



August 2001

# SPEE Newsletter

## President's Letter

June's annual meeting in San Diego was a success on two levels. It provided 200 SPEE members and guests with a beautiful setting for dining, wining, bay cruising, networking and socializing. And it produced important results in the working meetings of the Executive Committee, the Board of Directors and the General Business session. Reports were made by the various Section Chairmen, the Committee Chairmen, and the individual appointees, in addition to an important report by the Council of Past Presidents.

At the Business session, we reported that the organization's finances are healthy, and are being closely managed by your Board and Officers. Business session attendees approved significant amendments to Article IX and Article X of our By-laws. Section 4, Article IX was revised to clarify the various SPEE meetings and their purposes. The revised Article X now provides for Bylaw amendments to be submitted to the full membership for approval/disapproval, a change that assures each individual SPEE member's vote is utilized, rather than the former method wherein only the Annual Meeting attendees decided on SPEE matters.

The meeting attendees approved the presentation of 10 REPs (Recommended Engineering Practices) as developed through Dan Olds' and John Wright's extensive efforts. The REPs will be posted on our web page.

Our organization is thriving with a record 522 members, and we hope that you will participate and benefit in our organization's continued vitality and growth in the chapters' and committees' many activities. If you have any suggestions, comments or questions, please phone or email me directly.

On a personal note, it's been a pleasure to work with SPEE and its members. I thank those who attended the San Diego Annual Meeting, with a particular thank you to its organizers Marilyn Wilson and Bernie Brauer.

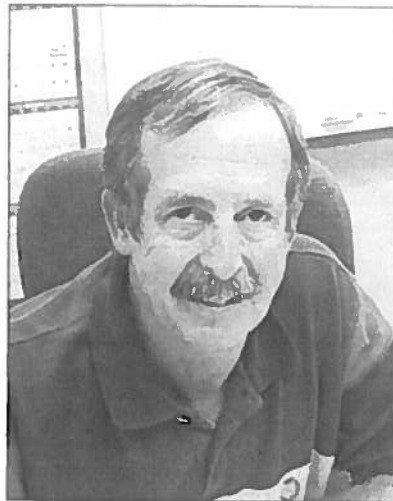
We are already looking forward to our 2002 Annual Meeting to be held in Park City, Utah, on June 9 - 11. Please join us, and thanks for being a SPEE member.

J.D. Hughes

## Dr. Robert S. Thompson

1946-2001

Dr. Robert S. Thompson died unexpectedly on Friday June 8, 2001 while hiking in western Colorado with his wife Geri. Robert was an active SPEE member serving on various committees at both the regional and national levels. He authored a number of papers and received many honors including the first Society of Petroleum Engineers Award for Economics and Evaluation in 1994, the 1999 AIME Award for Mineral Economics, and the Amoco Foundation Award for Outstanding Teaching at the Undergraduate Level. He recently cochaired the SPEE committee for Recommended Practices for Economics Evaluation.



evaluation, petroleum management, artificial lift design, surface facilities design, risk analysis, and hydrocarbon fluid behavior. He was course coordinator for an undergraduate multidisciplinary Petroleum Engineering, Geology and Geophysics design course. Robert taught industry courses worldwide including Australia, Indonesia, Romania, and the United States. He coauthored the widely used textbook, *Oil Property Evaluation*. He was truly influential in the industry and will be sadly missed. However, his influence will continue to spread through his students.

Robert S. Thompson joined the Colorado School of Mines faculty in 1981 after working 12 years in the petroleum industry. Robert taught courses on oil property

at the Colorado School of Mines. Scholarship information is available at Questa Engineering's website: [www.questaeng.com](http://www.questaeng.com).

# SPEE Officers, Board of Directors 2001

## Officers

President ..... J.D. Hughes (Austin)  
 Vice President ..... Marilyn Wilson (Houston)  
 Secretary/Treasurer ..... Mark A. Doering (Dallas)  
 Past President ..... Richard J. Miller (California)

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Daniel Olds (Houston)	

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 Fair Market Value ..... D. Russell Long  
 Gas Imbalance ..... R. Curtis Phillips  
 Grievance ..... Florence Hughes  
 Internet ..... David K. Gold  
 Membership ..... Daniel R. Olds  
 Newsletter Coordinator ..... Fred Goldsberry  
 Past Presidents Council ..... Gene B. Wiggins, III  
 Qualifications ..... Charles W. Gleeson  
 Reserve Definitions ..... R. Ronald Harrell

## Individual Appointments

Annual Meeting Advanced Planning ..... Richard J. Miller  
 Chapter Coordinator ..... N. James Wilde  
 Communications Director ..... M. Fred Duewall  
 Directory ..... John Thibeaux  
 Production Tax Summary ..... Charles G. Massey  
 Professional and Public Affairs ..... Dave Cox  
 Historian ..... Herbert Poyner  
 Liaison Representative on SPE  
 Oil & Gas Reserves Committee ..... D. Ronald Harrell

# Chapter Officers - 2001

## Calgary

Chairman	Keith Brown
Vice-Chairman	Frank Molyneaux
Secretary/Treasurer	Barry Ashton
Past Chairman:	Robert Odd
Membership Coordinator	David Tutt

(3rd Tuesday of each month except June/July/August)

## California

Chairman	Mike Starzer
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Secretary/Treasurer	Barry Evans

## Central Texas

Chairman	S. Tim Smith
Vice-Chairman	Rick Johnston
Co-Membership	
Austin	Wayman Gore
San Antonio	Paul Clevenger
Secretary/Treasurer	Michael Horne

(Quarterly - Austin Country Club)

## Dallas

Chairman	Ed Butler
Vice Chairman	Dean Eiland
Secretary/Treasurer	Mark Nieberding
Membership Chairman	Dee Patterson

(Bimonthly-September through May - Dallas Petroleum Club)

## Denver

Chairman	Gary Krieger
Program	Richard George
Secretary/Treasurer	Scott H. Stinson
Membership	Wally O'Connell

(2nd Wednesday of first month of each quarter  
Hershner Room - One Norwest Center)

## Houston

Chairman	Kevin McNichol
Vice Chairman	Harry Saul
Secretary/Treasurer	Tom Gardner
Program Chairman	Charles Nelson

(1st Wednesday of each month - Petroleum Club)

## Midland

Chairman	Marshall Watson
Vice Chairman	Paul H. Davis
Treasurer	Robert Dimit
Membership	Bill Huck

(Bimonthly)

## New Orleans

Chairman	Tim Brookover
Vice Chairman	Jim Glanzer
Secretary/Treasurer	Jim Hubbard

(3rd Wednesday of each month)

## Oklahoma City

Chairman	Bruce Heath
Vice Chairman	
Program	Dale Smith
Membership	Max Holloway
Secretary/Treasurer	Beth Richards

(Every odd-numbered month)

## Tulsa

Chairman	Jerry Russell
Vice Chairmen	
Programs	Richard Banks
Membership	Bruce R. Randall
Secretary/Treasurer	Robin LeBleu

(1st Tuesday of each month - Petroleum Club)



# SPEE

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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.

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## Chapter News

### CALGARY

The Calgary Chapter of SPEE is in the midst of its summer hiatus. Approximately 10 members attended the SPEE convention in San Diego and appear to have thoroughly enjoyed the event. Work continues through the summer on preparation of the Canadian Oil and Gas Evaluation Handbook and regular meetings will resume in September.

### DENVER CHAPTER

The Denver Chapter had to reschedule our April 11, 2001 meeting due to a spring snowstorm. The new date for our half-day workshop on Probabilistic Reserves, to be presented by John Schuyler, Oil & Gas Consultants International, is Thursday, October 25, 2001. John is a member of the Denver Chapter and has kindly consented to donate the net profits from this workshop to the Denver Chapter and Colorado School of Mines.

On July 11, 2001 our speaker will be Keith Engler, Reservoir Engineer, AEC Oil & Gas (USA) Inc. His presentation will be "Use of Advanced Decline Curve Analysis Techniques to Increase Forecasting Accuracy & Cashflow Prediction."

The Denver Chapter lost a valued member in June with the untimely death of Robert S. Thompson. He will be missed.

### MIDLAND

Our June meeting was moved to Tuesday, May 29, 2001, due to the conflict with the Annual SPEE meeting. Our scheduled presenter from Matthew Simmons & Co. cancelled a couple of weeks before the scheduled meeting requiring a last minute effort to obtain a speaker. We were very pleased to have Pat Drennon speaking on the subject of "Current Trends in Directional Drilling in the Permian Basin." Pat Drennon is currently President of Sierra Engineering Inc. with offices in Midland and Oklahoma City. This rapidly growing consulting firm has recently been most active in the supervision of directional drilling of the Montoya and Devonian formations in West Texas. Prior to his current position, Pat worked for ARCO/British Petroleum. Pat has also been employed by Lofton, Tenneco, and Kerr-McGee.

The next scheduled meeting will be August 7 and will be held at the Midland Petroleum Club at 11:30 am. No speaker has been selected at this time.

### NEW ORLEANS

A round-table discussion on SEC reserve definitions and rules was the program for the March 21, 2001 meeting. Members were encouraged to bring their own "real-world" examples. Several interesting situations were presented and discussed. The speaker for the May 16 meeting was Charles Bradford with Schlumberger. He spoke about Schlumberger's Production Services Platform (PSP) which is an innovative platform that enhances the traditional production logging measurements by integrating new technology sensors. Officers and an agenda for the 2001-2002 program year have not been finalized.



### Arlen L. and Betty K. Edgar

On March 30, 2001 a luncheon was given by the University of Texas Petroleum and Geosystems Engineering Department honoring former SPEE President Arlen L. Edgar for his generosity and financial assistance towards UT. Hosted by and speaking were Ben G. Streetman, Dean, College of Engineering and Dr. H. Peters, Department Chairman. The event was held in The University of Texas Club. In last year's Alumni fund drive, Arlen was the Permian Basin area team leader. Through his efforts, he encouraged Alumni to double alumni total donations compared to the previous year. Dr. Peters announced that through the Edgar's generosity, a special room named "The Arlen and Betty room" will be set aside and used for various student professional development activities. In his professional career, Arlen has continually demonstrated his leadership through his service as president of the Society of Petroleum Engineers (where he earned and received SPE's Distinguished Service Award), the Society of Independent Professional Earth Scientists in addition to SPEE. Also attending and honoring the Edgars were family members and various industry and educational leaders.

### HELP WANTED

Many of you have continuing concerns about O&G reserves definitions used within the industry, particularly the SPE/WPC (1997) definitions. As your appointed Observer to the current SPE Reserves Committee and as the newly commissioned Chairman of the SPEE Reserves Committee, I am soliciting your constructive comments regarding action you believe our committee should be taking in the definitions arena and with our influence with the SPE Reserves Committee through our Observer role. You are invited to contact me at 713-651-9191 or thru e-mail at Ron\_Harrell@RyderScott.com.





The Marriott Coronado



Photographer Rick Riesden



Sunday Evening Cocktail Party



Sunset Cruise



Ron & Ann Harrell and J.D. & Babette Hughes



while the cat's away ...



Marilyn Wilson, Allen & Cynthia Farquharson, BK



Peggy & Chuck Brittan



Bernie Brauer & Skip Wiggins



Lynn & Jim Smith



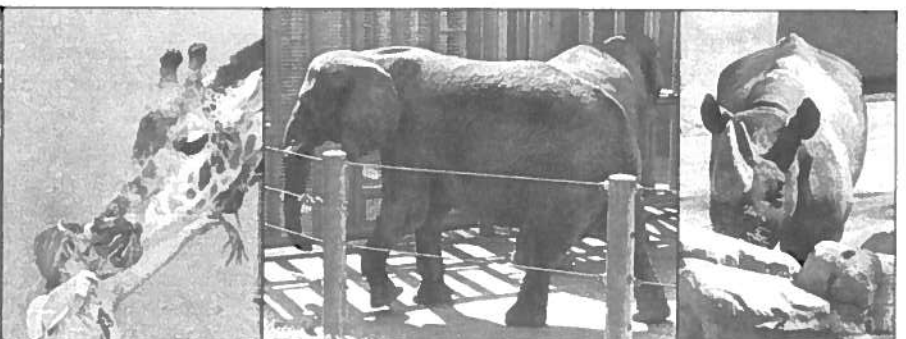
Pat & Mike Veazey, Ben Buongiorno and Can Stierberg



Sue Johnson and Sol Smith



The *only* picture from the technical sessions ... ahem!



The Zoo Group ventured into the wild ...



Donita & Curtis Phillips



Ann & Charlie Chapman



Sheila & Walter Wright



Russ & Rosemary Long, Buddy & Deloris

The annual meeting was held at the Coronado Island Marriott resort in San Diego, California on June 3, 4, and 5, 2001.

Bernie Brauer did a terrific job organizing and moderating the technical sessions. Art Smith, Amy Pablo, Craig Narum, and Lisle Reed gave some very interesting talks on some extremely timely topics: mergers and acquisitions, risk analysis, portfolio optimization, and California offshore.

Additionally, John Wright and Dan Olds conducted a well-received (and sometimes controversial) short course centering around the Recommended Evaluation Practices. John and Dan also summarized the results during the Tuesday morning technical session.

Russ Long presented detailed information on the Fair Market Value monograph. Tim Smith presented the results of his extensive work on the Parameters Survey. Curtis Phillips and Andy Merryman presented the Ad Hoc Membership Committee report, and Robert Rasor summarized the results of the SEC forum last October.

The sunset cruise on San Diego Bay was a real treat (and no one fell overboard), and the dinner at the hotel was a grand affair (we gave away a beautiful watercolor by Scott Laurent).

Doug and Walter Wright cochaired the golf tournament. They did a wonderful job (all the golfers were actually on time for the Monday dinner).

The social tours were well attended. The zoo visitors got to feed a giraffe. The spouse tour and the historical trolley tour visited Old Towne and Bazaar del Mundo.

I want to thank our 2001 SPEE President, J.D. Hughes, for all of his support (including last year's valuable data on the Whistler meeting). Thanks to all the speakers, committee chairs and their members, and especially B.K. (not only did she make it all go smoothly, she managed to make me feel it was all under control in the most chaotic moments).

Thanks again to our wonderful corporate and individual sponsors. The annual meeting was a tremendous amount of teamwork, and I had a great team.

See you in Park City!

**Marilyn Wilson**  
SPEE Vice President



Scott & Gladys Hickman



Kelly & Doug Wright



Ron & Sherry Wade



Fred & Debbie Duewall



## Newsletter Goals

A newsletter is a meeting place where members of SPEE exchange ideas in the quiet times that are filled with reading. The immediate goal is to communicate the news of what we collectively and individually are doing. The long-range goal is to identify those areas of mutual interest and change in our profession. The news often takes care of itself in the form of event announcements or articles on outcomes of meetings. News in our greater society is often the vehicle for change. Change is often the result of the exchange of already existing information. Sometimes change involves the movement toward adoption of existing technology as a standard practice. *As evaluation engineers, we use science, economics, financial practices, accounting standards and government administrative rule making as tools to make an evaluation.* A change in any one of these areas impacts all of us.

Often we go through long periods of relatively small change in our collective methodologies. These are disrupted by step changes imposed by any of the aforementioned contributing areas to the evaluation process. Change is News! The SPEE newsletter is hoped to be not only a reflection of change but to act as a conduit for it. We as a society must change together. Change is based upon consensus and that consensus is derived from a reliable and common base of information.

Government rule making and price changes are the basis for most of our news. It is hoped that we can expand our society by not only responding to change but to constructively create it. By facilitating constructive change, we may build SPEE into a more important role among the various societies that serve the oil and gas industry.

The Newsletter Team consists of Gordon Biescar (*Economics*), Fred Haston (*Technology*), Larry Tharp (*Finance*), and Fred Goldsberry. Each of us is in the membership book. Collectively we represent a broad spectrum of practice and thinking. You may be asked by one or more of us to provide a **NEWS ARTICLE**. More importantly, we are available to assist you in developing a news topic for publication that *you believe is important to the society*. Topics of immediate interest will be related to government rule making, finance of oil and gas properties, and applications of technology to reduce evaluation risk. *Your Newsletter Committee is interested in what you have to say!*

Editorial Control: Practically None. No profanity or character assassination. Politically incorrect ideas

are welcome. At one time, every widely accepted standard was considered radical and dangerous. Unless we push the envelope once in a while by getting out in front, we will never progress as a society. If you read something agreeable to you, send us a note or just say "Roger-Roger" and sign it. If you disagree, we may have another article for the next Newsletter. One of my chief concerns for SPEE has been the recruiting of new members. The solution may not be recruiting, but in being recognized as *the relevant* engineering society to the oil and gas economy.

**Fred Goldsberry**  
Newsletter Coordinator



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## **SPEE/SEC Forum Set For October 23, 2001 in Houston**

The Houston Chapter will be mailing invitations to all SPEE members in September announcing the October 23, 2001 SPEE-sponsored SEC Forum to be held in Houston at the Hyatt Regency Hotel. This 1-day conference follows last year's 2-day Forum that drew approximately 160 attendees. There are physical space limitations that may require the Steering Committee to practice some selectivity in accepting applicants or in limiting the number of attendees from a single company. The forum will feature SEC engineers Ron Winfrey and Jim Murphy

and we expect that both SEC Staff engineers will participate in responding to questions about reserves booking matters relating to the seven or eight example cases presented for discussion. All members are encouraged to send in registration forms and inform non-members who may be interested in this subject matter. If you know of any non-SPEE members who should receive an invitation, please contact B.K. at [bkspee@aol.com](mailto:bkspee@aol.com). For more information, contact BK at the SPEE Houston office or Ron Harrell, Steering Committee Chairman also in Houston (713-651-9191).

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## Welcome New Members

### AVRA, CHRISTOPHER TODD

Compass Bank  
24 Greenway Plaza, 14<sup>th</sup> Floor  
Houston, Texas 77046  
713-968-8277 fax 713-968-8292  
ca01@compassbnk.com

### MEEKINS, J. ZANE

Cawley, Gillespie & Associates  
306 W. 7<sup>th</sup> Street, Suite 302  
Fort Worth, Texas 76102  
817-336-2461 fax 817-877-3728  
jzm@cgaus.com

### DAVIS, JOHN ERNEST

Wright and Company, Inc.  
2929 Briarpark Dr.  
Houston, Texas 77042  
713-977-7655 fax 713-789-3591

### PRINGLE, JR. HARRY T.

Pringle Resources, Inc.  
1200 Smith Street, Suite 1780  
Houston, Texas 77002  
713-651-1130 fax 713-651-1743  
htpringle@aol.com

### ENGLER, KEITH DAVID

AEC Oil & Gas (USA) Inc.  
370 17<sup>th</sup> Street, Suite 3050  
Denver, Colorado 80202

### WELCH, PHILIP ARTHUR

McDaniel & Associates Consultants, Ltd.  
2200, 255 5<sup>th</sup> Avenue, S.W.  
Calgary, Alberta T2P 3G6  
403-262-5506 fax 403-233-2744

### HUNTER, WILLIAM J.

Wm. J. Hunter & Associates  
2218 Loma Vista Drive  
Sacramento, California 95825  
916-972-7941 fax 916-972-1683

### WILLIAMSON, KENT ALAN

Ryder Scott Company  
1100 Louisiana, Suite 3800  
Houston, Texas 77002  
713-651-9191 fax 713-759-9202

## 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
<b>BAHR, ANTHONY FRANKLIN (Jr. Member)</b> Berry Petroleum Company 28700 Hovey Hills Rd. Taft, California 93268	Bernie Brauer Richard J. Miller Michael Starzer	<b>PHIFER, BROOK J.</b> NiCo Resources, LLC 1490 W. Canal Court, Suite 300 Littleton, Colorado 80120	Allan Heinle Doug York Nanette Schulz
<b>METCALFE, GARY DONALD</b> Fekete Associates, Inc. 2000, 540 - 5 <sup>th</sup> Ave. S.W. Calgary, Alberta T2P 0M2	Barry Ashton Steve Balog Roy Hennig	<b>WURTZBACHER, MATTHEW A.</b> Forest Oil Corporation 1600 Broadway, Suite 2200 Denver, Colorado 80202	Charles L. Brittan Greg Hueni Steve Malkewicz

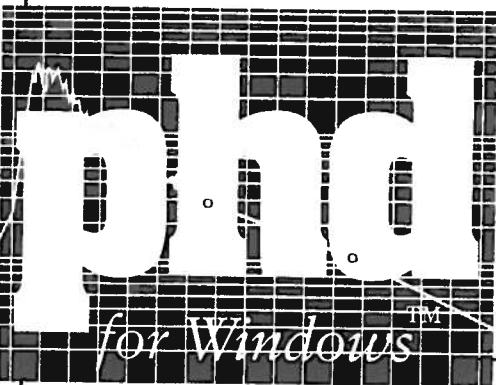




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