



SPEE Newsletter

Houston, Texas

August 1991

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Vice President	Arlen L. Edgar
Secretary-Treasurer	Fred M. Haston, Jr.
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Public Affairs	Sam Singer
Grievance	Gerald Sherrod
Qualifications	Gordon H. Biescar
Publications	David D. Knepper
Reserve Definition Guidelines	Gary S. Swindell
Evaluation Parameters Survey	Michael A. Roberts, Jr.
Strategic Planning	Charles M. Frick

INDIVIDUAL APPOINTMENTS

Engineering Legislation Representative	Raymond D. Perry, Jr.
Publicity Director	David D. Knepper
Historian	Herbert Poyner

OTHERS

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President's Message

Many thanks to Arlen Edgar for an outstanding meeting at Tamarron (outside Durango, Colorado). The meeting was well organized and all technical papers and social events were successes. In spite of the distance and difficulty in getting there the meeting was well attended with a total of 140 attendees participating in the technical sessions and social functions. For the first time that I can remember, the Monday afternoon general group function drew from the golf and tennis tournaments. But while the golfers and tennis players were few in numbers, their enthusiasm was still outstanding. Someone needs to ask Hank Gruy at least one more time how he missed the train from Silverton to Durango. But, he was not alone; nineteen people missed the train. Not all was lost though, all had one more hour for shopping in Silverton. Again, many thanks to Arlen and B.K. and all of their helpers in putting on an outstanding meeting.

Fred Haston is actively pursuing ideas for 1992's annual meeting location and for technical papers. If you have any suggestions, please let him know (713/658-0191). (See insert)

The enclosed minutes for the June 16th board meeting highlight the activities of your society and current issues being considered, in addition to the activities of the various chapters around the country. An issue receiving significant attention at this time is the currently proposed revisions to the SPE Definitions for Oil and Gas Reserves published in 1987. Please see the enclosed insert in this newsletter concerning this issue. The insert includes a very brief survey to collect your thoughts on this issue and I ask that you consider it and return your responses as soon as possible. The survey will be used in formulating an official response to SPE from SPEE. Our intent is not to have a consensus from SPEE considering the short time frame, but to consolidate and present the general feelings of our membership. Please return the survey as soon as possible.

By this time you should have a copy of the most recent annual review of the results of the evaluation parameter survey. If not, please contact B.K. Starbuck for a copy. Please see Mike Roberts' article in this newsletter discussing the parameter survey, reminding us of the intent of the survey. This is a survey and a compilation of responses to that survey and it will continue to evolve as we learn more about how to ask questions better. It is not intended to represent standards to be used for property evaluation, but mainly to provide one additional source of information or ranges of various parameters that are used in evaluations. Also, the new pictorial directories are complete, and should be sent to you soon, if you haven't already received it. Thanks B.K.!

This continues to be a good year for the Society, with most chapters carrying on an active meeting schedule with excellent programs. Membership continues to increase with all members taking an active role, becoming aware of the need to increase membership and looking for qualified members to ask to join. I thank all of the committee chairmen and their members for their enthusiasm and hard work and I thank all of the members of the Society who continue to look for those activities to participate in and to improve what we have. If you have anything you want to talk about or any suggestions, please call me or any of the other officers.

Chuck Brittan

WELCOME NEW MEMBERS

Robert B. Bass, Jr.
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Colorado National Bank of Denver
P. O. Box 5168
Denver, Colorado 80217

SPEE 1991 ECONOMIC PARAMETERS SURVEY

The responses to the 10th annual SPEE Economic Parameters Survey have been compiled and are now available through the SPEE office. This widely quoted survey continues to improve in both analysis and scope, and this year features multi-colored graphic presentations of some of the key parameters and trends.

The presentation of survey results at the annual meeting emphasized the variability in all parameters, both within and between sub-groups of the energy industry (producers, consultants, and bankers were analyzed). While the SPEE does not officially endorse, nor recommend, the adoption of the survey parameters as evaluation guidelines, they have been found to be of great value to the industry in analyzing the economic components of property evaluation.

IN MEMORIAM

We regret to note the passing of:

Virgil P. Hammerle

Houston, Texas

July, 1991

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 of his election".

APPLICANT

Harry D. Arber
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11703 Mile Drive
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Fred Haston
James Ogletree
Carle Sharp

Amiel David
Ray Garcia
Pete Huddleston

William Shaner
L. D. Sipes
Roy Williamson

Tom Calhoun
K. Marshall Fagin
Forest Garb

CHAPTER OFFICERS AND MEETING INFORMATION

DALLAS

Chairman: Gary Swindell
Vice Chairman:
Secretary/Treasurer: Frank Marek
Meets: Petroleum Club
3rd Thursday
11:45 A.M.

DENVER

Chairman: Reed Ferrill
Vice Chairman/Program: Doug Lang
Secretary/Treasurer: Walt King
Membership: Walt Pearson
Meets: Coopers & Lybrand Conference Room
3rd Wednesday of first month of each
quarter
11:45 A.M.

HOUSTON

Chairman: Chuck Frick
Vice Chairman: Rick Carter
Secretary/Treasurer: Rick Riseden
Program Chairman: Emmett Wassell
Meets: Petroleum Club
1st Wednesday
11:30 A.M.

MIDLAND

Chairman: Buddy Sipes
Vice Chairman: Scott Hickman
Secretary/Treasurer: Louis Moseley
Membership: Arlen Edgar
Meets: Bi-Monthly

TULSA

Chairman: Robin LeBleu
Vice Chairman/Membership: Leroy England
Vice Chairman/Program: Bob Pielsticker
Secretary/Treasurer: Joe Wanenmacher
Meets: Oliver's Restaurant
1st Tuesday
11:30 A.M.

CHAPTER NEWS

DENVER

The Denver Chapter held its regular quarterly meeting on July 17th. The program was a round table discussion of the proposed changes to the SPE "Definitions for Oil and Gas Reserves" led by Richard George. All attending members except one expressed opposition to the proposed changes as they relate to percent "confidence levels." The membership agreed on six objections to the proposed changes and directed the Chairman to report the objections to officers of SPEE and SPEE members working with the SPE Oil and Gas Reserves committee.

HOUSTON

On Wednesday, April 3, 1991 thirty-one members of the chapter heard Dave Wilson, Director of Natural Gas Consulting, with Coopers & Lybrand, spoke on "Current Trends in Natural Gas".

Approximately 75 members and guests were in attendance at the May 1, 1991 meeting to hear D. R. "Russ" Long, Long Consultants, Inc. speak on "Horizontal Drilling Activity and Performance at Pearsall Field".

The Houston Chapter does not meet during the three summer months.

MIDLAND

Chapter membership continues to grow, now standing at 18, with five applications in various stages of progress. A long list of potential members has been developed and is being worked by current members.

Chapter meetings are held by-monthly except during the summer. The last meeting, in April, featured a presentation by potential member, Mark Merritt, with Fasken Oil and Ranch Interests. His topic was the Hanford (San Andres) CO2 Project in Gaines County, Texas. This project is significant in that it is one of the few CO2 projects operated by an independent producer.

TULSA

On Tuesday, April 2, 1991 the chapter met and Dr. Charles A. Kothe, Tulsa attorney and Founding Dean of the ORU Law School, spoke on the topic "Business Ethics".

On May 7th the economics and evaluation seminar held in Dallas was discussed by members who attended.

C. V. Wheeler, retired Executive Vice-President of Cities Service reviewed "The Prize" by Dan Yergin. This book covers the history of the oil business. Since the Harvard Club is permanently closed, the meeting was held at Oliver's Restaurant, 6800 South Lewis.

The Tulsa Chapter had no meetings in July and August.

SPEE LEEVES

SID JONES spent July in Keystone, Colorado. Rumor has it he is taking golf lessons to insure DKM of the annual SPEE golf title next year. You'll recall Cam Stiernberg won it in 1990 and David Knepper won it this year....Speaking of David, times must be bad he only traveled as far as Destin Beach this year for vacation.

H. F. "KEP" KEPLINGER has announced the formation of American Energy Sources, Inc. (AESI) to represent companies and institutions making investments in energy related ventures, including the acquisitions of producing oil and natural gas properties. Good Luck!....Kep also spoke at the Ohio Oil and Gas 1991 Winter Meeting.

LARRY MARTIN'S trip to Russia last year was not for naught - L. A. Martin & Associates, Inc. has been awarded a contract to assist Quintana in reservoir evaluation work in Western Siberia. Larry's company was also retained by Anglo-Suisse to evaluate certain areas of Angola. Martin has also been retained by Geneva, Switzerland-based Panoco, Inc./Panoco USSR AG to assist in the evaluation of development of certain oil fields in Tataria, USSR. Panoco, Inc. is an exploration and production company with operations in Africa and the Middle East. Martin's assignment will be to make reservoir evaluations to estimate recoverable reserves and the economic viability of development.

J. D. HUGHES' Aggieldand, Ltd. has opened a state-of-the-art 15,000 BWPD capacity disposal system near Lyons, Texas. It is rumored that several other SPEE members own a stake in this deal. J. D.'s new telephone number is 512-467-2424.

Since our last newsletter our president, **CHUCK BRITTAN**, has relocated. Chuck is now associated with Powers Petroleum Consultants here in Houston.

FINALLY!!!!!!

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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 coalesced.

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.

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



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*David D. Knepper
Vice President Acquisitions*



Donald L. Horton, P.E.
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