

October 1997

SPEE Newsletter

President's Letter

Wow! Isn't it great once again to be a part of a dynamic growth industry? Activities are up in almost every measurable category. There are more wells being drilled, more rigs running, more exploration being done, more properties being traded, more money being borrowed and spent, and more students enrolling in geology and petroleum engineering. After a decade of doldrums, it is back to "let the good times roll."

The above paragraph was written for my annual review for the World Oil magazine, but I feel it is appropriate for this quarter's news letter. The following comments will bring the membership current on SPEE topics of interest.

Monograph 1

The Society owes Brian Ausburn a sincere vote of appreciation. He has submitted a draft of the update of Monograph 1 to the SPE Reserves Definition Committee, with copies to the Executive Committee of the SPEE. Although there may be some 12th hour modifications, I am sure they will not be major in scope. Brian and I have both been discussing the publication options available to the Society, and are continuing discussions with the SPE who published the first edition. I expect that a plan of action for publishing the new edition will be in place by the end of the year.

Survey

I am extremely pleased to report that a most amicable meeting between the Executive Committee and Dr. Les Nemeth has resulted in clearing any misunderstandings about the copyrighting of the annual surveys of economic parameters. I personally wish to thank Dr. Nemeth for his long service to the Society and his guidance and assistance in the preparation of past surveys. On behalf of the Society I want to express my appreciation to Dr. Nemeth for his assistance in unifying the ownership of the parameter survey copyrights to the SPEE.

Amendments

Amendments one and two to the By-Laws are "house-keeping" amendments required to correct typographical errors. They overwhelmingly passed. Surprisingly enough, there were a few negative votes for even correcting the

spelling of the word "Canons" from the erroneous "Cannons" originally in the By-Laws. We are a group of original thinkers.

Amendment three, the notification that the SPEE has not adopted a specific set of reserve definitions but recommends that a report include a full disclosure of what definitions were used, also passed easily.

Amendment four, proposing the establishing of an Associate Member classification was defeated by a margin of 102 to 76.

I hope that in the near future some acceptable method will be found for including good qualified people in the SPEE, even though for some reason they are not registered.

Past Presidents Council

Under the leadership of Arlen Edgar, the Council of Past Presidents has developed into a true leadership position in the SPEE. The Council is not only offering advice on current topics of significance, but is studying and bringing to the attention of the Executive Committee and the Board of Directors issues which will become increasingly important in the near future. This group of past Society leaders is a wealth of talent from which we will continue to benefit.

Membership

The current membership remains at 495.

New Directory

I am advised that the new membership directory will be available for distribution about Nov. 1. We have Ray Garcia and B.K. Buongiorno to thank for this fine effort.

Nominations

Enclosed in this letter is a list of candidates for your Board of Directors. Please take time to read the biographical sketches and vote as soon as you can. Early response to the nominations makes B.K.'s job much easier.

Have a happy Thanksgiving and Holiday Season.

Yours very truly,

Forrest A. Garb, President

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 Ausburn

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
 Oil & Gas Reserves Committee 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)

CALIFORNIA

Chairman, Richard Miller
 Vice Chairman, Mike Starzer
 Secretary/Treasurer, Barry Evans

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 - CityPlace)

DENVER

Larry Nelms, Chairman
 Steve Gilbert, Vice Chairman (Program)
 Nanette Shulz, Secretary/Treasurer
 Rene G. Daigre, Jr., Membership Chairman
 (2nd Wednesday of first month of each quarter - Hershner 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 - Petroleum Club)

MIDLAND

Scott Epley, Chairman
 Cathy Norwood, Vice Chairman
 Mike Black, Secretary-Treasurer
 Dean Eiland, 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

Max Holloway, Chairman
 Fred Ferris, Vice Chairman (Program)
 Brian Powley, Vice Chairman (Membership)
 Bruce Heath, Secretary/Treasurer
 (Every other odd numbered month)

TULSA

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

Candidates for SPEE Board of Directors

Please vote on the ballot on the reverse side

Three-Year Terms Beginning in 1998



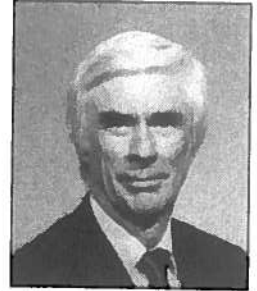
Norman Adams, Jr. has been Vice President and Chief Petroleum Engineer for Colorado National Bank and First Bank Systems since 1991. He graduated from the University of Texas in 1960 with BS and MS degrees in Petroleum Engineering. After working for Conoco and King Resources, Norm was a consulting petroleum engineer in Denver for 20 years. He has been a SPEE member since 1986.

Brian E. Ausburn is President of J. R. Butler and Company. Brian graduated from the University of Oklahoma in 1961 with a Masters degree in Geological Engineering. He worked for Shell Oil Company in the Rocky Mountains, New Orleans and Houston and joined J. R. Butler and Company in 1976. Brian has been a member of SPEE since 1979 and is currently Chairman of the Reserves Definitions Committee.



Dean L. Eiland is currently President of Eiland Natural Resources, LLC in Midland, Texas. Dean worked for Parker & Parsley Petroleum Co. 12 1/2 years in various engineering and management positions. He received a Bachelor of Science degree from Texas A&M University in 1979 and currently serves as Membership Chairman for the Midland Chapter.

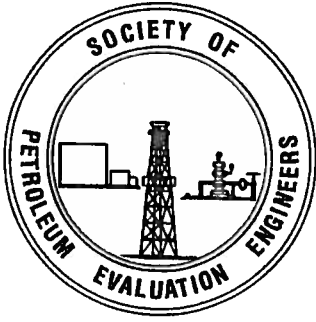
Harry Gaston is president of Ryder Scott Company Petroleum Engineers. He joined Ryder Scott in 1967 after spending eight years as a reservoir engineer with Robert W. Harrison & Co. and prior to that was employed by Atlantic Refining Co. (ARCO) and Conoco as a reservoir and production engineer, respectively, after receiving a BS degree in Petroleum Engineering from Louisiana Tech University and an MS degree in Petroleum Engineering from the University of Texas. Harry joined SPEE in 1977, and has served on the Reserve Definition Committee as well as past term on the Board of Directors.



J.D. Hughes is an independent Petroleum Consultant assisting companies seeking domestic and international oil and gas acquisitions. He was formerly Executive Vice President for Ashland Oil, Inc., exploring in more than 20 countries. J.D. helped organize the Central Texas chapter, was Program Co-chairman for the 1997 Annual Meeting, and served as the Society's first Chapter Coordinator. He attended Washington University (St. Louis) and night school at Tulsa University and the University of Houston. J.D. has just completed a previous term as a SPEE Director.

Robert A. Odd graduated from the Cambridge University, England, in 1964 with a degree in Mechanical Sciences. After six years with Schlumberger, Robert joined Conoco as a reservoir engineer in the North Sea and then transferred to Hudson Bay Oil and Gas Company, Calgary, as a Staff Petroleum Engineer. He is now head of the Oil and Gas Department at the Bank of Montreal, which he joined in 1981. Robert joined SPEE in 1993 and is currently Vice Chairman of the Calgary Chapter.





THE SOCIETY OF PETROLEUM EVALUATION ENGINEERS

811 Dallas, Suite 1416

Houston, Texas 77002

713-651-1639

713-951-9659 - fax

TO: SPEE Members
DATE: October 15, 1997
SUBJECT: Ballot for Board of Directors Election

The following slate of candidates was selected by the Nominating Committee for the three positions open on the Board of Directors. Members are asked to vote for any three individuals; the three receiving the most votes will be elected. Each Director will serve for a three-year term beginning January 1998. It is the feeling of the Executive Committee that SPEE board members should not be considered as representing a region but rather the Society as a whole. Accordingly, in casting your ballot, you are urged to consider the qualifications of all the candidates, not just those in your own local chapter or area.

<input type="checkbox"/>	Norman Adams, Jr.	Denver, Colorado
<input type="checkbox"/>	Brian E. Ausburn	Houston, Texas
<input type="checkbox"/>	Dean L. Eiland	Midland, Texas
<input type="checkbox"/>	Harry Gaston	Houston, Texas
<input type="checkbox"/>	J. D. Hughes	Austin, Texas
<input type="checkbox"/>	Robert A. Odd	Calgary, Alberta

The ballot must be received by SPEE by November 10, 1997. Please mail or fax to the address or number above. Thank you for your vote.

Sincerely,

Forrest A. Garb
President

No. _____

Chapter News

CALGARY

A luncheon meeting was held on September 16 at which seven potential members waiting for their membership applications to be approved were welcomed. One of these, Peter Sidey, gave a very informative and amusing review of a recent high profile regulatory hearing before the Alberta Energy and Utilities Board. We hope to find another "hands-on" speaker like Peter for our next luncheon meeting on November 18.

CALIFORNIA

The new California Chapter held its first meeting on June 26th in Long Beach in conjunction with the SPE Western Regional Meeting. This was an organizational meeting to elect officers and discuss plans for future meetings and meeting format. Officers elected were:

Chairman - Richard Miller
Vice-Chairman - Mike Starzer
Secretary/Treasurer - Barry Evans

The current plan is to hold 2-4 meetings each year, one of which will be in conjunction with the SPE Western Regional, in different parts of the state. The meeting format will be a panel discussion or prepared debate of a topic of interest to Chapter members and scheduled for 3-4 hours. The next Chapter meeting is scheduled for November 1997.

DENVER

The Denver Chapter met on July 10th at the Hershner Room-One Norwest Center. Ronald Harrell, Executive Vice President, Ryder Scott Company, talked about independent reserve evaluations and why reserve estimates may differ. He discussed reserve differences which result from uncertainties in reserve definitions, items that impact reserve revisions over time and the reasons for differences in reserve estimates prepared by different evaluators. Also, Mr. Harrell presented recommendations for maintaining consistency among evaluators. Thirty members and guests including Glenn Robinson, National Board member from Calgary, Alberta Canada, were present.

On October 8th, 24 members and guests of the Denver Chapter met. THE DILBERT GAME, "The Ethics Challenge" (a business ethics game developed by Lockheed Martin which features Dilbert, Dogbert and Company) was played to solve various business ethics problems. The game generated good group participation and was well received. Also, at this meeting, officers were elected for the forthcoming year. Newly elected officers are:

Larry T. Nelms - Chairman
Steve Gilbert - Vice Chairman/Program
Nanette Shulz - Secretary/Treasurer
Rene G. Daigre, Jr. - Membership Chairman

Currently, Denver Chapter membership stands at 40 members, two junior members, and two outstanding applications for membership.

MIDLAND

The Midland Chapter met August 5th at the Petroleum Club. Larry Lofton with Oxy U.S.A. presented a program titled "Improved Reservoir Modeling Using Gridded Seismic Attributes: North Concho Bluff Field." Oxy has realized tremendous success with their infill drilling program in the North Concho Bluff field utilizing 3-D seismic data to refine their reservoir model and select their infill locations. Mr. Lofton walked those present through the steps of this process that Oxy has developed.

Mark Maynard with PI/Dwights discussed the products available from the recently merged PI/Dwights and demonstrated their Power Tools program at the October 5 meeting of the Midland Chapter.

The Midland Chapter meets bimonthly, on the even-numbered months, for lunch and a program at the Petroleum Club in downtown Midland.

OKLAHOMA CITY

The Oklahoma City Chapter met once in the third quarter. On September 11th, the Chapter elected new officers:

Max Holloway - Chairman
Fred Ferris - Vice Chairman (Program)
Bruce Heath - Secretary/Treasurer

Brian Powley was also appointed Vice Chairman (Membership).

Several items of business were discussed prior to Doug Burton of Acarus Group presenting "Electricity Deregulation and the Gas Industry." As usual, Mr. Burton was entertaining and very enlightening. He spoke of the role that natural gas played in today's electricity generation, and under electricity deregulation and inferred increased competition, the role that natural gas might play under various future demand and technical circumstances.

The Chapter continues to meet the second Thursday of every odd-numbered month. The meetings are held during the lunch hour at the Petroleum Club in downtown Oklahoma City.

TULSA

On June 9, Charles McNamara, president of Energy Exchange Corporation, gave a very informative talk on "Interpretation of the Fuel Use Clause to Extend the Life of Marginal Leases." Phil Smith's presentation on September 9 was "The Definitions Have Changed." The October 7 meeting included a very interesting presentation by Jack Stark, "Overview of the Horizontal Red River Play in Bowman County, North Dakota." Our attendance has been very good due to the outstanding programs by Sharon Voskuhl, our Program Vice Chairwoman.

Membership has grown to 36, thanks to Membership Vice Chairman, Robert Pielsticker.

Welcome New Members

BALOG, STEVE E.

West Butte Energy Inc.
1830 - 144, 4th Avenue S.W.
Calgary, Alberta T2P 3N4 Canada
403-263-8180 office
403-263-8119 fax

BOMMER, PETER A.

Bommer Engineering Co.
1100 NW Loop 410, #305
San Antonio, Texas 78213
210-344-0900 office
210-344-9856 fax

IGBAL A. BOOTWALA

1107 Rustic Knolls
Katy, Texas 77450
281-398-9252 office

DAVIS, PAUL H.

Consultant
P. O. Box 474
Midland, Texas 79702
915-684-7693 office

DIMIT, ROBERT LESLIE

ARCO - Permian
P. O. Box 1610 #12
Midland, Texas 79702
915-688-5254 office
915-688-5389 fax

CHARLES G. GUFFEY

Miller & Lents, Ltd.
1100 Louisiana, Suite 2700
Houston, Texas 77002
713-651-9455 office
713-654-9914 fax

HARRELL, D. RONALD

Ryder Scott Company
1100 Louisiana, Suite 3800
Houston, Texas 77002
713-651-9191 office
713-651-0849 fax

HELWERDA, HARRY JAN

Sproule Associates Limited
900, 140 - 4th Ave. S. W.
Calgary, Alberta T2P 3N3
Canada
403-294-5513 office
403-294-5590 fax

LACEY, JOHN ROBERT

John R. Lacey International
Lacey Court, 344 12th Ave. S.W.
Calgary, Alberta T2R 0H2
Canada
403-266-6995 office
403-294-0667 fax

MOLYNEAUX, FRANK B.

The Bank of Nova Scotia
3820, 700-2nd St., S. W.
P. O. Box 2540
Calgary, Alberta T2P 2N7
Canada
403-221-6566 office
403-221-6767 fax

NICOL, JOHN EDWARD

Gaffney Cline & Assoc.
16775 Addison Rd.
Dallas, Texas 75248
214-733-1183 office
214-380-0180 fax

SIDEY, PETER

Wascara Energy Inc.
2500, 205 S Ave S.W.
Calgary, Alberta T2P 2V7
Canada
403-260-4935 office
403-263-5595 fax

STEWART, NORA

Sproule Associates Limited
900, 140 4th Ave. S. W.
Calgary, Alberta T2P 3N3
Canada
403-294-5518 office
403-294-5590 fax

WILSON, JIM LEE

Ward Petroleum
P. O. Box 1187
Enid, Oklahoma 73702
405-234-3229 office
405-234-3780 fax

NEW TAX RATE

The State of Louisiana has announced that the severance tax rate for natural gas for the period from 7/1/97 to 6/30/98 is \$.101 per MCF. Last year's rate was \$.077 per MCF.

SIPES ANNUAL SOCIAL

The Houston Chapter of SIPES announces its annual social on Wednesday, November 5, 1997 at the Houston City Club, One City Club Drive, 9 Greenway Plaza. Social Hour - 6:30 p.m. and seated dinner - 7:30 p.m.

Mr. Ray Miller, creator of "The Eyes of Texas" and "Ray Miller's Texas", will be the evening's speaker. Mr. Miller has been in broadcast news for 52 years and was news director at Channel 2 for 20 years. Mr. Miller's informative and entertaining stories about Texas and Texans continue to delight natives as well as newcomers to Texas.

Cost: \$50.00 couple, \$25.00 single

Reservations by Monday October 27th to:

SIPES

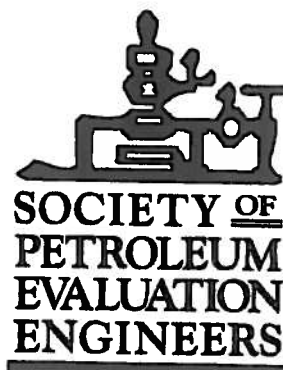
811 Dallas, Suite 1416

Houston, Texas 77002

(713) 651-1649

fax - (713) 951-9659

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



SPEE
P.O. Box 27709
Houston, Texas 77227