SPEAR Members and other readers, as I look back over the past six months, it goes without saying that my thoughts are with everyone affected by global outbreaks of the coronavirus. No one has been immune from the changes to our societies. The time was filled with COVID-19, isolation from one another, economy and industry shutdown and low oil prices. All the members of SPEE have encountered some of these challenges. One of our members put it this way, “I’m semi-retired until the next opportunity comes along.” I feel sad for all of us!

Traditionally I would fill the page with thanks and a summary of the 2020 Annual Meeting at Gurney’s Resort and Marina in Newport, Rhode Island, USA. Charles Boyette prepared a great meeting and social events, only to be cancelled. The resort was amid a COVID-19 hot spot and your safety as SPEE members was most important. We plan to return to Gurney’s Resort in 2023. My personal thanks to Charles, Debbie and others for the planning work on the 2020 Annual Meeting.

As you might guess, the loss of the Annual Meeting and shutdown of activities have a significant financial impact to the organization. Please review Joe Young’s Financial Report. This year has had a significant negative financial impact, but we started out the year strong and we can endure this year’s downturn. We do need everyone to continue to support and participate with the local chapters and the international organization. Jump in with working from home, virtual meetings and new words like “Zoom.” Participate and encourage your colleagues to as well. We can still reach out to potential new members and get them involved.

SPEE began a transition to a more digital world last year with the elimination of the printed newsletter and posting new members monthly by email notification to the membership. These changes have significantly accelerated the membership process. The society has grown significantly in the international area this past year. The printed and mailed newsletter and posting of new members does not work for an international organization. It takes over a month for the mailed newsletter to arrive at locations outside the USA so electronic works much better for the total membership.

Speaking of the digital world, Steven Hendrickson and his committee have made great advances in transitioning our SPEE Publications away from a printed format. The first document to roll out completely digital is the “Annual Parameter Survey.” Look for it next month. SPEE now manages publications through a platform by Vitrium. Through Vitrium any member or person may have instant access to SPEE Publications. Many thanks to Steve, Debbie, Kyle Fitzgerald and others working to bring this project online. You may print copies of documents you want in paper form, depending on the subscription you purchase.

In closing, thank you to every member of SPEE! Your contributions of time and expertise make this organization work. Please keep volunteering and participating. There is always room on our working committees for you. For the near future, travel to meet and work with colleagues has been suspended. In-person training has also been suspended. The current normal is work from home and hold meetings by internet virtual platforms. Society has changed and SPEE needs to change with the situation.

Stay Safe, invite potential new members, make your future SPEE Annual Meeting plans and I hope to see you at Asheville, North Carolina, USA on June 12-15th, 2021.

Robert E. Green
2020 SPEE President
2020 Officers and Directors

Executive Committee

President ................................................................. Robert Green (Midland)
Vice President ...................................................... Charles Boyette (Dallas)
Secretary-Treasurer .............................................. Joe Young (Dallas)
Past-President ....................................................... Jennifer Fitzgerald (Houston)

Directors

Chuck Boyer (Pittsburgh)
Brenda Brown (Dallas)
Steve Gardner (Dallas)
Anna Hardesty (Houston)
Shane Hattingh (Europe)

Bylaws Committees

Chair of Past Presidents’ Council .................................. Rick Krenek
Qualifications ......................................................... Neal Howard
Committee: Steve Blair, Mark Reeves, Danilo Bandiziol and Claudio Virues
Nominating ............................................................... Jennifer Fitzgerald
Grievance ................................................................... David Gold
Committee: Dan Olds

Reserves Definitions .................................................. Rawdon Seager
Committee: Shane Hattingh, John Ritter, Tim Smith, Jorge Faz, Rod Sidle and John Lee

Individual Appointments

Ethics ........................................................................ Tom Collier
Evaluation Parameters Survey .................................. Steve Hendrickson
Fair Market Value ...................................................... Dee Patterson
Internet ...................................................................... Steve Gardner
Membership ................................................................ Fred LeGrand
Newsletter Coordinator ......................................... Floyd Siegle
Historian ..................................................................... Melissa Nance
Communications ......................................................... George Schaefer
Recommended Evaluation Practices ......................... Daniel R. Olds
Annual Meeting Advance Planning ......................... Tim Smith
Bylaws Committees ....................................................... Abzal Narymbetov
Monograph 5-Type Curves .......................................... Jennifer Fitzgerald
Technical Training ...................................................... Chuck Boyer
SPE OGRC Oil and Gas Reserves Committee Observer ............... Ron Harrell
COGEH (Canadian Oil and Gas Evaluation Handbook) ................. Mike Verney
UNECE Expert Group on Resource Classification ...................... Dominique Salacz

Chapter Officers - 2020

Asia-Pacific - Chapter in Formation
Chairman – Peter Stephenson

Calgary
Chairman – Mike Verney
Vice Chairman – Larry Petropoulos
Secretary – Gary Metcalfe
Treasurer – Tim Freeborn
Membership – Claudio Virues

California
Chairman - Brad DeWitt
Vice Chairman – Rick Finken
Secretary-Treasurer - Tom Walker
Membership – John Davis

Central Texas
Chairman –
Vice Chairman – John G. Davis
Secretary-Treasurer - Colter Kazmann
Membership –

Dallas
Chairman - Tad Fielder
Vice Chairman – John G. Davis
Secretary-Treasurer - Colter Kazmann
Membership –

Denver
Chairman – Robert Schutzius
Vice Chairman - Zack Warren
Secretary-Treasurer – Emily Miller
Membership – Tom Gunningham

Europe
Chairman – Joel Turnbull
Vice Chairman – Gregg Birrell
Secretary-Treasurer – Jes Christensen
Membership – Tom Gunningham

Houston
Chairman – Lucas Smith
Vice Chairman – Ali Porbandarwala
Treasurer – Deji Adeyeye
Program Chairman – Jay Quinn

Midland
Chairman – Tom Collier
Vice Chairman – Gail Hankinson
Secretary-Treasurer – Monica Parkison
Membership – Russell Hall

Northern Rockies
Chairman – Rick Vine
Vice Chairman – Leo Giangiacomo
Secretary-Treasurer – Tom Hohn
Membership – Don Jacks

Oklahoma City
Chairman – David Yard
Vice Chairman -
Secretary - Bruce Heath
Treasurer - Steve Blair
Membership –

Tulsa
Chairman –
Vice Chairman -
Secretary-Treasurer - Laura Stauffer
Membership Chairman -

The SPEE Newsletter is a quarterly publication of the Society of Petroleum Evaluation Engineers. News items, correspondence, address changes and advertising inquiries should be directed to SPEE headquarters in Houston, Texas.
Asia Pacific
(Chapter In Formation)

Calgary
Membership - 57

The Calgary Chapter is off for the summer and will resume with the first meeting on September 17th.

California
Membership - 15

Central Texas
Membership – 27

Dallas
Membership – 75

May meeting was not held.

March 5, 2020, Neha Bansal, DeGolyer and MacNaughton, *Role of Characterization in Field Development Practices for Unconventional Reservoirs*. Total Registered: 26, SPEE Members: 16

Denver
Membership – 66

Speaker: John Benton: *Leading OGCC as a Petroleum Engineer – Lessons from Interesting Times*. On February 12th, SPEE member John Benton recalled his eight-year tenure as Commissioner and Chairman of the Colorado Oil and Gas Conservation Commission. He served during a series of 14 challenging rulemakings including enhanced hydraulic fracturing disclosure rules and rules for development in Urban Mitigation Areas. Attendance: 29 members and 38 guests.

In March and continuing to the present, large gatherings were banned by local governance in the effort of containing the COVID-19 virus. On May 7th, the Denver Chapter held a virtual happy hour on the Microsoft Teams platform with Dr. John Wright hosting. John gave a retrospective of past events with emphasis on the ups and downs of the industry. The primary objective of the meeting was to keep the community connected and to test out a virtual platform. Advance registration was 40 members and 17 guests.

SPEE member Theresa Wisda presented *Using Empirically Derived Physics To Guide Development Strategies* on Zoom on July 8th.

Additionally, we are planning events in the fall (Sept / Oct) that will hopefully be in-person events. An ethics presentation is slated for December.

Europe
Membership - 36

Chair: Joel Turnbull
Secretary: Gregg Birrell
Treasurer: Jes Christensen
Membership and Program: Tom Gunningham
Past Chairman: Dom Salacz

Houston
Membership – 175


March 4, 2020, Ron Gajdica (EIG Energy Partners) *The Effect of Margin and Reserves/Production Ratio on Oil and Gas Transaction Multiples*, 32 total attendees

The Chairman and Program Chair attended the virtual meeting of the Denver Chapter in July to observe online technology and meeting flow. This will be a contingency plan for Fall meetings when our schedule starts back up again.

Midland
Membership – 24

March 19, 2020 – Arlen Edgar’s planned presentation on ethics was cancelled due to COVID-19.


Northern Rockies
Membership – 13

Oklahoma City
Membership - 19

January 29, 2020 Meeting cancelled as speaker could not make it.

February 27, 2020 John Spears presented *Questions for the US Oil and Gas Industry* with 6 members, 40 non-members, 46 total.

Tulsa
Membership – 21
Financial Report

The Society continues to remain financially healthy. Revenue of SPEE International in 2019 was $374,804 and the Expenses were $351,015, giving a Net Profit of $23,789. Cash assets held by SPEE International at the end of 2019 in checking and money market accounts plus CDs total $599,781.

The chart below shows the financial performance of SPEE International for 2017 through 2019. Overall, the Society had been operating at a profit since 2017. However, 2017 and 2018 were very successful years for the organization, resulting in a profit in large part due to an active training program. Owing primarily to the cancellation of the Annual Meeting, a loss is expected for 2020. SPEE International’s cash balance is projected to stand at approximately $560,000 at the end of 2020.

The charts below summarize the principal sources of revenue and expenses over the last several years. The 2020 Year-To-Date figures are through May. The increased revenue in 2017 and 2018 was associated with a very active training program for Monograph 4.

![Profit & Loss Chart](image)

![Revenues Chart](image)
Office Rental and Secretarial/Bookkeeping Fees have risen in the past few years as the Society now has dedicated office facilities and has invested in its administrative and financial framework. Other costs have remained reasonably stable in recent years. Moving to digital publications of the newsletter and Survey of Parameters is expected to decrease publication expenses.

The financial reserves of the Society are healthy. The lack of an Annual Meeting and Training opportunities this year will mean that 2020 is not a financially profitable year. Work continues on new Monographs and training will resume at some point. If you have any questions or need additional information, please feel free to contact me or President Robert Green directly.

Joe Young
2020 Secretary / Treasurer

Board of Directors Meeting Update

At a Board of Directors meeting on July 29, the Asia Pacific Chapter was declared a Chapter and no longer a Chapter in Formation. The Chapter charter will be presented at a later date. Congratulations to the Charter members.

The Board encourages all Chapters to transition to virtual meetings for now. The Denver Chapter had a very successful Virtual Chapter Happy Hour over Zoom.

The SPEE hopes to have a live Annual Meeting in 2021 and planning continues. Details will be released at a later date.

SPEE needs volunteers for committees. Contact President Robert Green or Debbie Suter if you are interested in serving in a particular capacity.

Technical Training Committee

The Denver PRMS short course that was originally scheduled for this past May with Dr. Lee has been pushed tentatively to April 2021. The Software Symposium is being planned for the same time (April 2021) in Denver. The Houston course (originally scheduled for this past April) is on hold indefinitely.

Holding courses online is being investigated.
The past months have been accompanied by significant changes for some of our members. If you have recently retired or had other employment status or contact info changes, please be sure to update your membership profile with your latest information and/or other requested data. For help logging in, please click the link located at the bottom of the SPEE homepage.

Interested in catching up on that missed presentation you’ve heard so much about or just looking for additional resources to help keep you informed? Select Resources and then navigate down to Past Presentations directly from the homepage to see a listing of available material. Be sure to check back frequently as content is updated continuously! Below is a screenshot of the most recent presentations:

<table>
<thead>
<tr>
<th>Date</th>
<th>Speaker</th>
<th>Location</th>
<th>Title</th>
<th>Slides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2020</td>
<td>Ron Gajdica</td>
<td>Houston</td>
<td>The Effect of Margin and Reserves/Production Ratio on Oil and Gas Transaction Multiples</td>
<td>PDF &amp; Worksheet</td>
</tr>
<tr>
<td>Feb 2020</td>
<td>John Benton</td>
<td>Denver</td>
<td>Leading the COGCC as a Petroleum Engineer - Lessons from Interesting Times</td>
<td>PDF</td>
</tr>
<tr>
<td>Feb 2020</td>
<td>Tyler Krolczyk</td>
<td>Houston</td>
<td>Understanding Well Spacing Strategies in the Midland Basin</td>
<td>PDF</td>
</tr>
<tr>
<td>Nov 2019</td>
<td>Neil Little</td>
<td>Houston</td>
<td>Well Spacing and Reserves Impacts</td>
<td>PDF</td>
</tr>
<tr>
<td>Oct 2019</td>
<td>John Lee</td>
<td>Denver</td>
<td>Are All Those Bad Things They’re Saying About Our Production Forecasts in Unconventionals True?</td>
<td>PDF</td>
</tr>
</tbody>
</table>

The official address of the SPEE website is www.spee.org. Please help us keep content interesting, relevant, and error free by providing website-related suggestions, comments or questions to our group email inbox, info@spee.org.

Steve Gardner
Internet Committee Chair
Since my last column, the downturn in our industry has taken shape. Although we do not yet know exactly how it will play out, we do know that it isn’t pretty. We are back to that territory, sadly familiar to many of us, of quarterly downsizings, decreased income, increased stress, borrowing base reductions and negotiations around loan covenants. The downside economic case has become our reality. This leads me to ponder about what ethical behavior looks like on the downside.

In an environment where reductions are more or less mandatory, are there any ethical principles that might apply? I can think of one or two.

The key driver in ethics in times like these – or any times for that matter – is our fundamental understanding of the people involved. At every step, however painful, we must recognize that we are working with living, breathing people. They are not “redundant” numbers. People are not simply factors of production nor are they obstacles to success (or even survival). I think three principles should guide us: (i) honesty, (ii) compassion, and (iii) equity.

In relating to people in uncertain environments, honesty is essential. In addition to simply being an ethical good, it is essential to continuing performance. Ordinarily, honest ethical behavior aligns quite well with business outcomes. The old saw “Honesty is the best policy” holds true, and bad news certainly doesn’t get better with age.

Remaining compassionate through a down cycle sounds simple enough, but as the stress level rises it can become more difficult. I know it does for me. Speaking for myself, I know that as the stress level rises I become keenly aware of how I am feeling. My discomfort, my fears and concerns tend to move front and center in my thoughts and attitudes. Hopefully, I stop short of my least favorite airline gate agent who said, “I just hate it when these people get so upset when we have to rebook them.” I was the one who paid for this inconvenience, but I digress. I have probably come close. For those of you who are in any way like me, this is opposite of compassion. Compassion is the willingness to sit with someone else and share just a little bit in their sufferings. It is hard to be laid off. It is hard to adapt to the additional constraints in a reduced borrowing base of credit line. Knowing that and sharing a small part of that pain is why it is also hard to deliver that news. But it is important.

Finally, there is equity. I thought about discussing this as “fairness,” but I am sure that there is fairly little we can agree on as fair in our current operating environment. That conversation is much deeper philosophically. There is, however, a certain standard of equity involved. As a very elementary example, this is not the time to settle old political scores. That’s an extreme example of the more general question, “Have you worked through your plan to make sure you are not creating disparate treatment?” Are the officers and directors receiving raises and bonuses while high-performing employees are not? Are the hourly workers considered in a significantly different manner than salaried employees? In each case, the answer to the question, “Why the difference?” should be clear and compelling – or else there should be no difference.

Is it possible to put this into practice? I know that it is. My own recent experience is a case in point. As the economic crisis worsened, we were promised by executive leadership a focus on controlling G&A costs. They delivered on that. A portion of delivering on that promise involved a voluntary separation plan which was described as “generous.” It was. After I accepted it, I happened to run into the CEO who looked me squarely in the eye and simply said, “Thank you.” The key elements of honesty, compassion, and equity were honored throughout the process. Not only is it possible to do this in difficult times. It is essential at all times. It is most essential in difficult ones.

Deacon Tom Collier
Chair, SPEE Ethics Committee
Welcome
New Members

Argentina - Chapter in Formation
Fondevila, Gaston  Associate Member No. 1016
Engineering Manager
Companias Asociadas Petroleras SA (CAPSA)
Av Cordoba 950 5 C
Cuidad Autonoma de Buenos Aires C1054AAV
Argentina
Gaston.fondevila@grupocapsa.com.ar

Asia Pacific - Chapter in Formation
Billingsley, Andrew J (Bill)  Member No. 1015
Principal Advisor
RISC Advisory
Level 2, 1138 Hay Street
West Perth WA 6005
Australia
Bill.billingsley@riscadvisory.com

Status Upgrade-Associate to Full Member
Narymbetov, Abzal  Member No. 978
Senior Reservoir Engineer
ENI
18 Dostyk, 12th Floor
Nur-Sultan, AKM 010001
Kazakhstan
Abzal.narymbetov@eni.kz

Wu, Hongfeng  Member No. 1021
Director and Principle Reservoir Engineer
Molyneaux Advisors Pty Ltd
24 Stanley Street
Nedlands, WA  6009
Australia
Hongfeng.wu@molyneauxadvisors.com

Colombia - Chapter in Formation
Valbuena, Oscar  Member No. 1019
Field Development Technical Support/Reserves
Manager Director
Frontera Energy
Street 110 #9-25, 14th Floor
Bogota Colombia
oscarvalbuena@yahoo.com

Dallas Chapter
Bennett, Jim C.  Member No. 1020
Senior Reservoir Engineer
William M Cobb & Associates
12770 Coit Rd Suite 907
Dallas TX  75251
jbennett@wmcobb.com

Status Upgrade-Associate to Full Member
Ghasemi, Mojitaba  Member No. 936
Senior Engineer
DeGolyer and MacNaughton
5001 Spring Valley Road, Suite 800 East
Dallas, TX  75244
gnala@demac.com

Nala, Gopi  Member No. 1023

Senior Engineer
DeGolyer and MacNaughton
5001 Spring Valley Road, Suite 800 East
Dallas, TX  75244
gnala@demac.com

Europe Chapter
Aalbers, Remco D.  Member No. 1022
Senior Resource Consultant/Deputy VP RAR
Shell International Exploration and Production B.V.
Carel van Bylandtlaan 23
2596 HR the Hague
The Netherlands
Remco.aalbers@shell.com

Uran, Fabrice  Member No. 1025
Lead Development Engineer
International Petroleum Corporation
5 Chemin de la Pallanterie
1222 Vesenaz
Switzerland
Fabrice.uran@international_petroleum.com

Houston Chapter
Kalyanaraman, Nishanth  Associate Member No. 1017
Unconventional Appraisal Manager
Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, TX  77046
Nishanth.kalyanaraman@oxy.com

Liu, Shunhua  Member No. 1014
Director of Unconventional Simulation & Recovery Process Design
Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, TX  77046
Shunhua_liu@oxy.com

Schaper, Andrew J.  Member No. 1024
Principal, Owner
Schaper International Petroleum Consulting LLC
3006 Brazos St., Suite 200
Houston, TX  77006
andrew@schaperint.com

Oklahoma City Chapter
Sauceda, James  Associate Member No. 1018
Vice President of Engineering
Cosmo Energy LLC
14612 Hertz Quail Springs Parkway
Oklahoma City, OK  74134
james@cosmoenergyllc.com
IN MEMORIUM

We regret to note the passing of:

Robert Wilford Mannon
Arlington, VA
March 10, 2020

CONGRATULATIONS!!!

On Saturday July 4th, our very own Debbie Suter married Mr. West Faison in a private ceremony at West’s nephew’s house in Houston, Texas. The ceremony was officiated by Reverend Suzanne Gulick (wife of SPEE member Karl Gulick). West is a retired attorney. The happy couple will live in Spring, Texas.

SPEE Annual Meetings

June 12-15, 2021 - Omni Grove Park Inn
Asheville, North Carolina

June 11-14, 2022 - Vista Collina Resort
Napa, California

June 17-20, 2023 - Gurney’s Resort and Marina
Newport, Rhode Island