



January 1, 2002

# SPEE Newsletter

## President's Letter

Thank you all, SPEE Directors and Officers, committee members and members, for your significant contribution to our organization. It was an honor and a privilege to know and work with you.

The first Board of Directors meeting in 2002 will be held on January 21 in Houston, Texas. Your new SPEE Officers will be elected by the Board of Directors, including our newly elected Directors: Bernie Brauer, Andy Fair and Jim Haag.

Congratulations and best wishes to the new Directors and Officers.

As our SPEE organization moves forward under the 2002 incoming leaders, I challenge and encourage each of you to step forward and participate in chapter activities. Volunteer and join your fellow members. You will be pleasantly surprised at the benefits received, and that volunteering will more than repay any effort involved. There are so many advantages to be gained and enjoyed; please don't miss out on them.

### The Year 2001 in Review

SPEE activities included:

- ◆ SPEE's booth and continental breakfast at the Dallas HEES conference offered the meeting attendees the opportunity to learn about and become SPEE members.
- ◆ The SPEE/SEC meeting organized by Ron Harrell and the Houston Chapter was successful and well attended. We encourage chapters to develop and carry out other special projects such as the successful SPEE/SEC meeting.

### Annual Meeting At Site of Olympics

As you watch the 2002 Winter Olympics unfold, imagine yourself there. That's where you will be when you join us at the SPEE Annual Meeting June 9-11, 2002.

Mark your calendars for the wonderful trip and exciting program. Our meeting will be at the Deer Valley Lodge near the Olympic site. Our program will focus on the Fair Market Value and related soon-to-be-released SPEE Monograph.

This is one meeting you and your spouse really should not miss. Details to follow in a mailing to all members. If you have questions or want to be involved as a meeting sponsor, please contact Mark Doering at [mldoering@classinc.net](mailto:mldoering@classinc.net) or 972-407-9600.

- ◆ Our annual meeting in San Diego, California, was regarded by many as one of our best. At the business session, important projects were reported on and approved, included the REPs (Recommended Engineering Practices) program organized by Dan Olds and John Wright.
- ◆ Acting upon recommendations by the Ad Hoc Committee on Membership, improvements were approved by the Annual Meeting attendees at the business session. Articles IV and V of the By Laws were amended providing, among other things, that all important proposed issues will be voted upon by all SPEE members. Our total membership now is 530 members.
- ◆ At the annual meeting Tim Smith presented a modernized and more complete annual Survey of Economics Parameters report, which is now included on a CD together with all past annual Surveys of Economics Parameters.
- ◆ Qualifications Committee Chairman Charles Gleason has implemented improvements to speed up the time for new membership acceptance including a much improved application form.
- ◆ Under Russ Long's leadership, the long-awaited Fair Market Value document will be presented to membership at the Park City, Utah, annual meeting in June 2002.
- ◆ The Park City, Utah, meeting, which will be another great event, is being planned and organized by Mark Doering. Please start making your plans to attend now.
- ◆ SPEE's financial situation remains in satisfactory shape.

Again, my thanks to our officers and members. It has been a rewarding experience and great pleasure to serve as your president.

Best wishes for a peaceful and prosperous New Year.

J. D. Hughes

# 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)

## Directors

M. Fred Duewall (Dallas)	Charles W. Gleeson (Midland)
G. Michael Harper (Fort Worth)	Robin B. LeBleu (Tulsa)
Robert A. Odd (Calgary)	Larry T. Nelms (Denver)
Daniel Olds (Houston)	

## Committee Chairmen

Evaluation Parameters Survey ..... S. Tim Smith  
 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 - 2002

## Calgary

Chairman Keith Brown  
 Vice-Chairman Frank Molyneaux  
 Secretary/Treasurer Barry Ashton  
 Membership Coordinator David Tutt  
 (3rd Tuesday of each month except June/July/  
 August)

## California

Chairman Mike Starzer  
 Vice Chairman Robert Mannon  
 Secretary/Treasurer Barry Evans

## Central Texas

Chairman Rick Johnston  
 Program Chairman Michael Horne  
 Co-Membership  
 Austin Wayman Gore  
 San Antonio Paul Clevenger  
 Secretary/Treasurer Cary McGregor  
 (Quarterly - Austin Country Club)

## Dallas

Chairman Dean Eiland  
 Vice Chairman Mark Nieberding  
 Secretary/Treasurer Ron Wade  
 Membership Chairman Ed Butler  
 (Bimonthly-September through May - Dallas  
 Petroleum Club)

## Denver

Chairman Richard George  
 Program Scott H. Stinson  
 Secretary/Treasurer Wally O'Connell  
 Membership Greg Wilcox  
 (2nd Wednesday of first month of each quarter  
 Hershner Room - One Norwest Center)

## Houston

Chairman Harry Saul  
 Vice Chairman Charles Nelson  
 Secretary/Treasurer Sam singer  
 Program Chairman Tom Gardner  
 (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 Dennis Jordan  
 Vice Chairman  
 Secretary/Treasurer Jim Hubbard  
 (3rd Wednesday of each month)

## Oklahoma City

Chairman M. Dale Smith  
 Vice Chairmen  
 Program Dean Sergent  
 Membership Bruce Heath  
 Secretary/Treasurer Fletcher Lewis  
 (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.

## 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>BOWNS, LAURIE</b> Pan Canadian Petroleum 150 -9 <sup>th</sup> Ave SW, Box 2850 Calgary, Alberta, Canada	Steve Balog Ken Crowther David Elliott	<b>RICHARDS, JON ANTHONY</b> Century Exploration 3 Lakeway Center 3838 N. Causeway Blvd., #2800 Metairie, Louisiana 70007	Cheryl Collarini Jim Glanzer Dennis Jordan
<b>DAVIS, JOHN NEWTON</b> Netherland, Sewell & Assoc., Inc. 1601 Elm Street Dallas, Texas 75201	Bill Anderson Blair Garrett Danny Simmons	<b>RUSSELL, BOYD</b> Energy Navigator Inc. Suite 2150 BU53 255 5 <sup>th</sup> Ave SW Calgary, Alberta Canada	Bryan Emslie Curtis LaBelle Frank Molyneaux
<b>GRING, LARRY MARTIN</b> Miller and Lents, Ltd. 1100 Louisiana, 27 <sup>th</sup> Floor Houston, Texas 77002-5216	Andy Merryman Jim Patterson Charles Guffey	<b>SCOTT, STANLEY MONROE</b> Carbon Dynamics LLC 9 East 4th St. Suite 605 Tulsa, Oklahoma	Robert Burlingame Gerald Russell Richard B. Banks
<b>HERTZLER, JEROLD MAX</b> St. Mary Land & Exploration Co. 1776 Lincoln Street, Suite 1100 Denver, Colorado 80203-1080	Gary Krieger Doug Lang Doug York	<b>SEIDLE, JOHN PRENTIS (Jr. Member)</b> Sproule Associates, Inc. 1675 Broadway, Suite 1130 Denver, Colorado 80202	Dave Cox Walt King Leslie O'Connor
<b>JACOBSEN, JOHN CHRISTIAN</b> KCS Energy, Inc. 7130 S. Lewis Avenue, Suite 700 Tulsa, Oklahoma 74136	Bill Abernathy Bill Anderson Danny Simmons	<b>SKOV, ARLIE MASON</b> Arle M. Skov, Inc. 1210 Shoreline Drive Santa Barbara, CA 93109	Chap Cronquist Arlen Edgar Scott Hickman
<b>KIRKHAM, FREDERICK DALE</b> Martin & Brusset Associates 1000 - 736 - 6 <sup>th</sup> Avenue SW Calgary, Alberta Canada T2P 3T7	Raj Agrawal Mike Brusset Terry Nazarko	<b>SMITH, THOMAS G.</b> Western National Bank P. O. Box 61250 Midland, TX 79711	Robert F. Bailey Paul R. Clevenger William R. Huck
<b>KRENEK, DOUGLAS G.</b> Ocean Energy, Inc. 1001 Fannin, Suite 1600 Houston, Texas 77002	Rene Daigre Mark Doering William Von Gonten	<b>SODERSTEN, DANIEL A.</b> The Oil and Gas Asset Clearinghouse 390 Benmar, Suite 100 Houston, Texas 77060	Robert Franklin John Gargani Terry White
<b>KRENEK, II RICHARD F.</b> Netherland, Sewell & Assoc., Inc. 1601 Elm Street Dallas, Texas 75201	Bill Anderson Danny Simmons Robin LeBleu	<b>WOZNIAK, DAVID A.</b> Belden & Blake Corp. 5200 Stoneham Road North Canton, OH 44720	Kenneth Ancell Jerry James Rick Marshall
<b>MCBEATH, JOHN CAMPBELL</b> Platt, Sparks & Associates 925-A Capital of Texas Hwy. Austin, Texas 78746	Cary McGregor Terry Payne Ronald Platt	<b>YUEN, DEXTER L.</b> Union Bank of California 445 S. Figueroa St., 15 <sup>th</sup> Floor Los Angeles, CA 90071	T. Dale Badgwell Charles L. Brittan J. Blair Garrett
<b>MACLEOD, RODERICK KEITH</b> Sproule Associates Limited 900, 140 - 4 <sup>th</sup> Avenue SW Calgary, Alberta Canada T2P 3N3	Ken Crowther Noel Cleland Glenn Robinson	<b>ZUBER, MICHAEL DEAN</b> Schlumberger H-RT 1310 Commerce Drive Park Ridge 1 Pittsburgh, PA 15275	Kenneth Ancell W. Denton Copeland Stephen A. Holditch
<b>MAYNE, CHARLES JOHN</b> Kerr-McGee Oil & Gas P. O. Box 809004 Dallas, Texas 75380-9004	Andrew Fair Michael Flanigan Curtis Phillips	<b>ZUNIGA, RICHARD</b> Platt, Sparks & Associates 925-A Capital of Texas Hwy, S. Austin, Texas 78746	Wayman Gore Terry Payne Ronald Platt
<b>MIERTSCHIN, JANET NEAL</b> Chase Manhattan Bank 600 Travis, 20 <sup>th</sup> Floor Houston, Texas 77002	Stephen Barr Charles Brittan Larry Earhart		

## Welcome New Members

**Bahr, Anthony Franklin (Jr. Member)**  
Berry Petroleum Company  
28700 Hovey Hills Rd.  
Taft, California 93268

**Metcalf, Gary Donald**  
Fekete Associates, Inc.  
2000, 540 – 5<sup>th</sup> Ave. S.W.  
Calgary, Alberta Canada T2P 0M2

**Phifer, Brook J.**  
NiCo Resources, LLC  
1490 W. Canal Court, Suite 300  
Littleton, Colorado 80120

**Wurtzbacher, Matthew A.**  
Forest Oil Corporation  
1600 Broadway, Suite 2200  
Denver, Colorado 80202

## SPEE-SEC FORUM IN HOUSTON

October 23, 2001

A capacity crowd of approximately 120 people attended the second annual SPEE Forum dedicated to a better understanding of U.S. SEC Reserves Definitions and Reporting Requirements. Both Jim Murphy and Ron Winfrey participated on behalf of the SEC.

Both SEC engineers reminded the audience that they did not speak on behalf of the SEC Commissioners but were providing their opinions about compliance with the SEC Reserves Definitions.

Some seven "cases" were presented to illustrate numerous circumstances related to categorization of reserves quantities. These cases and presenters are described below:

1. Updip Reserves/Test Requirements  
Presented by Mike Heinz (for Carter Henson)
2. Petroleum Fiscal Systems  
Presented by Tom Gardner
3. Coal Bed Methane Project Development  
Presented by Leslie O'Connor
4. Seismic Based Reserves  
Presented by Rudy Wildenstein
5. Russian Proved Undeveloped Locations  
Presented by Tom Gardner (for Larry Nelms)
6. Reservoir Simulation  
Presented by Robert Rasor
7. Deepwater Projects  
Presented by Bob Wagner

Each presenter noted several decision options during his/her presentation and solicited SEC responses as well as audience participation. Much of the discussion time was related to the SEC's position that proved undeveloped locations be limited to one "offset" from a commercial well unless there is "certainty" of "continuity of production" beyond such offsets.

On another topic, the SEC engineers repeated their continuing position on the need for "compelling evidence" to support proved reserves designations when the applicant is relying upon seismic interpretations or other information to determine proved reservoir limits.

Attendees were provided a binder containing copies of Power Point slides for all seven cases, SPE/WPC Reserves Definitions, SEC Reserves Definitions and a CD-Rom containing the presentation cases. Forum evaluation forms were provided for attendees to record their comments about the Forum and to make suggestions for improvements.

The Forum was directed by Ron Harrell, Chairman of the Forum Steering Committee. Other members of the Committee were Chuck Brittan, Tom Gardner, Dan Olds, Danny Simmons and Marilyn Wilson.

The Case Committee consisted of Tom Gardner, Chair, Carter Henson and Robert Rasor. Special appreciation is extended to B. K. Buongiorno for her dedication and hard work in managing the invitation and reservation process and in making the Forum a huge success.

**Ron Harrell**

**Note:** A transcript was made of this event and will be submitted to the SEC for editing and ultimate release. The transcript for the 2000 Forum is not yet ready for distribution.



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