



President's Letter

I would like to thank the Society for the opportunity to serve as President in 2004. It has been a pleasure to work with Mark Doering while he served as President during 2003. Thanks, Mark, for the hard work, leadership and guidance you provided to the Society.

Mark now assumes the Past President's role, with Dan Olds serving as Vice President and Bernie Brauer as Secretary/Treasurer. New to your Board of Directors are David Gold of the California Chapter, Frank Molyneaux of the Calgary Chapter and Charles Nelson of the Houston Chapter. Welcome! Continuing to serve on the Board are Ed Butler, Andy Fair, Jim Haag, Tim Smith and John Wright.

For the engineers licensed in Oklahoma and Texas, we will experience a new set of requirements in the area of continuing education in 2004. Previously, the continuing education programs of these states have been voluntary. Now, like many other states, the continuing education is mandatory to retain the engineering licenses. There is also a requirement for a minimum of one Professional Development Hour (PDH) in the area of ethics and responsibilities of professional engineering. Your Board and the Chapter Officers are committed to providing the members of the SPEE with many opportunities to fulfill these requirements and grow in your engineering profession. Several opportunities are noted below and more will be announced as the year progresses. Also, note the local chapter meeting schedule on page 2 of this newsletter. The local chapters provide quality speakers and relevant topics that will aid you in completing your PDHs.

As a part of his duties of Vice President, Dan Olds is planning a fun-filled and educational convention this year at The Resort at the Mountain, Welches, Oregon. Just 45 minutes from Portland, the resort is at the base of Mt. Hood and the scenery is spectacular. It has on-site 27 holes of golf, tennis and hiking and for our history and sightseeing buffs, nearby is the Barlow Road portion of the Oregon Trail, the Columbia River Gorge and the rugged Pacific Coast. Mark your calendars for June 13 through 15, 2004 and make plans to attend.

The convention is an excellent opportunity to complete the continuing education requirement of the various states. Plans are underway for a short course on Sunday afternoon and technical presentations Monday and Tuesday morning. One of the presentations will be directed towards ethics and professionalism and should fulfill the hour of continuing education required by some states concerning this subject. Other sessions will center on the subject of reserve determination and the various reporting requirements and responsibilities of the evaluation engineer. It will be time well spent, particularly during the current high profile news attention these subjects are receiving.

Thanks to Buddy Sipes and the working committee of the Midland Chapter (Arlen Edgar, Scott Hickman, Charles Godfrey and Marshall Watson) the SPEE has a draft of an ethics statement entitled "Discussion and Guidance on Ethics." This, when finalized and accepted by the Board, will be an important and major statement by the SPEE and will be a guideline for the evaluation engineer in ethical practices. If you are interested in reviewing and making comments on the draft, call B.K. for a copy.

The Fourth Annual SPEE/SEC Forum held October 28, 2003 in Houston was a great success with 209 attendees. The Forum has increased in numbers and scope each year and has provided for training and dialog in the area of Security and Exchange Commission reserve definitions and guidelines. Thanks to Ron Harrell and his hardworking committee of Ace Alexander, Tom Gardner, James Hail, David Iverson, Rick Kernek, Andy Merryman, Dan Olds, Sam Singer, Marilyn Wilson and B. K. Buongiorno. The committee is exploring opportunities to continue this important exchange of ideals and information.

Planning is underway for an Economic Software Symposium in Houston for September. Watch the SPEE Newsletter for developments and dates.

As you can see, the SPEE has a very busy year scheduled for 2004. It takes many, many volunteers to make these opportunities happen. Your help is needed. Give us a call if you would be interested in becoming more active in the SPEE.

Charles Gleeson

2004 Officers and Directors

Committee Chairmen and Individual Appointments

Officers

President Charles W. Gleeson (Midland)
 Vice President Daniel R. Olds (Houston)
 Secretary/Treasurer E. Bernard Brauer (Corpus Christi)
 Past President Mark A. Doering (Dallas)

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Van Edward Butler (Dallas) Frank Molyneaux (Calgary)
 Andrew R. Fair (Houston) Charles Nelson (Houston)
 David Gold (Bakersfield) S. Tim Smith (Austin)
 James W. Haag (New Orleans) John D. Wright (Denver)

Committee Chairmen

Continuing Education To Be Announced
 Evaluation Parameter Survey Leslie O'Connor
 Fair Market Value D. Russell Long
 Gas Imbalance R. Curtis Phillips
 Ethics and Grievance Florence Hughes
 Internet David K. Gold
 Membership Brian Walter
 Newsletter Coordinator Fred Goldsberry
 Past President's Council Richard J. Miller
 Qualifications Nanette Schulz
 Reserve Definitions D. Ronald Harrell

Individual Appointments

Annual Meeting Advanced Planning Richard J. Miller
 Communications Director Ed Butler
 Directory Brian Walter
 Production Tax Summary Charles G. Massey/Dan Olds
 Professional and Public Affairs To Be Announced
 Liaison Representative on SPE
 Oil & Gas Reserves Committee D. Ronald Harrell
 Professional Registration Marcus Snyder

Chapter Officers - 2004

Calgary

Chairman Frank Molyneaux
 Vice-Chairman Barry Ashton
 Secretary/Treasurer Doug Wright
 Membership Coordinator Phil Kandel
 (3rd Tuesday of each month except June/July/
 August)

California

Chairman Rick Finken
 Vice Chairman Russ Bertholf
 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 Ron Wade
 Vice Chairman John Nicol
 Secretary/Treasurer
 Membership Chairman Mark Nieberding
 (Bimonthly-September through May - Dallas
 Petroleum Club)

Denver

Chairman Wally O'Connell
 Program Greg Wilcox
 Secretary/Treasurer Keith Engler
 Membership Scott Wilson
 (2nd Wednesday of first month of each quarter
 Hershner Room - One Norwest Center)

Houston

Chairman Tom Gardner
 Vice Chairman Mike Garcia
 Secretary/Treasurer Sam Singer
 Program Chairman Stuart Filler
 (1st Wednesday of each month - Petroleum
 Club)

Midland

Chairman Robert Dimit
 Vice Chairman Joel Castello
 Treasurer Joel Mays
 Membership Joe Neal
 (Bimonthly)

New Orleans

1-26-04 Chapter Disbanded

Oklahoma City

Chairman Dale Smith
 Vice Chairmen
 Program Dean Sergent
 Membership Bruce Heath
 Secretary/Treasurer Fletcher Lewis
 (Every odd-numbered month)

Tulsa

Chairman Jerry Russell
 Programs Chris Jacobson
 Membership Co-Chairs Bob Pielsticker
 David Morrell
 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 of SPEE currently has 49 members and three membership applications in various stages of approval. The Calgary Chapter meets every third Tuesday from September through May. Guest speakers provide insight on topical matters at alternate meetings.

Our first speaker of the 2004 season was Brian Prokop, Principal, Oil and Gas Analyst, Peters and Company. Mr. Prokop addressed the new NI 51-101 securities reporting requirements from an investment banker's point-of-view. Mr. Prokop spoke to the potential effects of the Instrument on equity markets, valuations, and investor due diligence.

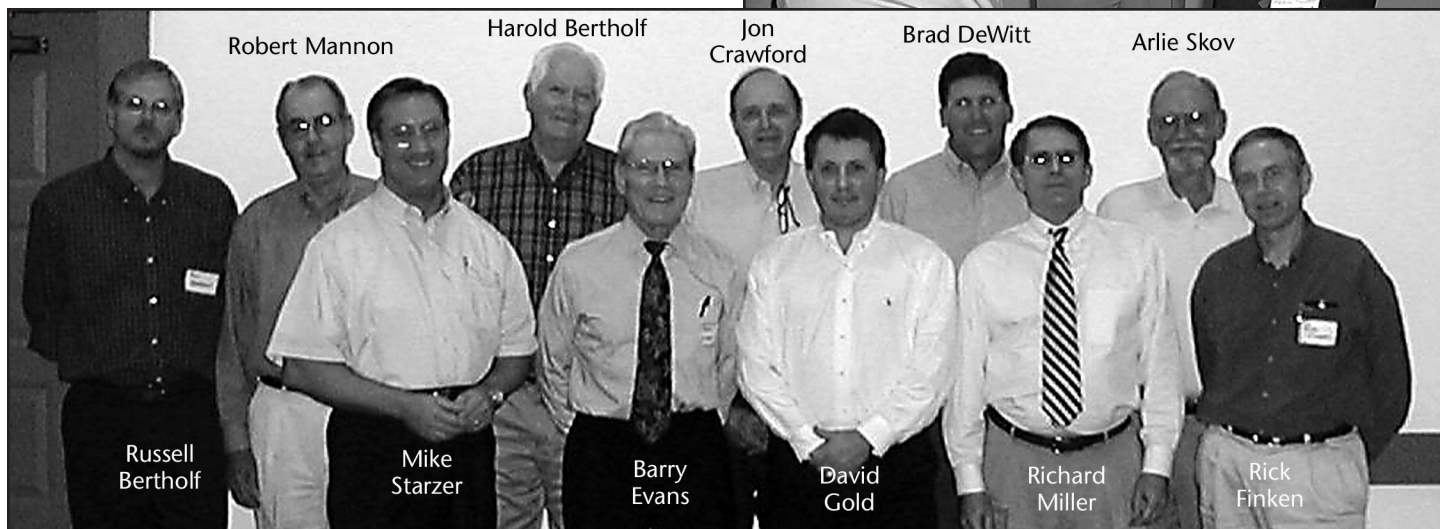
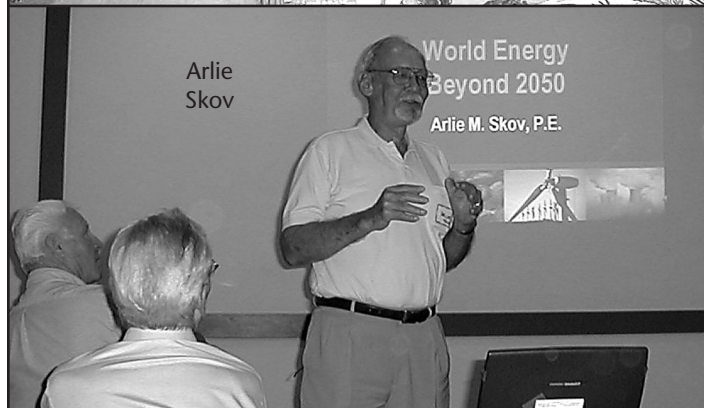
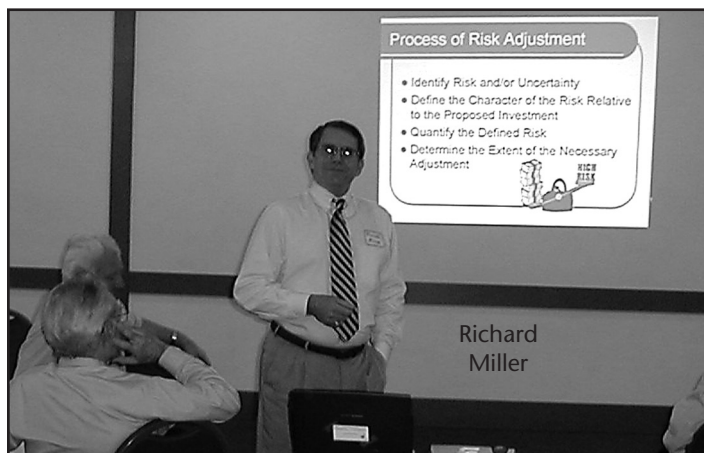
The Calgary Chapter has an ongoing involvement with the authoring of "The Canadian Oil and Gas Evaluation Handbook." Volume 1 was released in June 2002. The release of Volume 2 has been delayed but is expected to be released during the first half of 2004. The Handbook is the reference for the new Securities reporting legislation in Canada. The Handbook is widely recognized and applauded within the Canadian industry and has significantly enhanced the profile of the SPEE.

CALIFORNIA

SPEE Meeting October 16, 2003 in Bakersfield: We closed out our 2003 program with an outstanding technical session in Bakersfield that attracted 36 attendees, including 12 SPEE members. Section proceeds were approximately \$300.

The program was as follows:

- ◆ Barry Evans - "Oil Price Forecasting – Which Crystal Ball Do You Use?"
- ◆ Richard Miller - "Risk Adjustment Factors"
- ◆ Brad DeWitt - "Buy Low / Sell High - Perspectives on Fair Market Value"
- ◆ Arlie Skov - "World Energy Beyond 2050"



DENVER

To accommodate our speaker's travel schedule, the January meeting was moved from January 14th to the 20th.

David D. Cramer with BJ Services, and a SPE Distinguished Lecturer, presented his paper "Evaluating Well Performance and Completion Effectiveness in Hydraulically Fractured Low-Permeability Gas Wells."

Mr. Cramer discussed well performance in hydraulically fractured, low-permeability gas reservoirs. He also presented practical reservoir engineering methods to identify flow regimes and to distinguish between reservoir and completion induced well performance.

There were 30 members, 2 applicants, and 8 guests in attendance.

HOUSTON

The Houston Chapter of SPEE kicked off the year with our annual joint meeting with SIPES where we had 72 in attendance to hear Mr. Gary Citron, Managing Partner, Rose & Associates discuss "Rudiments of a Working Risk Analysis System." During the February meeting we welcomed new members Jerry Blevins from Triad Energy Corporation, Rawdon Seager from Gaffney, Cline & Associates and Michael Zak from Ryder Scott Company Petroleum Consultants and were treated to an overview of Deep and Ultra-deep Water Developments by Baljit Singh, Senior Petroleum Engineer with Devon Corporation. As we head into our March meeting, we look forward to welcoming Mr. Randy L. Broiles, Global Planning Manager with ExxonMobil Production Company, who will be discussing Forces of Change in the Global Gas Industry. At the upcoming April 7 meeting, Dean Rietz, Managing Senior Vice President at Ryder Scott Company, will make a presentation entitled "Reservoir Simulation Models and Their Use in the Estimation of Reserves."

The Houston Chapter would like to emphasize that SPEE provides a socially enriching means by which one can obtain the mandatory 15 hours of continuing education credits required to renew registration in 2005 with the Texas Board of Professional Engineers.

OKLAHOMA CITY

The Oklahoma City Chapter has held a wide variety of meetings over the past year. Dr. Dean Oliver, Director of the University of Oklahoma Petroleum and Geological Engineering schools, gave a presentation entitled "Value and Utilization of Geophysical Data in Engineering." Dr. Oliver also reviewed upcoming plans for the OU Petroleum Engineering Department.

Dr. Donald Murray, Vice President of C. H. Guernsey & Company, discussed "How to Predict Natural Gas Prices in the Current Market." His presentation reviewed some of the structural changes in the physical market since the collapse of Enron, the relationship between the NYMEX futures price and the physical trading hubs, and C.H. Guernsey's modeling of the prices at individual trading hubs.

Tom Logsdon, Deputy Division Engineer for the Army Corp of Engineers, discussed how he led coalition forces in restoring the Iraqi Oil Infrastructure immediately following the invasion last year. Logsdon supervised over 350 personnel in the execution of the \$1.5 billion project.

George Gibson, Chairman of the Oklahoma State Board of Registration, led a discussion on Professional Engineering Ethics. Kathy Hart, Executive Director of the Oklahoma State Board of Registration, also made a presentation regarding the new continuing education criteria for registered engineers.

Dane Isenhower, Vice President and General Manager for Petroleum Place Energy Advisors, gave a presentation entitled "Oil and Gas Property Evaluations: Industry Trends from Recent Negotiated Sales and Oil & Gas Clearinghouse Auctions." Of particular interest were how some of the \$/BOE costs vary by region as well as Dane's analysis comparing winning bids to the average of the remaining bids.

Later this month Bruce Randall, Managing Partner, Centurion Resources, LLC will discuss, "Starting an Energy Company by the Bootstraps: An Alternative to the 'Buy and Flip' Practices of Today." We enjoy having 25-50 people in attendance for each of our meetings, and we look forward to an active meeting schedule in 2004.

TULSA

The following officers served during 2003 and were re-elected for 2004

Chapter Chair	Jerry (G. W.) Russell
Programs	Chris Jacobsen
Membership Co-Chairs	Bob Pielsticker David Morrell
Secretary and Treasurer	Robin LeBleu

MEETINGS

On January 29, Mr. Darrell Noblitt, Regional Business Development Manger, Mid-Continent, for Energy Net, presented a talk on On-Line Auction of Oil and Gas Properties conducted 24 hours a day. This was an informative talk.

On March 25, Thursday, SPEE will host a joint meeting with SPE. Sylvia Barnes of Petrie, Parkman & Co., Houston, will provide a discussion on "A & D Market Update."

SPEE-TULSA strives to conduct all meetings to comply with the Continuing Education Rules of the Oklahoma State Board of Registration for Professional Engineers.

MEMBERSHIP

Membership remained the same in 2003 as in 2003. We gained no new members.

We have three applications in process. We continue to encourage these candidates to complete the applications. This is a slow process.

GENERAL COMMENTS

The Tulsa Chapter plans to meet every other month, with no meetings in the summer -

January, March, May, September, November of each year.

SPEE-TULSA extends best wishes to the new board, and the other Chapters in SPEE international, and a hearty thanks to B.K., for her assistance and support.

Senior Membership Category Declined, Newsletter Subscriptions Adopted

SPEE occasionally hears from ex-members who have expressed the desire to keep getting the newsletter as a means of keeping up with SPEE events. One issue that was discussed was the creation of an inactive membership class. After much consideration, the idea of a new membership class, which would have required a change to the by-laws, was declined by the Board. Instead, the board has voted to allow former members to subscribe to the newsletter for \$12 annually. If you know of a former member who might be interested, please let them know.



Annual Convention

This year's annual convention will be held at "The Resort at the Mountain" located in Welches, Oregon. The resort is 42.7 miles from Portland International Airport, more precisely at Latitude 44.3349, Longitude 121.95919 if you want to set your GPS now. Check it out at www.theresort.com.

The events of the last year have given us a lot to talk about at the convention. Planned topics include reserves booking practices, Sarbanes – Oxley, COGEH, Ethics, and technology to enhance productivity. If you are wondering how I determined the exact location of the convention, don't miss this part.

Because of the dynamics of recent events relating to our profession that have captured headlines around the world, the agenda is still in the works. If all of the speakers that we've contacted can come (or get permission to come), I promise that this will be an outstanding event. If only half of them come, it will still be worthwhile.

B.K. has just returned from a scouting trip to the site and she's pretty excited. Sunday evening's cocktail party will be held at a ski lodge on Mt. Hood. Monday afternoon's events will include the mandatory golf opportunity, located right at the resort so the golfer's only excuse for being late to dinner will be an attempt to play 27 instead of 18. The organized trip will take us to Hood River, where we will tour the International Museum of Carousel Art -- home to the world's largest and most comprehensive collection of antique carousel art, with 110 carousel horses and the pipe organs that were an integral part of the experience. From there, we will stop in for a little wine sampling at Flerchinger Vineyards and Winery. We'll see the Columbia River Gorge, and wind up our tour at the Apple Valley Store, where we can enjoy homemade apple crisp with ice cream. For the more adventurous, I understand that there is year-round snow skiing on Mt. Hood. Monday evening's dinner will be held back at The Resort.

Watch for the convention package in your mailbox soon. Don't forget that the convention is open to all. SPEE has received a lot of attention recently, and if you know of a colleague who would be interested in our event, please let them know.

SPEE Annual Convention to Provide Texas Continuing Education Program Development Hours

The Texas Board of Professional Engineers' Continuing Education Program was adopted on January 15th. This program requires each Texas engineering license holder obtain 15 Professional Development Hours (PDH) each year. Current license holders can count qualifying activities from September 1, 2003 to accumulate the required 15 PDH units needed for license renewal starting in 2005. One PDH unit must be in the area of professional ethics.



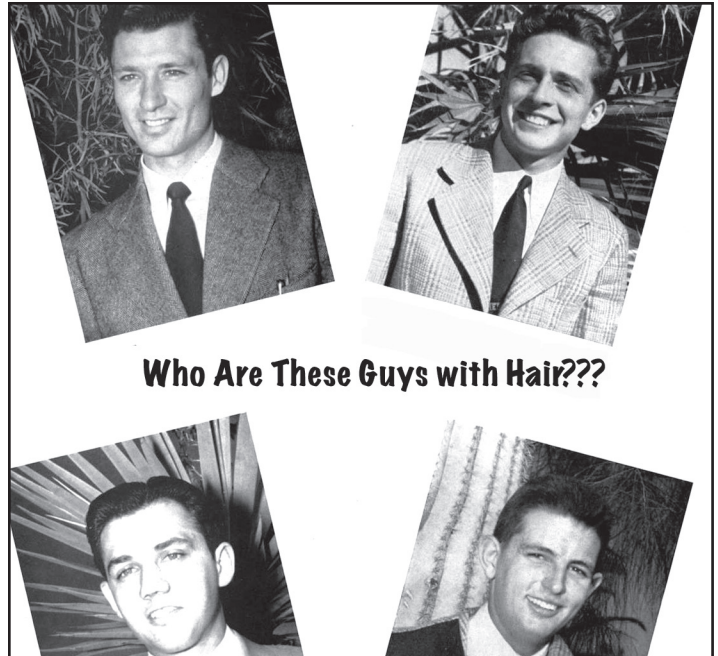
CONTINUING EDUCATION OPPORTUNITIES

There are a variety of ways to earn PDH units. One of the most enjoyable ways will certainly be attending the Annual Convention in Oregon. Attendees who participate in the short course and the technical sessions should earn eight or more PDH units, and we are planning on an ethics presentation that should fulfill the ethics PDH requirement.

Texas is not the only state to require continuing education, and the activities at the Annual Convention should be applicable to other states. For more information on the Continuing Education Program, visit the website at www.tbpd.state.tx.us.

New Directory in the Works

If you did not have a photo in the 2002 Membership Directory or if you became a new member after that directory and have not sent in a photo, you will be receiving either a telephone call or e-mail in the next few weeks from Directory Chairman Brian Walter requesting that you please send a photo by mail or electronically as soon as you can. Work is beginning on the 2004 edition and we would like to have as many photos as possible.



SPEE wishes to once again thank
the following

2003

Annual Meeting Sponsors

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403-205-8226 – fax
dlongfield@comptonpetroleum.com

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403-262-7533
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WESLEY SPENCER YOUNGBLOOD (Jr. Member)

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281-445-5767 – fax
wyoungblood@konainc.net



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

RANDALL DARR

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James Hail
Dave Reese
Fred Richoux

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Greg Wilcox
Douglas York

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Scott Hickman
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