the size of the SPEE, but to ensure the long-term influence of the Society, and to ensure that the Society has access to qualified and willing talent interested in Society activities. A new classification is needed to enable many good and qualified people working in evaluation to participate in society efforts here and abroad. This Associate Member classification being proposed shall in no way dilute the qualifications for a full and regular membership status, no more than the Associate Member classification used in the AAPG detracts from the full membership in that organization.

Amendment #4: Article III - Section 5. An additional category of membership, called Associate Member, shall be created subject to the criteria and limitations noted below. The Board of Directors shall fix the percent of total membership which shall be available to this additional category of membership.

1. An Associate Member shall be required to meet the qualifications described in Section 1 of Article III (i.e., a degree in engineering or geology plus ten years of experience), however, the requirements of paragraph 3 in Section 1 (i.e., registration or certification) will be waived.

2. An Associate Member will be subject to the requirements for admission as a new member as set out in Article IV (i.e., three member sponsors who are in good standing and can attest to the applicant’s training and experience).

3. An Associate Member will be required to pay dues as fixed by the Executive Committee.

4. An Associate Member can participate in all Society affairs including all surveys and polls of membership, but may not vote for officers and directors or by-law amendment issues. An associate member may not act as a sponsor for any new member and may not hold national office in SPEE.

5. An Associate Member will be required to properly represent his SPEE membership category for purposes of testifying, resumes, etc and will be subject to ethics violation and Grievance Committee review if he or she fails to do so.
A Perspective on the Associate Member Proposal - An Opinion
By Russ Long

As 1996 President of SPEE, I had the opportunity to represent our society during a time when the SPE was finalizing its attempt to gain approval for new reserve definitions. SPE was very polite but it was plainly evident that SPE was not in a position to be particularly influential. Despite the contributions of the SPE to the 1987 definitions, and the participation of Chap Cronquist on the SPE Reserve Definitions Committee, the influence of SPE as a whole is viewed as being limited to U.S. domestic issues. The SPE was much more concerned with gaining the approval of the World Petroleum Congresses (WPC), not because of the expertise of the members of that organization but because of the international business aspect of that organization. Important issues raised by SPE were not resolved prior to SPE's adoption of new definitions.

There will be future issues important to the members of SPE. Many of these issues (and reserve definition issues will come up again) will be international in scope. How can SPE gain in both domestic and international clout? It certainly cannot if we continue to focus so much of our attention on the significance of registration within the United States. The Society's most opportune path to international clout is through welcoming into SPE quality members of U.S. oil companies. Engineers working abroad obviously can help us expand SPE's sphere of influence. Highly professional potential members are being effectively excluded from membership. And anyway, SPE's reputation is much more closely affiliated with integrity and ethical issues than with the technical expertise registration exams are constructed to test.

Our Society's first stated objective is to "promote the profession of petroleum evaluation engineering." I suggest that to impede the organization's growth and influence by the imposition of too-strict membership requirements is contrary to the stated objective. The issue has been studied by the SPE Executive Committee and Board of Directors. The Associate Member proposal passed with a favorable vote at the most recent annual meeting. It is time to move forward — vote yes!

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Associate Membership
A Dissenting Opinion
By René G. Daigre, Jr. on Behalf of Denver Chapter Members* Endorsing this Opinion

The proposed Amendment #4 to Article III, Section 5 of the Society's By-Laws provides for the creation of a new class of membership called "Associate Member." This amendment would allow engineers and geologists who are not registered or certified, but who otherwise meet the qualifications of full membership, to become Associate Members of the Society for life. The Board has presented two primary reasons in favor of the amendment: the need to add membership outside of the U.S. and Canada, and the "aging" of the Society. We share the Board's concerns in both regards and we agree that action should be taken to improve both situations. We strongly disagree with lowering the Society's standards to accomplish either goal.

A third reason presented by the Board is the desire to include active, skilled evaluators who are well qualified for membership, except for their lack of professional registration. The arguments presented on behalf of these individuals include time constraints, the passage of time since graduation, and low pass rates on professional petroleum examinations. Professional registration is not a trivial matter. Many, if not all, states in the U.S. require professional registration as a prerequisite to practice engineering. It is one of the criteria which sets this Society apart from other professional societies in the petroleum industry. Registration by examination is also one of the only objective measures of an engineer's skills; and while it is not indicative of evaluation skills, it does demonstrate a "commitment to excellence," which is a hallmark of this Society. It is our strongly held opinion that professional registration should be a requirement of anyone who aspires to lifetime membership in the SPE.

We recognize that registration is not always available to engineers working abroad. A separate class of membership should be offered to those individuals working in countries in which there is no opportunity for registration, but who are otherwise qualified for membership in the Society. However, those individuals should be required to become registered and upgrade to full membership within a specified period of time after the opportunity for registration becomes available to them, or be dropped from the Society's roles.

Despite the fact that 49% of the Society's membership is over 55 years old, a closer look at the statistics shows a healthy and growing Society membership. In the last 15 years, Society membership has grown from 201 to the current level of 485 members. Since 1990, we have added 219 new members (including 13 Junior Members), with an average age of 44 at the time they joined the Society.

The criteria for membership in the SPE are rigorous and burdensome by design. They help ensure a high level of professionalism and technical competence within the Society. Because of these requirements, an engineer is typi-
Daigre continued from page 6
cally not able to attain full membership status until the
age of 35 to 40. The fact that the average age of Society
members has remained fairly constant at 55 to 56 years
old since 1992 suggests that we need not overreact.

This amendment, if ratified, would effect a landmark
change in the structure of the SPEE by allowing a class of
demembership that does not require registration or
certification. A degree of compromise and modification
is necessary for this amendment to accomplish the stated
goals without adversely affecting the structure of the So-
ciety.

We urge all members to vote “NO” on this amendment.
We suggest the formation of a committee to solicit input
from the general membership in regard to these issues and
assimilate the responses. Given sufficient indication of
member support, the committee would make a recommen-
dation to the Executive Committee that it propose a
new By-Law amendment.

*Denver Chapter Members Endorsing this Opinion:
J. Steven Bausch
Dave O. Cox
René G. Daigre, Jr.
Marshall J. England
Reed W. Ferrill
Steven D. Gilbert
John D. Haley
Allan R. Heinle
Walter A. King
Gary G. Krieger
William H. Leach, Jr.
Richard J. Marshall
Larry T. Nelms
J. Thomas Reagan
Nanette J. Schulz
Harold Wayne Stack
Don Stinson
Scott H. Stinson
Kamil B. Tazi
John D. Wright

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John D. Haley, P.E.
President
Phone: 303-795-6578
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Wilson Aluko & Locke, Inc.
Consulting Petroleum Engineers
• Integrated Reservoir Engineering and Geological Studies
• Reserve Evaluation and Economic Analysis
• Field Development and Deliverability Studies
• Unitization and Secondary Recovery
• Reservoir Simulation and Optimization
• Regulatory Compliance and Testimony
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Proposed SPEE By-Laws Amendment
Associate Member Category
By Gene B. (Skip) Wiggins III, National Vice
President on Behalf of the Executive Committee

SPEE currently has two categories of mem-
bership: regular membership (ten years' evaluation experi-
ence plus registration) and junior membership (five years'
evaluation experience plus registration). At present, there
are 485 regular members and 13 junior members in the
Society.

In April of this year, a letter was sent to the officers
and directors of SPEE with a proposal for consideration of
another category of membership within the Society. The
proposal was based on recognition of the fact that there
are individuals who are active in the evaluation end of
the business (both domestic and international) who would
make excellent members of SPEE but are excluded due to
their lack of registration. In the letter, an associate mem-
ber category was proposed which would require the same
qualifications as regular membership with the exception
that registration or certification would be waived. The
associate membership category would be restricted, how-
ever, as described below.

1. Associate members could not vote for officers and
directors, or on by-laws amendment issues.
2. Associate members could not act as sponsors for
new members.
3. Associate members could not hold national office.
4. Associate members would be subject to ethics viola-
tion and Grievance Committee review if he or
she failed to properly represent his or her SPEE
membership category for purposes of testifying,
resumes, etc.
5. The percent of total membership which would be
available to this new membership category would
be fixed by the Board of Directors.

Ten responses were received from the officers and di-
rectors of SPEE concerning the proposed associate mem-
ber category. Eight responses were favorable to the pro-
posal and two responses were uncommitted on the issue.

As a result of these responses, an amendment to the
by-laws for an associate membership category was pre-
presented at the Board of Directors meeting at the annual
meeting in Williamsburg (June 8-10, 1997). Based on the
responses received from the directors at that meeting, the
Executive Committee elected to submit a by-laws amend-
ment resolution to the membership at the annual Society
business meeting in Williamsburg on June 10th. This by-
laws amendment resolution which would establish an asso-
ciate membership category was discussed and then voted
on by all SPEE members present at the business meeting.
The resolution was passed by a majority vote of the mem-
bership present at the meeting and is now being submit-
ted to the general membership for balloting as per the by-
laws. If the by-laws amendment is passed, the Executive
Continued on page 8
Committee intends to recommend to the Board of Directors that the percent of total membership which shall be available to the associate member category should not exceed ten percent at this time.

In this newsletter, President Garb has summarized the views of the Executive Committee and the Board of Directors which have led them to support the proposed bylaws amendment. It is the view of the Executive Committee that this amendment is important in that it relates to the overall objectives and long-range strategy of SPEE, and whether the Society should maintain its restrictive membership policies or attempt to encourage participation in our Society of all qualified professionals who are active in property evaluation work. The membership of SPEE is currently comprised of consultants (58 percent), producers (31 percent), bankers (6 percent) and others (5 percent). It is noted that in most states registration is required for independent consultants to practice, which is not the case for producers and bankers. This perhaps explains why consultants make up the majority of membership in the Society. It is hoped that approval of this amendment would have the effect of improving representation of the producer and banker groups within our ranks, as well as increasing international membership in countries where registration is not available.

Another consideration relates to the degree to which emphasis is placed on professional registration. The following comment comes from a member of the Board of Directors.

"I have felt that professional registration was a good measure of an individual's commitment to excel and distinguish himself in his profession, but realistically, the examinations for registration do not specifically test property evaluation skills. The ability to design a casing string does not materially impact on the accuracy of a property appraisal. I feel it's much more important that an SPEE member have excellent skills, the necessary experience level and a sterling reputation."

By supporting the amendment for an associate member category, the Executive Committee does not wish to diminish the importance of registration within SPEE. On the contrary, it is hoped that by giving a limited number of qualified, non-registered professionals an opportunity to join and participate in our organization, that we may provide an incentive for those individuals to pursue registration or establish a registration process within their respective countries.

Visit SPEE's Home Page on the Internet: www.gnofn.org/spee

Results of Opinion Poll of Council of Past Presidents on the Associate Member Proposal
By Arlen Edgar

A poll of the SPEE Council of Past Presidents was taken in order to obtain opinions of the proposed By-Laws Amendment for establishing an Associate Member category. Of the 18 Council members, 10 responded to questionnaires sent by mail.

There was no clear-cut consensus, pro or con, but rather a wide divergence of opinion on the advisability of the proposal; a number of specific comments were offered. It was decided that these comments should be provided to the SPEE membership for possible aid in voting on the issue. These comments are compositied and summarized below.

Those who favor the proposal recognize that SPEE needs to lower its barriers in order to broaden its sphere of influence. It is unreasonable to expect an otherwise qualified applicant to go through the registration process just to join SPEE. At one time, the Society had an associate member category, viewed by some as being populated with unqualified people; this category was eliminated when many members sought to make SPEE an exclusive organization by requiring certification.

In opposition to the proposal, it is cited that the one element which distinguishes SPEE from many other organizations is the requirement for registration or certification; why should this be changed? SPEE is regarded as a truly professional organization. Lack of access to registration need not be an impediment; this matter can be, and has been, addressed via By-Laws Article III, Section 3 or by action of the Executive Committee to waive the registration requirement in certain instances. Some functional/administrative questions/problems are foreseen, such as:

(1) Would an Associate Member be allowed to refer to SPEE in his letterhead, business card, reports, etc.?

(2) How would an Associate Member be distinguished from a Regular Member?

(3) Item 5 (restriction) could be difficult to enforce.

As to the aging of the Society's membership, this issue has been around a long time and is not a matter which needs to be addressed by an Associate Member category; Junior Membership category was established largely for that purpose.

It is strongly recommended that a committee be established for further study and recommendations. The matter needs to be brainstormed carefully, and contact should be made with other organizations which have taken similar action. If the amendment is adopted,

(1) Associate Members should be given a time limit (ex. five years with one five-year extension) to become registered

(2) The number of Associate Members should be kept at a low level with all of the restrictions rigorously followed.
H.J. "HANK" GRUY
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