



SPEE NEWSLETTER

HOUSTON, TEXAS

MAY 1994

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 Secretary/Treasurer D. Russell Long
 Past President Fred M. Haston, Jr.

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 Raymond T. Garcia
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 Information B.K. Starbuck 651-1639

PRESIDENT'S MESSAGE

Many thanks are due to our outgoing president, **Fred Haston**. Fred completed his three years as an SPEE officer and as a member of the board of directors in December 1993. During those years, he served as Secretary/Treasurer, Vice President, and President. He now serves as Past President and is one of four past presidents that direct the Harold Vance Foundation. In the role of Past President, Fred provides guidance and continuity on the many issues we face. SPEE has been fortunate to have Fred manage its affairs. I hope you all will thank him for his many years of time and effort on behalf of our society.

We also want to thank our outgoing board of directors member **Gordon Biescar** who completed his service in December 1993. Thank you, Gordon, for your help and considerable efforts during these past three years. And a strong welcome to the three new board members, **Forrest Garb** of Dallas, **Skip Wiggins** of New Orleans, and **Ray Garcia** of Houston.

SPEE is fortunate to have a strong and experienced board of directors. Your officers, which include **Curtis Phillips** as Vice President and **Russ Long** as Secretary/Treasurer, appreciate the board's guidance and assistance in directing the society. The board of directors will meet at Rimrock Sunday morning at 10:30 am and the meeting is open to society members, so plan on attending if you so desire.

The annual meeting at Rimrock, Canada, is going to be outstanding, no matter how you look at it. **Curtis Phillip**, **David Tutt**, and **Russ Long** are to be congratulated for their efforts. I think the program is particularly interesting, and surely provides something for almost everyone. Also, for the first time ever, there will be two short courses offered for a nominal fee to those overachievers that want to enhance their professional knowledge. The facilities are outstanding, and are complemented by the prominent Canadian Rockies. As you know, there are a myriad of entertainment and recreational activities for your enjoyment. Also, I am pleased to report that **Don Clark** will be presented with an Honorary Life Membership at the meeting. I hope to see all of you will participate in the society's largest event of the year.

The final matter I bring to your attention is an effort **Rick Garza** has undertaken at the request of the Executive Committee. Rick is in the process of developing a complete review of the society's bylaws, and surely there could not be a more tedious or perhaps at times, controversial job. Some changes are merely cosmetic but others may be substantive. You will have the opportunity to approve any changes to these foundational directives.

Remember, please plan to attend the annual meeting at Rimrock. This meeting site was selected by you the membership, and your attendance will be important to its success.

Sincerely,
 Glenn Harrison

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WELCOME NEW MEMBERS

Blane A. Balch

First Interstate Bank
1000 Louisiana, 3rd Floor • Houston, Texas 77002

Mark Allen Doering

PMC Reserve Acquisition Company
6688 N. Central, Suite 1100 • Dallas, Texas 75206

Moody Fred Duewall

William M. Cobb & Associates
12770 Coit Road, Suite 907 • Dallas, Texas 75251

Larry L. House

British Gas
1100 Louisiana, Suite 2500 • Houston, Texas 77002

Louise M. McClure (Jr. Member)

Questa Engineering Corp.
1010 Tenth Street
Golden, Colorado 80401

Enoch Marvin Pringle III

Consultant
One Wall Plaza, Suite 828
306 West Wall • Midland, Texas 79701

Edward E. Runyan

Runyan Oil Company
P.O. Box 472 • Midland, Texas 79702

Keith A. Sellinger

Grace, Shursen, Moore & Associates
P.O. Box 9920 • Amarillo, Texas 79105

Robert S. Thompson

Colorado School of Mines
Golden, Colorado 80401

Marshall Charles Watson

Harken Energy Corporation
P.O. Box 619024 • Dallas, Texas 75261

Charles Philip Willis (Jr. Member)

The River Gas Corporation
3600 Watermelon Road, Suite 204 • Northport, Alabama 35476

APPLICATION UPDATE!

Please note that the SPEE newly developed applications are available from your chapter chairman or membership chairman.

MEMBERSHIP

Pursuant to Article IV, Section I 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

Glenn S. Brant
Glencoe Resources Ltd.
1950, 633 Sixth Ave. S.W.
Calgary, Alberta T2P 2Y5
Canada

Don Allen Brown
Seneca Resources Corp.
333 Clay Street, Suite 4150
Houston, Texas 77002

Richard B. Buy
Bankers Trust Company
130 Liberty Street
New York, New York 10006

Kenneth H. Crowther
Sproule Associates Limited
900, 140-4th Ave. S.W.
Calgary, Alberta T2P 3N3
Canada

Richard F. Herrick
William M. Cobb & Associates
12770 Coit Road, Suite 907
Dallas, Texas 75251

James A. Murtha
Consultant
26 Robin Lake Lane
Houston, Texas 77024-7121

SPONSORS

Glenn Robinson
David W. Tutt
Walter G. Wright

Allen Barron
Fred Haston
Emmett Wassell

J. Wallace Frick
Glenn Harrison
Brad Larson

Noel A. Cleland
Glenn Robinson
David W. Tutt

William M. Cobb
Glenn Harrison
Frank Marek

Gordon Biescar
Chapman Cronquist
Walter King



comedy corner

TOP TEN REASONS WHY BUYERS & SELLERS CAN'T AGREE ON OIL & GAS PROPERTY ACQUISITIONS

10. Seller has "Arab vision"—Thinks oil will be \$40/bbl next week.
9. Seller wants additional value, up front, if buyer can say the word "Tertiary".
8. Buyer finds out that "Depth Rights" means the depth landowner intends to bury operator.
7. H₂S gas has been known to bring down geese from 3000' when heater-treater vents.
6. Landowner does not own any minerals and thinks you're a "Yankee Egg Sucking Dog" if you live north of Lubbock.
5. On his field inspection, buyer notes that all cows on the property are wearing blue ribbons around their necks.
4. Environmental assessment of property reveals that this area has been designated as the last known habitat of the blue darter, Concho river, pilated, offshore, desert, singing lizard.
3. Possible fresh water contamination is suspected because cows glow in the dark and milk tastes a bad as Midland water.
2. Buyer is required to keep seller's son "Goober" on as the pumper.
1. Tie: a) Buyer and seller can't agree on who gets to keep used chemical drums for making barbeque pits, and
b) Leaking oil can be seen through rifle scope from Landowner's house.

Author-
Our own David G. Guffin
Midland Chapter

CHAPTER OFFICERS

CENTRAL TEXAS

Chairman J.D. Hughes
Vice Chairman Kerry Pollard
Sec./Treas. Danny Wilson
Membership Chrm T. Tim Smith
Meets: The Austin Club, 3 times per year

DALLAS

Chairman William D. Anderson
Vice Chairman Tom Calhoun
Sec./Treas. Mark Doering
Membership Chrm Frank Marek
Meets: Southland Center Hotel ,3rd Thur. - 11:45a.m.

DENVER

Chairman J.T.(Tom) Reagan
Program Chairman Alan Heinle
Treasurer Dave Cox
Membership M.J.(Jack) England
Meets: Various Locations, 3rd Wed. of first month of each quarter - 11:45a.m.

HOUSTON

Chairman Emmett Wassell
Vice Chairman Ray Garcia
Sec./Treas. Allen Barron
Program Chairman Jim Eisterhold
Meets: Petroleum Club, 1st Wed. - 11:45a.m.

MIDLAND

Chairman Joe C.Neal
Vice Chairman Joel Castello
Sec./Treas. Scott Epley
Membership James Groce
Meets: Bi-monthly

NEW ORLEANS

Chairman Jim Haag
Vice Chairman Max Maxwell
Sec./Treasurer Paul Loveless
Membership Charles A. Lipari
Meets: Petroleum Club, 1st Wed. - 11:45a.m.

OKLAHOMA CITY

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

TULSA

Chairman Leroy England
Vice Chairman Randal Maxwell
/Membership
Vice Chairman Bob Pielsticker
/Program
Sec./Treas. Bill Southmayd
Meets: Oliver's Restaurant, 1st Tues. - 11:30a.m.

CHAPTER NEWS

DALLAS

On March 31, 1994, Mr. Michael J. Flanigan spoke to the Dallas-Fort Worth Chapter on "The Use of Financial Derivatives in the Oil and Gas Business." Mike is a Senior Vice President in the Energy Banking Group of NationsBank. Attendance at the meeting was 25.

DENVER

Sixteen members (including wives) have indicated they plan to attend the annual meeting. The chapter July program will feature Marlin Opperman, Attorney for the City and County of Denver airport. He will discuss appraiser's liability and engagement letters. Membership continues to grow: 11 applications for membership are in the works at the present time.

HOUSTON

The Houston Chapter met on March 2 and heard Max Lukens, President of Baker Hughes Oilfield Operations speak on "Strategic Alliances and Integrated Services". On April 6, R.M. "Mike" Coffelt, Manager - North American Exploration, Phillips Petroleum Co. spoke on "The Gulf of Mexico Subsalt Play, Play Concept and Technology".

Due to a previously planned function at the Houston Petroleum Club, the May meeting will be held on the 25th with SPEE member Barry K. Van Sandt speaking on "Reserve Definitions - Why Bother?" The chapter doesn't meet during the summer months, but will resume meeting in September.

MIDLAND

On February 1, 1994 the Midland Chapter heard a presentation by Richard McMillan (Attorney for Cotton, Bledsoe, Tight and Dawson) of Midland on the subject of, "How the Securities Laws Affect the Independent Oil and Gas Companies Money Raising Efforts".

On April 5, 1994, Mr. Rod Vogel made a presentation on, "Applications for Horizontal Drilling in the Permian Basin".

The June 7, 1994 meeting will be presented by Ronald Wise. The subject matter will be, "Divestiture of Oil and Gas Properties".

NEW ORLEANS

The New Orleans Chapter has had a good year with many interesting meetings. Recent luncheon guests were Dr. Philip A. Schenewerk who spoke on "The Use and Abuse of Reservoir Simulation", Mr. Gene B. Wiggins III who chaired a group activity entitled "Risk Reduction through Data Acquisition" and our annual roundtable discussion on Ethics, Mr. Edward B. Poitevent II who gave "A Lawyer's Perspective on Oil and Gas Acquisitions", and Mr. Eric Smith who spoke concerning the "New Options Available to the Industry Concerning the Payment of Abandonment Obligations".

Our last meeting before the summer break is on May 25 and our speaker will be Mr. Dave Gibbs who will share his company's experiences gaining a concession overseas as "An Independent in Eritrea".

The New Orleans Chapter is closing out its year with 16 members and two pending memberships.

OKLAHOMA CITY

The Oklahoma City held a noon meeting at the OKC Petroleum Club on May 5, 1994. Twenty-two members and guests were present to hear Ron Wise of Petroleum Listing Service, (PLS, of Midland, Texas) present a discussion on the advantages and disadvantages of various methods of selling oil and gas properties.

TULSA

The Tulsa chapter meets on the first Tuesday of the month, September through June, at Oliver's Restaurant, 6605 South Lewis Avenue. Topics of the 1994 meetings have been: **February 8**, Mr. James Houghton, Partner Ernst & Young (retired), spoke on the valuation of oil and gas properties at the alternative valuation date for estates taxes. He discussed the similarities between oil and gas investments and other investment instruments and the inequitable handling of income received from oil and gas properties prior to the alternative valuation date. **March 1**, Mr. Houston Shirley, Attorney, presented the advantages (and disadvantages) of Limited Liability Corporations, Joint Ventures and S. Corporations for oil and gas investments. While each has its advantages, no single organization method is best for all investors, i.e. consult a competent oil and gas attorney. **April 5**, Mr. Jack Meyers, Vice President with Encore Energy Corporation, presented an overview of gas marketing in the current regulatory environment. He discussed the interactions common in today's gas marketing procedures and contrasted them to the previous gas marketing interactions. **May 3**, Mr. Wayne Swearingen, Management Consultant, told us that "Old Consultants Never Die. They Just..." This was a discussion of current issues that should concern the engineering community. He stressed the need for engineers to become a voice of reason in the face of increasingly unreasonable regulations.

IN MEMORIAM

Raymond F. Kravis
of Tulsa, Oklahoma
October 25, 1993

1994

ANNUAL MEETING REGISTRATION STRONG



The early reservations for this year's July 17th SPEE annual meeting are running well ahead of past years. Members must have their SPEE registrations in before June 15th; however, Room reservations in Rimrock must be made by June 4th. Rooms are still available in our block at Rimrock Resort in Banff, and American Airlines still has some of its lowest priced seats [advance purchase] available for those coming from the Southwest U.S. A few seats are still available for departures on both Friday and Saturday. Mail your registration today, make your travel reservations, and call your room reservations to Rimrock (1-800-661-1587) this week. Fear not! IRS rules do not place any special restrictions on Canadian conventions. [BK in our SPEE office can send you a copy of the tax rules that apply if you need them.]

An outstanding technical session is planned with eight speakers plus two half-day short courses for this year's annual meeting which begins with a giant reception Sunday night, July 17th. Technical sessions will be held on Monday and Tuesday. Optional trips to Lake Louise with lunch at the Chateau, a Banff art walk, a float trip on the famous Bow River, helicopter tours of Mount Absiniboine. If you are making airline reservations, remember to have your travel agent or American Airlines transfer you to the "Group Department" and ask for Star #S-1074P7 to assure that you get SPEE's additional discount on any fare from American Airlines.

Banff and Canada mean beautiful scenery, so be sure and bring your camera and plenty of film to

capture the fabulous Canadian Rockies scenery. Remember to bring your passport, if you have one, or birth certificate to assure a quick and easy return. If you might drive a rental car, is a good idea to contact your auto insurance agent now and request a Canadian nonresident vehicle liability insurance certificate (no fee). The Canadian dollar continues to decline and is presently only worth 72 cents per American dollar. Thus, our dollars should buy more this summer in Canada.

This year's SPEE meeting promises "firsts" in several categories:

FIRST SPEE meeting outside the U.S. = **Banff, Canada.**

FIRST time to meet so late = **July 17 to 19th.**

FIRST SPEE short courses offered = **Before and after meeting.**

FIRST Sponsored event = Thanks to Sproule Associates, Coles-Gilbert Associates for registrant's breakfasts. We're looking forward to an outstanding annual meeting in the cool, crisp Canadian Rocky Mountains this summer. Only one "Fine Dining" restaurant in Rimrock Hotel requires formal dress (coat and tie), so come western casual and let's have fun. All other restaurants have no dress code.

CANADIAN PHONE NUMBERS: *(for your information)*

Rimrock Resort

(SPEE Meeting Headquarters)

1-800-661-1587 • Fax: 403/762-4132

Calgary Accommodations - 1-800-661-1678

Stampede Information 1-800-661-1260

Stampede Tickets *(only)* 1-800-661-1767

Banff/Lake Louise Tourism Bureau

403/762-8421

American Airlines (Group)

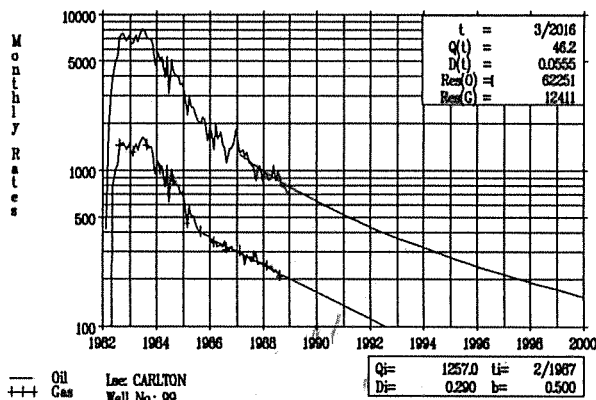
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Dave Tutt: 403/234-3829

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Robert O. Hubbell, PE, Director
Engineering Continuing Education
University of Houston
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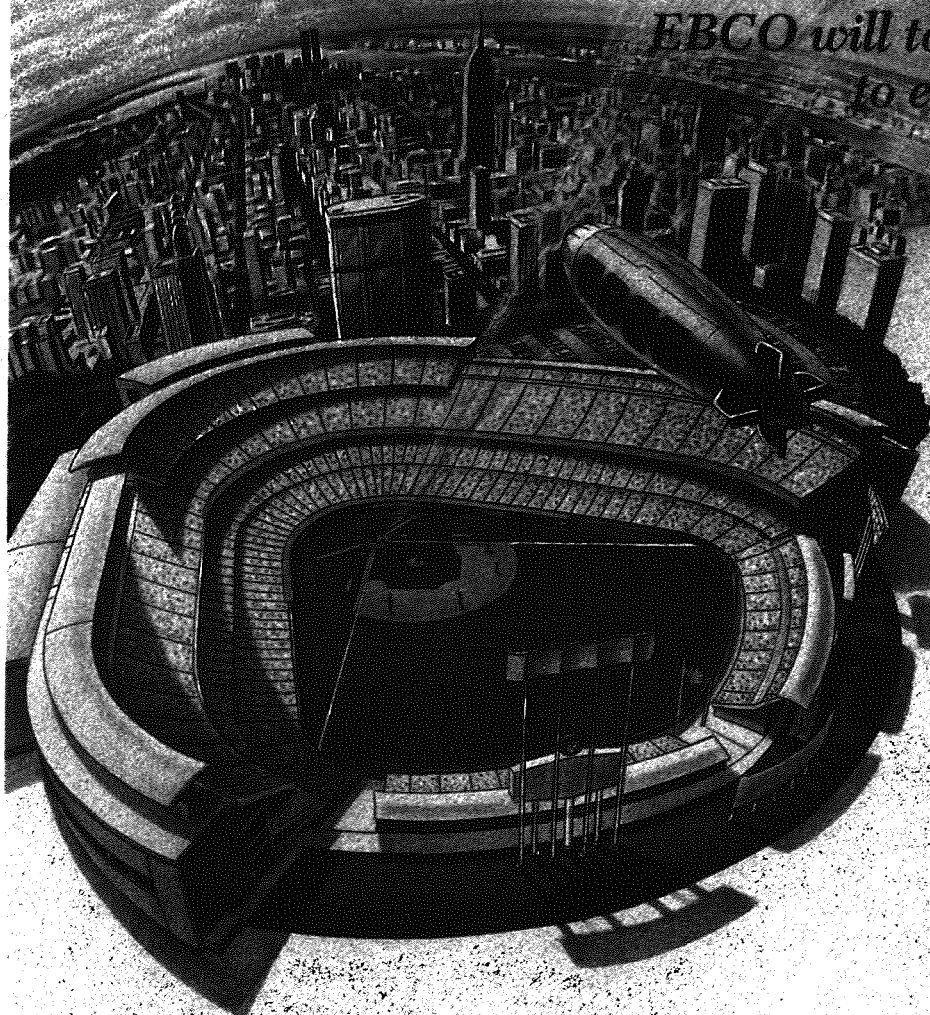
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