



SPEE NEWSLETTER

Houston, Texas

April 1993

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Secretary/Treasurer
Past President

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Arlen L. Edgar

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Oil & Gas Reserves Committee

David D. Knepper
Herbert Poyner
Chapman Cronquist

OTHERS

| | | |
|--------------------|---|----------|
| Editor | Jim Patterson | 751-6312 |
| Newsletter Printer | American Photo Copy and Printing Company | 869-9916 |
| Information | B.K. Starbuck | 651-1639 |

PRESIDENT'S MESSAGE

It's hard to believe, but the first quarter of 1993 has come and gone — hope you put it to good use. During that time, there was a "changing of the guard" among your SPEE officers and, as a result, I have both the pleasure and responsibility of serving you as your President this year. I have had some tough acts to follow in my time, but coming behind Arlen Edgar is at the top of that list. As with anything Arlen gets involved in, he brings tremendous credibility and sets a standard of excellence that is hard to duplicate. I'm sure you would agree that SPEE has benefitted greatly from his leadership.

Other changes in member responsibilities include Gordon Biescar's retirement from the important and demanding position of Chairman of the Qualification Committee. This is a tough job with low pay, and I appreciate all of the time and hard work that Gordon dedicated to the position. Don O'Neill, who has served on the Qualification Committee for a number of years, has assumed the chairmanship and I look forward to working with Don. Dave Knepper is going to take a rest from serving as Chairman of the Publications Committee and as Editor of the Newsletter, however, he will continue in his position as Publicity Director. Thanks, Dave, for the time and effort you've put forth in all of these areas. Our new Editor of the Newsletter and Publications Chairman is Jim Patterson. He and B.K. Starbuck are already busy working on plans for future newsletters and our 1993 Directory. I hope Pete Cawthon can afford a new photograph for this year's directory!

B.K. Starbuck, who serves as our permanent secretary, recently moved to a new location: 811 Dallas, Suite 900, but her phone number remains the same (713) 651-1639 (Fax (713) 951-9659). At Curtis Phillips' suggestion, a permanent mailing address for SPEE has now been established and is as follows: P.O. Box 27709, Houston, Texas 77227. Somehow, Glenn Harrison found time to assist B.K. in the purchase of a new computer for SPEE, and he and Carle Sharp helped install the software that will enable B.K. to maintain much more comprehensive accounting and membership records.

There are three enclosures included in this month's newsletter. Please take time to review each of them:

1. Questionnaire on Monograph 1 submitted by Barry Van Sandt's Strategic Planning Subcommittee
2. Questionnaire for 1993 Evaluation Parameter Survey submitted by Mike Roberts and Les Nemeth.
3. Registration material for the SPEE Annual Meeting, June 20-22 at Silverado in Napa Valley California. Glenn Harrison is working hard to insure a great line up of speakers, papers, and social events. Please make your reservations early.

Thanks primarily to Don Horton, SPEE sponsored a very successful Welcoming Coffee at the recent SPE Hydrocarbon Economics and Evaluation Symposium in Dallas. An ample assortment of SPEE membership information was made available including 100 membership applications, and when it was over, all of the material had been taken. My thanks and appreciation to Don for coordinating all of the details to insure a successful event, and to Bill Cobb, Chairman of the SPE Symposium, for accommodating this SPEE function.

At the above mentioned SPEE Symposium, Hank Gruy gave a very entertaining and informative presentation on the status of the "gas bubble." He also related that he had recently done something which, I believe, was very perceptive. When the inevitable gas shortage hits the U.S., some people and industries, particularly in the colder regions of our country, will suffer the consequences. Gas prices will rise precipitously; there will be a great hue and cry from the public, and the congressmen will turn to the oil and gas industry and say, "Why didn't you tell us?" Well, Hank has told them. He has written letters to all of the elected officials that he feels should be warned and advised them about what is going to happen. I'm getting ready to write my letters and I hope you'll consider doing the same.

Hope to see you in Silverado!

Regards,
Fred M. Haston, Jr.

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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

Robert F. Bailey
Mabelle, Inc.
P.O. Box 3595
Midland, Texas 79702

Michael J. Flanigan
Nations Bank
P.O. Box 830104
Dallas, Texas 75248

Steven D. Gilbert
Consulting Engineer
5 Winged Foot Way
Littleton, Colorado 80123

Richard T. Griebling
Nicor Oil & Gas
1050 17th Street, Suite 1100
Denver, Colorado 80265

David M. Harber
Medallion Production Co.
2000 Mid-Continent Tower
Tulsa, Oklahoma 74103

Richard W. Hise
The Hise Company
113 Heymann Blvd.
Lafayette, Louisiana 70503

James A. Lillo
Consolidated Oil & Gas, Inc.
410 17th Street, #2300
Denver, Colorado 80202

Richard J. Marshall
Ryder Scott Company
600 17th Street, #900N
Denver, Colorado 80202

Richard F. McClure (Jr. Member)
Questa Engineering Corp.
1010 Tenth Street
Golden, Colorado 80401

Mark B. Merritt
CNG Producing Company
1450 Poydras Street
New Orleans, Louisiana 70112

Richard Miller
CNG Producing Company
1450 Poydras St.
New Orleans, Louisiana 70112

F. Richard Myal
CER Corporation
950 Grier Drive
Las Vegas, Nevada 89119

Robert A. Odd
Bank of Montreal
350 - 7th Avenue S.W.
Calgary, Alberta, Canada T3L 1T9

Jeffrey J. Sieler
Shell Offshore, Inc.
One Shell Square
New Orleans, Louisiana

S. Tim Smith
Don Ray George & Associates
1604 Rio Grande
Austin, Texas 78701

Michael R. Starzer (Jr. Member)
California State Lands Comm.
245 West Broadway, Suite 425
Long Beach, California 90002-4471

James Frank Vincelette
H.J. Gruy and Company
711 Louisiana, Suite 1600
Houston, Texas 77002

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Forest Gray
Robert Mannon

Marilyn Wilson
H.J. Gruy
James Hartsock

CALLING ALL MUGSHOTS!

Everyone who was fortunate enough to attend last year's annual meeting in Jackson Hole thoroughly enjoyed Barry Van Sandt's program focusing on membership directory "mugshots." As the April 30 deadline approaches to submit your updated picture to the SPEE office for inclusion in the current directory, we thought a little peer pressure might help motivate the few remaining delinquents. (As of April 1, B.K. still had no pictures from 97 members.)

- **Pete Cawthon**, winner of Barry's "Most Outdated Picture Award" has now provided B.K. with a post-1960 mugshot. Thanks, Pete!
- **Jim Patterson** sent his picture into the office almost immediately after receiving the request for directory info. Along with his returned picture, he noted that he didn't ever want to be accused of looking like **Pete Huddleston**.
- Speaking of which - Pete, have you sent B.K. a picture of your smiling face which is suitable to cover that SPEE seal?
- Rumor has it that **Chuck Massey** has finally agreed to have his picture taken for the membership directory. We haven't seen it yet, but our fingers are crossed in hope that "the mugshot's in the mail."

We all benefit from being able to connect other SPEE member's names with mental images of their faces. Please do your part by mailing your updated bio information, address and telephone number changes, etc., along with a current picture (a color or black and white passport type picture is acceptable - most quick copy businesses will make such a photo for less than \$10.00) to the SPEE office prior to April 30 for inclusion in the 1993 membership directory.

SPEE ESTABLISHES PERMANENT ADDRESS

The SPEE mailing address is now P.O. Box 27709, Houston, Texas 77227 for mail to the society.

For several years SPEE has utilized the executive secretary services of **B.K. Starbuck** who has moved her office to 811 Dallas Street in downtown Houston. B.K. will continue to do the fine job of administering SPEE's business and we will receive our mail at the above mail box which will not change in the foreseeable future.

New membership applications, sponsor forms, and letterheads are being printed and will be ready for distribution at the annual meeting in June. By establishing a permanent address, applications and sponsor forms which are used in the future will reach our office even if it is moved to another location sometime in the future. We have occasionally had old sponsor forms or applications mailed to previous addresses after the post office forwarding period had expired. Hopefully, this will no longer happen. Our telephone number is unchanged (713) 651-1639.

GUESS WHO'S MOVING UP IN THE WORLD?

Some of you may have heard about it "through the grapevine" and others of you may not have heard it at all, but it's official now! **Amiel David**, formerly Chief Engineer for First City National Bank's Houston Energy Division has moved up in the world — up to the 22nd floor of the 1001 Fannin Building in downtown Houston.

Amiel, along with seven of his ex-First City energy colleagues, has agreed to join First Union Corporation, a \$71 billion North Carolina-based banking organization, in order to establish First Union's only energy lending office. Amiel and his associates will be involved in lending, investment banking, and property brokering, as well as engineering services. Call him at (713) 650-3104 and wish him well in his new endeavor!

CHAPTER OFFICERS AND MEETING INFORMATION

DALLAS

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

DENVER

Chairman: Walt King
 Vice Chairman/Program: Tom Reagan
 Secretary/Treasurer: Allan Heinle
 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: Emmett Wassell
 Secretary/Treasurer: Ray Garcia
 Program Chairman: Allen Barron
 Meets: 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: Rene G. Daigre, Jr.
 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 even numbered month

TULSA

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

CHAPTER NEWS

DALLAS

The Dallas chapter held a luncheon meeting on March 25 at Vick's Brasserie in One Energy Square. Mr. Daniel Johnston presented an informative talk on international production sharing agreements. Total attendance included 28 members and guests.

The next chapter luncheon meeting is scheduled for April 22 at the Energy Club. The speaker will be Mr. Randall E. King with Petrie Parkman & Co. Mr. King's topic will be "Oil and Gas Asset Market Update."

DENVER

The next Denver chapter meeting will be held on Wednesday, April 21 at the Board Room of the Colorado National Bank Building. The lunch meeting will begin at 11:30 a.m.

Our speaker will be Phillip Dufford, Esq., a former Colorado Appellate Judge. He will speak on: **Advocacy, the Achilles Heel of the Expert Witness.** Mr. Dufford has extensive experience as a judge, arbitrator, and practicing attorney. He will share with us the many problems associated with advocacy.

HOUSTON

On Wednesday, March 3 the Houston Chapter held their monthly meeting at the Petroleum Club with SPEE member, John R. Butler, Jr. of J.R. Butler and Company speaking on "Gas Deliverability Forecast through 1995." There were 55 members and guests in attendance at this meeting.

On Thursday, April 15 the Houston Chapter of the Society of Independent Professional Earth Scientists (SIPES) will be the host for the annual joint SIPES/SPEE luncheon at the Petroleum Club. Mr. Sidney Moran will present a talk on "Development and Use of Oil Property Value Maps." Mr. Moran retired in 1988 from the Shell Companies after a 33 year career in exploration geology and economic analysis. He was selected by AAPG to write a chapter on "Analysis of International Petroleum Contracts" for a volume on the business side of exploration, and he is presenting a short course on the same subject at the 1993 AAPG convention in New Orleans.

MIDLAND

The Midland Chapter met on Tuesday, April 6. Mr. Dale Brown, President of Petroleum Strategies, Inc. spoke on "Like Kind Tax-Free Property Transactions." Petroleum Strategies has focused on application of this proven technique to the oil and gas industry. They have handled transactions totalling in excess of \$200MM during the last 12 months. The next meeting date is June 1.

L.D. "Buddy" Sipes, former National and Midland chapter president, has been named distinguished Engineer from Texas Tech University. Since this is the 114th award given out of 16,000 engineering graduates, it is an outstanding achievement. Congratulations to Buddy!

NEW ORLEANS

Guest speaker for the February 17 meeting was Mr. John E. Young, Account Manager for Baker/MO Services, who spoke on the subject of "Facilities Auditing." Mr. Gene B. Wiggins, III, Vice President of Atwater Consultants, Ltd. and current Chairman of the New Orleans Chapter of SPEE, presented a talk at the March 17 meeting entitled "Pitfalls in Oil and Gas Property Evaluations." The speaker for the April 21 meeting will be Mr. Bill Strain, Senior Partner in the Baton Rouge law firm of Strain, Dennis, Mayhall & Bates, who will speak on various legal issues relating to petroleum engineers and property evaluators including professional liability and the petroleum engineer/geologist as expert witness.

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

OKLAHOMA CITY

The initial meeting of the Oklahoma City Chapter of SPEE was February 10. The following officers were elected for 1993:

Chairman - Charles G. (Chuck) Massey
 Vice Chairman (Program) - J. Kent Smith
 Vice Chairman (Membership) - R. Curtis Phillips
 Secretary/Treasurer - Richard A. Brown

The chapter will meet every other month on even months.

TULSA

The Tulsa Chapter of SPEE held its monthly meeting at Oliver's Restaurant on February 2. Mr. G.W. Cottrell, Senior Vice President of Libety Bank in Tulsa, gave a presentation on current lending practices being followed in the Tulsa banking community.

For the March 2 meeting, Mr. Jack Kueser, Vesta Energy, gave a talk on "Domestic Energy Business Environment." Our next meeting is scheduled for April 6.

MEMBERSHIP STATISTICS

Current membership as of 4-1-93 397
 Applications being processed 28

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