



August 1999

SPEE Newsletter

President's Letter

For several years SPEE has made a conscious effort to schedule some annual meetings in resort areas that promote great vacations and some in locations relatively close to many of our members. The good attendance and overall success of our San Antonio meeting suggests we are following a sound strategy. While we missed seeing some familiar faces, we enjoyed being with several members who had never before attended an annual meeting. We owe a debt of appreciation to Vice President Richard Miller for a great job of organizing the meeting and to B.K. Buongiorno for seeing that everything went smoothly. Highlights included a short course on risk analysis by Dr. Thomas Stauffer, great technical sessions, and the presentation of an Honorary Life Membership to Arlen Edgar.

The location for next year's meeting, Whistler Resort near Vancouver, is a world class destination for anyone wanting a great vacation. Coincidentally, it is relatively close to members of our Calgary chapter. Early birds will want to arrive well before the technical sessions begin on Monday, June 19, 2000.

During the Board of Directors' meeting on June 6, we discussed plans to make our final payment to our attorneys and end the year with approximately \$30,000 in the bank. We also received reports from our various committees and chapters as well as the Council of Past Presidents. One of the significant events of the annual meeting

occurred as the Board discussed the long-range plan that was prepared in 1991. Several board members expressed interest in taking a fresh look at the goals stated in that plan, noting our progress, and implementing new initiatives to keep our society moving and growing. It was great to see our directors volunteer for those duties.

As we approach the last quarter of this year, it is appropriate to look at what our members are doing to promote our society and ask ourselves what we can do to assist them. Collectively, we are studying the comments and recommendations provided at our annual meeting to improve our parameters survey. We continue work on an economic software symposium, fair market value, guidelines for engineering reports, and standards for estimating and auditing reserves. We are also seeking liability insurance and continuing the never-ending discussions of approving new-member applications. Some of our members are heavily involved in SPE activities to help the industry understand the SPE/WPC reserve definitions. Others are working to see if SPEE can sponsor activities to enhance those efforts. I encourage each of you to support SPE as well as SPEE. Our goals are complimentary, and we can best influence SPE leadership from the inside.

Ultimately, those who get the most out of SPEE are those who give the most to it. There is much work to be done. I appreciate your help.

Andy Merryman

Congratulations

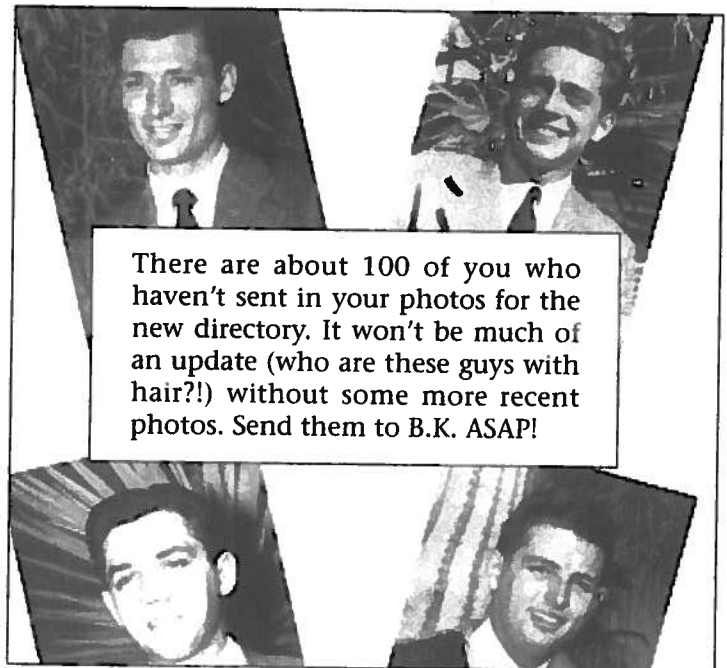
SPEE Confers Its Highest Honor on Arlen L. Edgar

In June 1999 during the Annual Meeting in San Antonio, SPEE named Arlen L. Edgar as an Honorary Lifetime Member. This is the highest award presented by the Society. There have been only ten others to receive this honor.

Arlen was recognized for over 40 years of dedication to the profession of petroleum property evaluation and for his dedicated and outstanding service to the Society.

He has previously been named Distinguished Graduate of the University of Texas College of Engineering, Distinguished Alumnus of Tarleton State University, AIME and SPE Honorary Member as well as serving as president of both organizations. Along with his professional career he has been tireless in his community service.

Arlen has held various positions including 1992 President of SPEE and is still active on the Past Presidents Council.



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 Secretary/Treasurer J.D. Hughes
 Past President Gene B. (Skip) Wiggins, III

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 Fair Market Value D. Russell Long
 Gas Imbalance..... R. Curtis Phillips
 Grievance..... Florence Hughes
 Internet Gary S. Swindell
 Membership Daniel R. Olds
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 Qualifications James W. Haag
 Reserve Definitions Bradford O. Larson

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 Production Tax Summary Charles G. Massey
 Professional and Public Affairs Dave Cox
 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

Chapter Officers - 1999

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 Membership Coordinator David Tutt
 (3rd Tuesday of each month except June/July/
 August)

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 San Antonio Paul Clevenger
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 Vice Chairman Dee Patterson
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Chairman Steve Gilbert
 Vice Chairman
 Program Nanette Schulz
 Membership Gary Krieger
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 (2nd Wednesday of first month of each quarter
 Hershner Room - One Norwest Center)

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Tulsa

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 Membership Donald Staires
 Secretary/Treasurer Robin LeBleu
 (1st Tuesday of each month - Petroleum Club)



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The SPEE Newsletter is a quarterly publication of the Society of Professional Evaluation Engineers. News items, correspondence, address changes and advertising inquiries should be directed to SPEE headquarters in Houston, Texas.

CHAPTER NEWS

CALGARY

The Calgary Chapter scheduled no general meetings for June, July and August. Four members attended the Annual Meeting in San Antonio.

In view of some controversy in Canada about reserve reporting standards for oil and gas companies, the chapter has formed three subcommittees (Best Practices, Business Procedures, Certification and Enforcement) to tackle these issues and anticipates reviewing progress and recommendations at the regular business meeting on Tuesday, September 16.

CENTRAL TEXAS

The Central Texas Chapter meets approximately quarterly. Due to the demographic makeup of the membership, the chapter strives to meet at least once each year in San Antonio. Meetings in Austin are held at the Austin Country Club and in San Antonio at the San Antonio Petroleum Club. The chapter currently has 24 members.

The last meeting was held in San Antonio on August 17 at which time SPEE member Dick Banks made a presentation in support of a standard protocol for transmitting economic evaluation data. The current slate of officers was reelected for the 1999-2000 operating year.

HOUSTON

In recent months, the officers of the Houston Chapter have been participating with the officers of other societies in the petroleum arena to form an intersociety committee for cooperation in energy issues. The participating societies beside SPEE are the Geophysical Society of Houston, the Houston Geological Society, the Houston Area Petroleum Landmen, the Society of Petroleum Engineers, the Society of Petroleum Well Log Analysts, and of course our sister organization the Society of Independent Professional Earth Scientists. This intersectional group is wrestling with the goals for cooperation. At this point, cross communication seems to be the starting point. The Houston Chapter is planning to share information on events and seminars that may be of interest across disciplinary lines. Discussions have included clearinghouse activities such as professional referrals among the various memberships. Career and financial planning seminars seem to be the top universal coordinating activities of the moment. Such efforts have been attempted in the past only to decay through a lack of joint interest focus.

I am soliciting comments from you, the members of SPEE, as to what you would find to be of professional or personal interest. Please e-mail me at Wavex@WT.net. The technical societies of Houston have had many missed opportunities to influence the energy community. Engineers and scientists tend to avoid politics or taking positions. We are precisely the people who need to get involved. We have traditionally looked to energy corporations to provide professional development opportunities for our members. If you have some ideas for change, please let me know. Often people fail to express their desires thinking that they are the only ones who want that change. If 20 people or

10 individually express the same desire, then we have a hot topic to take to the larger societies. If SPEE brings something to this process it will be leadership, not voting numbers. If there is one characteristic of each of the members of our group that stands out to me, it is the lack of fear of expressing an opinion.

Please let me hear from you. How about bringing an idea to our September meeting? That is why we open every meeting with a half hour of social time before the meal. Circulate and express your opinions to each other.

Dick Banks, SPEE Chapter Coordinator from Tulsa will present his ideas on the standardization of economic calculations sometime this Fall. He would appreciate some input on this effort.

Fred Goldsberry, Houston Chapter Chairman

MIDLAND

The Midland Chapter held a meeting in June with Mitchell Ritter with Ritter Environmental and Geotechnical Services discussing Environmental Problems in the Oilfield. Mr. Ritter led a thought provoking session complete with photographs of environmental challenges.

The August 3rd monthly meeting held at the Petroleum Club had Jim C. Henry, President and CEO of Henry Petroleum and current president of the Permian Basin Petroleum Association, speak on asset transfer from major oil companies to independents. There was also a brief review of the annual meeting held in San Antonio in June.

NEW ORLEANS

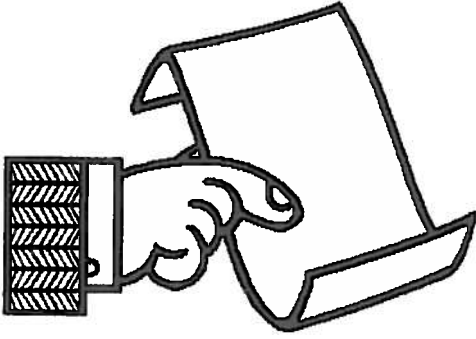
For the 1999-2000 program year it has been decided to meet September, November, January, March and May rather than every month from September through May. The officers for the year will remain the same. There have been 10-15 attendees at recent meetings.

Speakers during the first half of 1999 included Bryan Sidle and Steve Halvorson with Schlumberger, "Production Services Platform & Cased Hole Logging;" Andy Merryman, national SPEE President, discussed activities at the national level; Allen Britton with Core Labs - "Sidewall Core Optimization Technology;" and Fred Goldsberry spoke on "Capillary Shockwave and How to Use Them for Reservoir Energy Imaging."

TULSA

The Tulsa Chapter does not meet in the summer months; however, Don Staires, Program Chairman, did a great job getting interesting and informative speakers for the first months of 1999. In February, Dewey Bartlett, Jr., President of Keener Oil and Gas, spoke on the Oil Crisis Summit meeting at a time when the price of oil was in the single digits. Rob Potter, Worldwide Acquisitions Manager for Vintage Petroleum, spoke on Vintage's worldwide activities at the March meeting. In April, Joe Goetz, OGCI, spoke on Fine Tooth Formation Evaluation, based on acoustic and conductivity imaging of the borehole. At the May meeting, Dobie Langencamp, former First Deputy Assistant for the DOE, spoke on the evaluation process for the sale of Elk Hills.

SPEE Membership Survey Results



A survey was sent out to the membership (517 members) in the May newsletter in order to gauge the membership's current views with respect to membership issues. There were 93 responses. The results of the survey are summarized as follows.

Question 1a: Seventy-three (73) percent of the respondents to the survey believe that the primary objective of SPEE should continue to be the creation and fostering of a group of highly qualified individuals to whom public and private entities can look with confidence when petroleum evaluation services are required.

Question 1b: Seventy-one (71) percent of the respondents believe that SPEE should expand its effort to recruit members outside of the consulting business.

Question 2: Fifty-eight (58) percent of the respondents are not concerned that by 2004 new membership could decline and the demographics of SPEE could change to a considerably older membership.

Question 3a: Sixty-eight (68) percent of the respondents do not believe that SPEE has had sufficient influence over major industry issues such as the recently revised WPC/SPE Reserve Definitions.

Question 3b: Ninety (90) percent of the respondents believe that SPEE should have more influence over industry evaluation issues.

Question 4a: Fifty-six (56) percent of the respondents do not believe that SPEE is well known throughout the domestic industry.

Question 4b: Ninety-four (94) percent of the respondents do not believe that SPEE is well known throughout the international community.

Question 4c: Ninety-eight (98) percent of the respondents do not believe that SPEE is regarded as a "must join" organization among non-consulting industry professionals.

Question 4d: Respondents indicated having knowledge of 2.43 unregistered industry professionals (range 0 to 50) on average who would be valuable as SPEE members.

Question 5: Sixty-one (61) percent of the respondents are opposed to SPEE certification of evaluation professionals in a manner similar to certification requirements of other organizations which provide recognized certification such as ASA, AI, CMI, SIPES, and AAPG.

Question 6: Sixty-four (64) percent of the respondents are opposed to SPEE considering an alternative membership category which would require the same qualifications as regular membership with the exception that registration or certification would be waived. (As proposed in 1997, an associate member could not: (1) vote for officers and directors, or on bylaws amendment issues, (2) act as sponsors for new members, or (3) hold national office.)

The results of this survey were presented to the Board of Directors at the SPEE Annual Meeting in San Antonio on June 6th. The Board approved formation of a formal standing committee to solicit ideas from the membership with respect to membership issues including qualifications, membership growth and any other issues deemed appropriate. The committee will report any findings and make recommendations to the Executive Committee, the Board of Directors and the Council of Past Presidents.

Gene B. (Skip) Wiggins III

MEMBERSHIP APPLICANTS

The following member applicants have been processed by the Qualifications Committee. The bylaws require that their names be presented to the membership for at least 30 days as a pre-membership requirement. Any member with an objection should address the objection to the Executive Committee (see bylaws regarding other important details) since the applications have already passed through the Qualifications Committee.

| APPLICANT | SPONSOR | APPLICANT | SPONSOR |
|--|--|---|--|
| James W. Denny III Polaris Exploration 675 Bering Drive, Suite 850 Houston, Texas 77057 | Dion E. Cole Darby Sere' Scott Laurent | Gazanfer H. Mohajir (Nez) Mohajir Engineering Grp., Inc. 8717 West 110 th St., Suite 420 Overland Park, Kansas 66210 | Kenneth Ancell Robert Kidd John Thibeaux |
| Deborah Ann Dorsett Hurd Enterprises, Ltd. P.O. Box 6846 San Antonio, Texas 78209 | Paul Clevenger Peter Bommer Peter Bauerlein | Leonard John Seeman Texaco P. O. Box 5197X Bakersfield, California 93308 | Dave O. Cox Andrew Fair George Odum |
| Scott G. Hagemann HS Resources, Inc. 1999 Broadway, Suite 3600 Denver, Colorado 80202 | Letha Lencioni John Nicol Wally O'Connell | Dean Schaller Sergent Devon Energy Corporation 20 N. Broadway, Suite 1500 Oklahoma City, Oklahoma 73102 | Steve Blair Mike Drennen Max Holloway |
| Robert Gary Lippincott, Sr. Shell Offshore Inc. P. O. Box 61933 New Orleans, Louisiana 70161 | Cheryl Collarini James Glanzer Dennis Jordan | | |
| Claude L. McMichael Independent 5913 Glendower Lane Plano, Texas 75093 | Brian Ausburn Russ Long Curtis Phillips | | |

IN MEMORIAM

Dr. James H. Hartsock
Houston, Texas
July 6, 1999

Dr. James H. Hartsock was an explorer and a scientist. He would travel anywhere, anytime on a moment's notice. He traveled to Russia, Syria and China for the love of adventure. He loved to talk shop - the petroleum industry was a hobby and a career. He would derive equations and manipulate statistics just for entertainment. He edited technical papers in his spare time for sport and he wrote controversial papers on technical issues just to spark debate.

Jim spent 22 years of his career with H. J. Gruy and Associates and had been an active member of SPEE since 1980. He was also a member of the Explorers Club, the Society of Petroleum Engineers, and an active member of the Penn State Alumni Association.

William T. (Bill) Shaner
Midland, Texas
June 28, 1999

Bill Shaner had a ready smile for strangers and friends alike. He was a volunteer at Midland Community Theatre and the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America. He loved the theater and he loved Mummies. In addition to 33 shows at MCT and the 20 Summer Mummies he was in, Shaner was an active barbershop quartet singer. As a founding member and chairman of the board of Midland Senior Citizen Inc., which initiated Meals on Wheels in 1972, he was an advocate for the aging in Midland.

Shaner had a 25-year career with Phillips Petroleum Company before becoming a consultant geological engineer. He had been a member of SPEE since 1986.

Annual Meeting Report

The SPEE 1999 Annual Meeting was held in San Antonio, June 6-8 at La Mansion del Rio Hotel. The meeting was reasonably well attended with about 88 members and 10 nonmembers and guests. Program Chairman Tim Smith, from the Austin Chapter, assembled an excellent program which focused on the structure and content of the annual SPEE Parameter Survey. The centerpiece of the program was a two-part panel discussion of the survey where the panel was made up of current and former parameter survey editors and nonmember experts in statistics and price projection. The panel members made short presentations but the emphasis was on interaction with members about whether and how to improve the survey. In addition to the panel, each of the five speakers was carefully selected to talk on topics related to different parts of the survey. The speakers included Dr. Thomas Kerrigan, Texaco, Inc.; Michael Annin, Ibbotson As-

sociates; Doug Kubecka, Texas Comptroller's Office; Richard Small, Torch Energy; and Carol Freedenthal, Jofree Corporation. This was one of the best received programs of any annual meeting. There was also an excellent short course taught by Dr. Thomas Stauffer which fit into the risk analysis aspect of the survey.

The social events equaled the program in quality and enjoyment. The Sunday evening reception at the Southwest Craft Center was a very nice affair but the highlight of the social calendar was the Membership Dinner Monday night which in addition to a superb meal featured Neala

Gayle and the Heartbeat of Texas band. There were folks dancing from the first note and, boy, that lady could sing Patsy Cline!

If you were not there, you missed an excellent meeting. We told you it would be. Better luck next year in Whistler, B.C.



WANTED!!! NEWSLETTER ARTICLES

There is always space available for articles you wish to contribute to this quarterly newsletter. Contact Newsletter Manager Jim Eisterhold 281-847-6067.

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