

President's Letter

Greetings to the worldwide membership of the SPEE. This is the 'Annual Meeting' newsletter, and I want to start off with a very special thank you to **Gary Gonzenbach**, this year's SPEE Vice President, for his exceptional hosting of the 2014 SPEE Annual Meeting in Vermont. We had an outstanding turnout this year due to both the location and the Technical Sessions and Short Courses. Thanks to all who attended, and we hope to see you and many others at next year's Annual Meeting site in Nova Scotia, Canada!

Having recently returned from the Annual Meeting, I was reminded of the ever-growing worldwide impact and influence of our prestigious organization. This year, our AM hosted 222 total attendees, including international attendees, guests, and non-members. Ten percent of the attendees were from outside the United States and 20 percent of the Technical Session attendees were non-members. These statistics speak to SPEE's international expansion and the draw of our technical sessions to non-members and the worldwide industry. These statistics also complement the organization's vision for expansion and aligns well with the objectives of the Society to promote petroleum evaluation engineering.

During the Technical Session, I presented the President's Address, summarizing the current status of the organization and provided an update on some of the current initiatives being pursued across the organization. On pages 6-7 you will find a high-level overview of some of the key statistics which describe SPEE. I would like to take this opportunity to refresh the membership on the objectives of the society and to provide further information on a few of the ongoing initiatives.

The Council of Past Presidents convenes at various times throughout the year to review the overall vision and objectives of the society. As per the official Long Range Plan prepared by the COPP, SPEE's Objectives are:

- Organizational Effectiveness
- Member Communication
- Education and Professional Development
- Industry Relations and Recognition
- Ethics and Professionalism

Our objectives are addressed through the various Committees within SPEE. Many of you are current committee members or have volunteered to participate on a committee or as an officer of a local Chapter. In every way, your contributions help us achieve the objectives of the society.

Organizational Effectiveness is achieved through the activities of various committees, including the Council of Past Presidents, Reserves Definitions Committee, the Ethics Committee, and the Technical Training Committee, among countless others.

The second objective, Member Communication, lies at the core of how we support the Society. We have a number of ongoing projects that help achieve broad communication across the membership, including: SPEE Website, Quarterly Newsletter, Chapter Meetings and Presentations, Annual Meeting, and 2014 SPEE Membership Directory. The overall success of Member Communication comes through the membership and ongoing opportunistic networking among members.

The SPEE strives to provide various opportunities for Education and Professional Development to our members and the industry. We provide opportunities for learning at the Annual Meeting through Technical Sessions and Short Courses. In 2013, the SPEE Executive Committee and Board of Directors unanimously voted to create the SPEE Technical Training Committee to support our principal of Education and Professional Development. We have published Monograph 3 and held three SPEE-sponsored training courses to support the understanding and application of the principals of Monograph 3. In 2014-15, Monograph 4 will provide even more technical knowledge and understanding to the industry to support unconventional resource assessment and evaluations.



Samantha Holroyd, P.E., President SPEE

Continued from page 1

With respect to Industry Relations and Recognition, the SPEE supports, contributes and works with various industry groups for the betterment of the economic evaluation and reserve definitions in the petroleum industry. We currently hold proactive roles and relationships with the United Nations in the Expert Group on Resource Classification to promote worldwide utilization of PRMS. We are also a supporter and sister society contributor to the SPE Oil and Gas Reserves Committee (SPE OGRC). Members of our Canadian Chapter continue ongoing leadership and recommendations for improvements to Canadian Oil and Gas Evaluation Handbook (COGEH). In its 33rd year of publication, the SPEE Survey of Parameters Used in Property Evaluation continues to be the most highly coveted publication prepared by the Society.

The core pillar of SPEE membership is our commitment to Ethics and Professionalism. Besides expertise and experience, we prioritize on these characteristics for qualification to become a member. The commitment and principals for standards of Ethics and Professionalism are contained in the SPEE By-Laws, which each member is committed to uphold. The qualification of being a Self-Governing society provides the industry a unique opportunity to recognize the qualification of our members with respect to Reserve Evaluation of Petroleum assets. While SPEE prides itself on being a Self-Governing Society, some questions have developed which initiated an in-depth review of the By-Laws with special focus on the Self-Governance conditions. This initiative to review the Self-Governance of the By-Laws has been undertaken by a special committee of the COPP. Further communication will be provided by the Executive Committee for information sharing among the entire membership, in the event that any changes to the By-Laws are recommended.

I remain committed to doing my part to continue the success and growth of the SPEE. Please feel free to contact me with any questions or ideas on how we can improve our membership.

Sam Holroyd

Please make sure your email address is up to date on the Website directory. We have had numerous members not receive their dues notice and are now late paying their dues, because they were sent to an old email address. Don't let this happen to you!

The Reserves Definitions Committee welcomes three new members.....Thank you for your service to SPEE.



David Elliot



John Ritter



Martin Hubbig



SPEE Annual Meetings

June 5 - 9, 2015 Halifax, Nova Scotia

The Westin Nova Scotian

June 3-8, 2016 Lake Tahoe, Nevada

Ritz Carlton

Contact Barry Ashton to provide suggestions on locations and venues for future meetings.

Chapter News

Calgary

The Calgary Chapter has completed the Resources Other Than Reserves (ROTR) Guidelines and was ready for distribution June 30th, 2014. This document is Section 2 of Volume 2 of the Canadian Oil and Gas Evaluation Handbook (COGEH), which is the reference document for National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. Volume 2, including the new section may be purchased through the SPE. Please visit spe.org to order at spe.org/canada/pages/general/pub_order_form.php.

The guidelines are available as a stand-alone document for current owners of Volume 2. To order the guidelines please go to Sproule.com. After June 30, 2015, the guidelines will only be available as part of Volume 2.

The Calgary Chapter held its Annual General Meeting on May 20th. At this meeting the changing of the guard took place with Katherine Crerar moving up to the Chapter Past Chairman position and Doug Wright taking over as the new Chapter Chairman. Keith Braaten has stepped up to the role of Vice Chairman. Gary Metcalfe will retain the role of Chapter Treasurer and Floyd Williams Chapter Secretary. Harry Helwerda has completed his term as the Chapter Past Chairman position and we all wish to thank him his past years of guidance and will continue to rely on his insights in the future.

In December, 2013 we were very pleased to award an Honorary Lifetime Membership to Dr. David Elliot for his long service and valuable contribution to SPEE.

*Meetings - 3rd Tuesday of each month except June, July and August.
Membership - 55*

California - Membership - 22

Central Texas - Membership - 33

Dallas

Meetings - Bimonthly from September through May at the Brookhaven College Geotechnology Institute. Membership - 58

Denver

On May 15th the Denver Chapter held its third meeting of 2014 with 40 in attendance, 24 members and 16 guests. Dr. Dilhan Ilk spoke on the topic *Perspectives on Well Performance Analysis and Production Forecasting in Unconventional Reservoirs*.

Dr. Ilk is a Vice-President and reservoir engineer with DeGolyer and MacNaughton in Dallas. Dr. Ilk began his talk with an overview of decline curve analysis techniques focusing in on applications in unconventional reservoirs. Dr. Ilk

then discussed the uncertainties associated with non-unique solutions and the importance that flow regime identification plays in the work flow process. Finally, after his presentation concluded, several members of the Denver chapter joined him in a breakout session focusing in on specific production analysis issues.

Approximately 14 members of the Denver Chapter attended the Annual Meeting in Stowe, Vermont. Participation from the Chapter Members included specific service to the organization by three individuals. Dr. John Seidle gave a presentation updating the members on the progress of Monograph 4 and pending release of same. Richard George participated as a photographer and Mike White was recognized for his diligent work related to publishing the membership directory.

On July 15th the Denver Chapter held its third meeting of 2014 with 50 in attendance, 26 members and 24 guests. Mr Tim Sulser spoke on the topic *A Good Time to be a Buyer and Seller*.

Mr. Sulser is Director of the Denver Investment Banking group at Tudor, Pickering, Holt and Co. Mr. Sulser began his talk with an overview of commodity pricing history and outlook, focusing upon area differentials to published indices. He then presented an overview of major transactions in preceding years and discussed the characteristics of companies with successful transactions. Finally, Mr. Sulser provided his view of what is in store for the second half of 2014, which has begun as a very active M&A year.

Meetings - 2nd Wednesday of first month of each quarter - Denver Athletic Club - The New Petroleum Club. Membership - 62



Tim Sulser, Director of the Denver Investment Banking group at Tudor, Pickering, Holt and Co., with Steve Enger, Denver Chapter Vice Chairman

Europe

The Europe Chapter was represented by three members at the Annual Meeting in Stowe. We all appreciate the efforts to plan and organize such an event with excellent technical programs and great activities in a beautiful location. The Europe Chapter is screening potential venues in UK, The Netherlands, Germany and Austria for an Annual Meeting to possibly be held in Europe in 2017.

Meetings - Four per year. Membership - 28

Houston

On May 7th, the Houston chapter hosted our monthly luncheon at the Houston Petroleum Club. Jeff Sieler, Managing Director & Technical Head, Scotia Waterous, presented a study on *An Economic Perspective of US Shale Developments*. The research examined the Bakken, Eagle Ford, DJ, and Permian basins to look for common development traits in the subsurface and from an industry perspective. The work also evaluated life-cycle economics in relation to entry price with several case examples. Sixty-six members, guests, and visitors attended.

The Houston Chapter does not meet in June, July or August. The chapter had 70 members and spouses/guests attend the Annual Meeting in Vermont.

Upcoming Meetings:

Wednesday, September 3rd: *2013 SEC Opinion Letters*, Jeff Wilson, Ryder Scott

Wednesday, October 1st: *Eagle Ford – What makes or breaks the play*, Wood MacKenzie

Wednesday, November 5th: *Working Capital for Energy Companies and Role of Evaluation Engineers*, Dr. David Nordt, Credit Agricole CIB

Meetings – 1st Wednesday of each month except June, July and August – Houston Petroleum Club. Membership – 184

Midland

The Midland Chapter meetings are scheduled bimonthly starting in January on the 2nd Wednesday of the month. They are held at the Petroleum Club of Midland at 11:30 AM and feature a sit-down plate-served luncheon. The meetings are open to non-members to reach out to the technical community and attract new members.

The chapter held two meetings in the second quarter and six chapter members attended the Annual Meeting in Stowe.

Our May meeting featured Matthew Menchaca, Research Analyst from Drilling Info. He presented *A Breakdown of the Midland Basin Wolfcamp/Lime Using Drilling Info*. Thirty-two members and guests attended the meeting.

July's meeting featured Charles Pennington, P.E., from the Texas Board of Professional Engineers. His presentation featured *TBPE, Professional Practice Update/Ethics: Updates on Board Rule Changes Within the Last Year*. We again had 32 members

and non-members attending this meeting.

The Midland Chapter is a small chapter with 22 members and for the past two years we have an average of 12-13 members present at the chapter meetings (60% attendance rate). Two-thirds of the attendees are non-members, most of which are too young to be Associate Members. Many of the non-members have perfect attendance and we hope they will become members when they can.

Meetings – 2nd Wednesday odd months – Midland Petroleum Club. Membership - 26

Oklahoma City Chapter

Meetings – Every odd-numbered month. Membership - 24

Tulsa

Meetings – Tuesday of each month – Petroleum Club. Membership – 23

Scholarships Awarded by Midland Chapter

In February the Midland Chapter held a two-day short course on Production Forecasting for Unconventional Resources. This course was taught by Dr. John Lee from the University of Houston and was a joint production with Midland College's Petroleum Professional Development Center. We had 38 participants for this very challenging course. After expenses, the chapter realized a very nice profit. In keeping with SPEE's principle of providing education in the field of Petroleum Engineering, the proceeds from the course were used by the Midland Chapter to establish three endowed scholarships: The Jack Ladd Memorial Scholarship in Petroleum Engineering at the University of Texas Permian Basin, the Dr. Marshall Watson Scholarship in Petroleum Engineering at Texas Tech University, and the Dr. John Lee Scholarship in Petroleum Engineering at the University of Houston. The late Mr. Ladd was the Dean of UTPB's College of Business whose vision and leadership created UTPB's Petroleum Engineering Department. The Midland Chapter's own Dr. Marshall Watson is now the Department Head for Texas Tech's Petroleum Engineering Department. After a long tenure at Texas A&M, Dr. John Lee now holds the position of Professor and Hugh Roy and Lillie Cranz Cullen Distinguished University Chair at the University of Houston. We are proud to have been able to honor these three distinguished gentlemen with these permanent endowed scholarships.

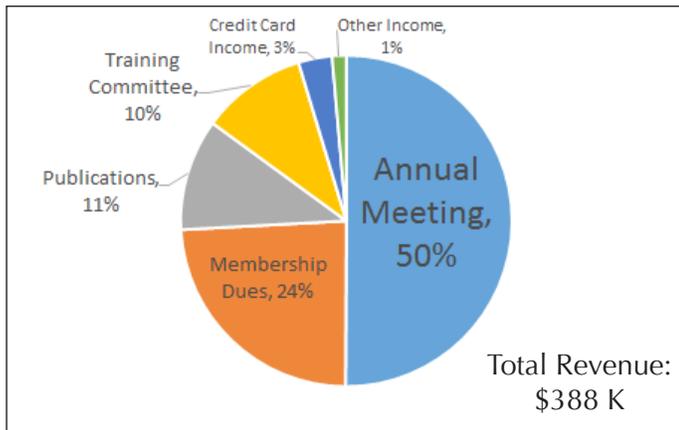
Summary of President's Presentation

Presented at SPEE Annual Meeting

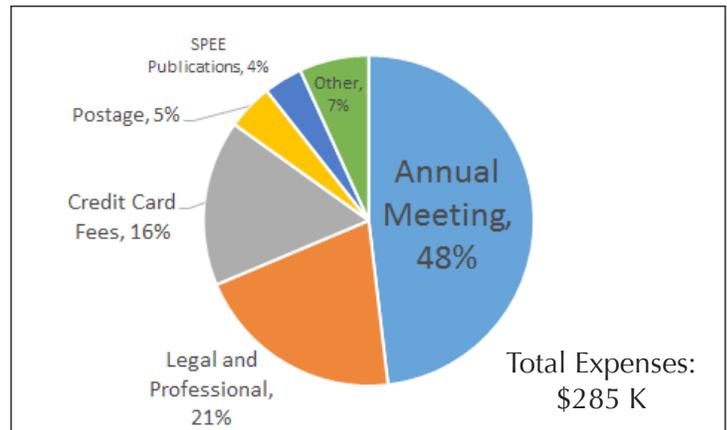
Stowe, Vermont June, 2014

The SPEE focuses on healthy balance of Revenue and Expenses. 2013 was an exceptional year with respect to Revenue as illustrated in the historical chart comparing Revenue and Expense for the past 10 years.

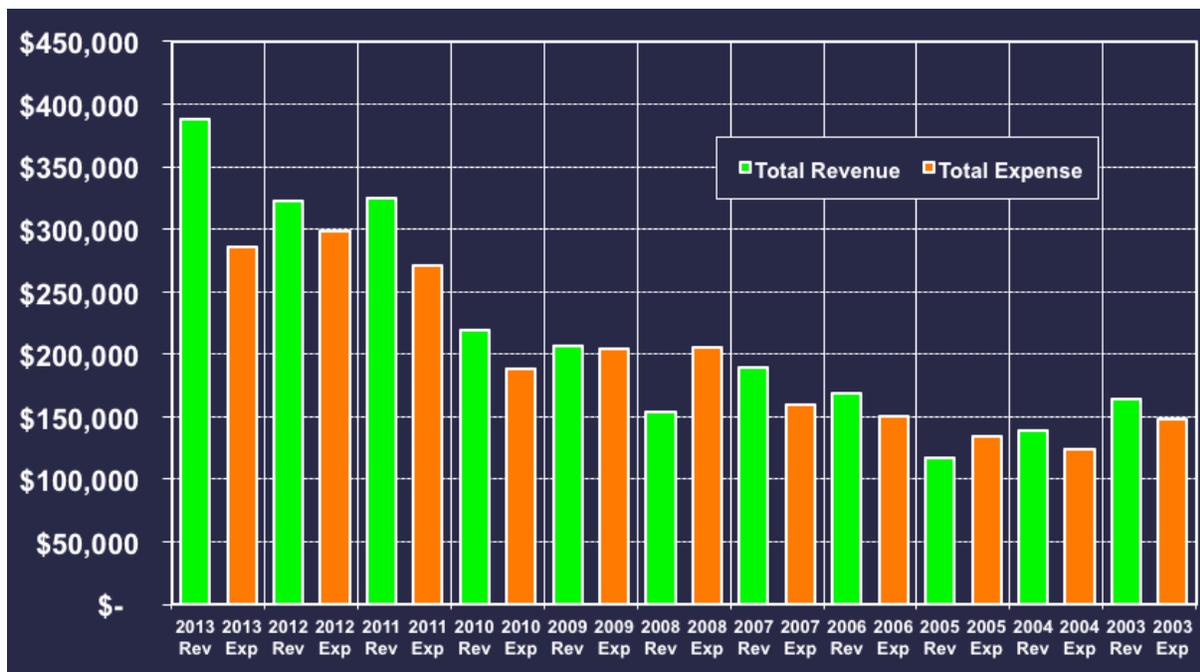
Financial Review: 2013 Revenue:



Financial Review: 2013 Expenses



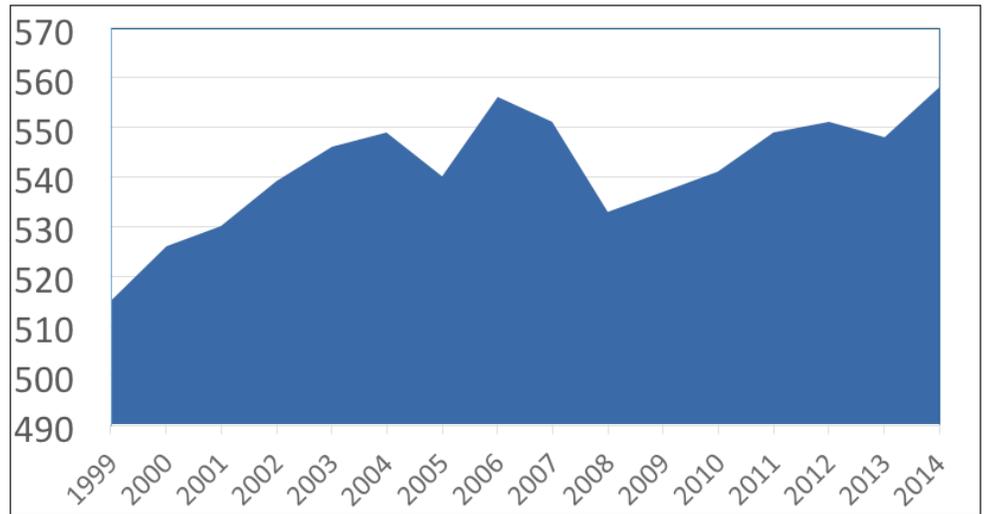
Historical Society Revenue and Expenses: The following chart shows 2013 (Left) to 2003 (Right). The introduction of the Technical Training Committee and the associated revenue generated from Technical Training Sessions in 2013 has helped the SPEE see an improvement in the balance sheet. We expect 2014 Revenue, Expenses and associated Net Income to be more in line with the actuals from 2012 and 2011.



- SPEE continues to maintain focus on cost management while delivering the Society's Objectives
- Income continues to grow with membership growth
- Expenses also increase with growth in membership
- New initiatives considered for cost management
- Overall finances of the SPEE are healthy

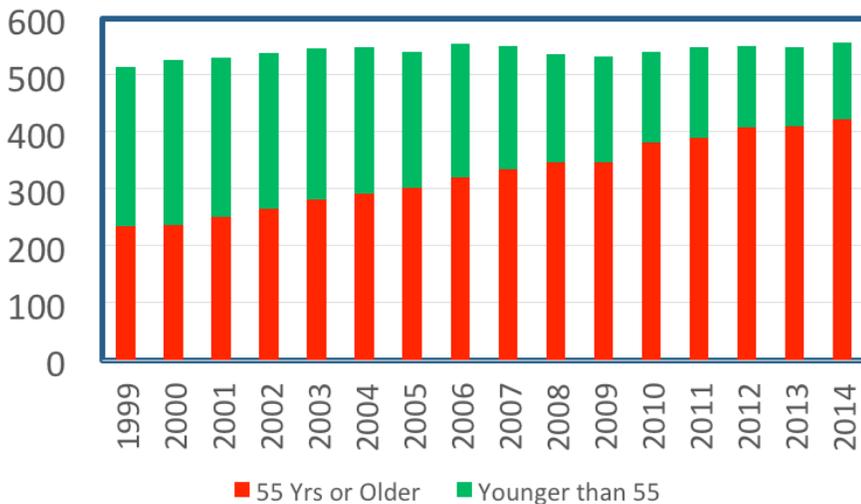
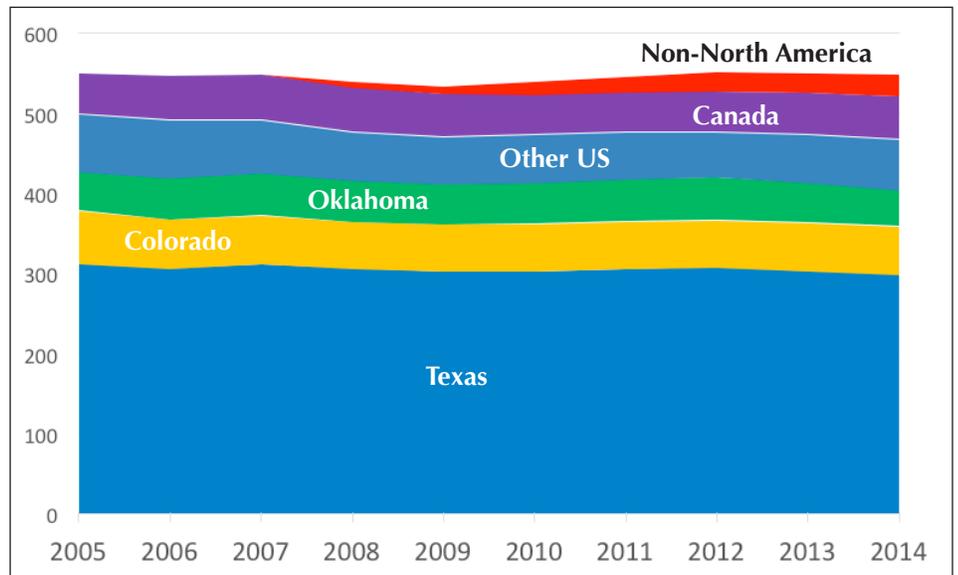
SPEE Overall Membership

History: The following graph illustrates the previous 15-year Membership Growth of the Society. Besides a fall-off in 2008, the membership continues a slight increase year after year. The Council of Past Presidents has indicated in their Long Range Plan that the organization probably needs to grow to 1000 members world-wide to maintain an effective membership base of volunteers to help promote and execute our initiatives. We've got some work to do!



SPEE Membership By Location:

Of special significance, the overall growth in the membership since 2005 is being significantly underpinned by the growth of our Non-North American membership.



SPEE Membership by Age: The bad news.

As you can see from the accompanying chart, we have an additional challenge to grow the membership from a younger demographic. This is the number one priority for the Society, and we need all members to do their part to look for young qualified members who can help carry the flag for the future.

If you have any questions or need additional information, please feel free to contact me directly.

Samantha Holroyd, President SPEE
Sam.Holroyd@denhamcapital.com 713-217-2740

Financial Update from SPEE 2014 Secretary-Treasurer

I am pleased to provide a financial summary of SPEE. The Society remains financially healthy. The cash Assets held in checking, money market and CD's held by National total approximately \$434,542. The Local Chapters hold approximately \$152,550 in their accounts. SPEE National 2013 Revenue was approximately \$388,040 and 2013 expenses were \$285,702, leaving a profit of \$102,388. This is largely due to the SPEE-Sponsored Training Courses, Publication Sales and Short Courses at the Annual Meeting.

Dee Patterson

Figure 1: National SPEE 2013 FY Income

Figure 2: National SPEE FY 2013 Expenses

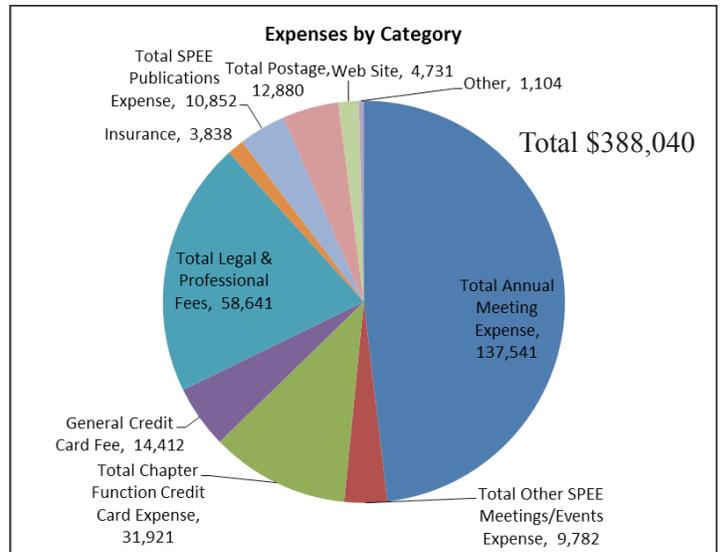
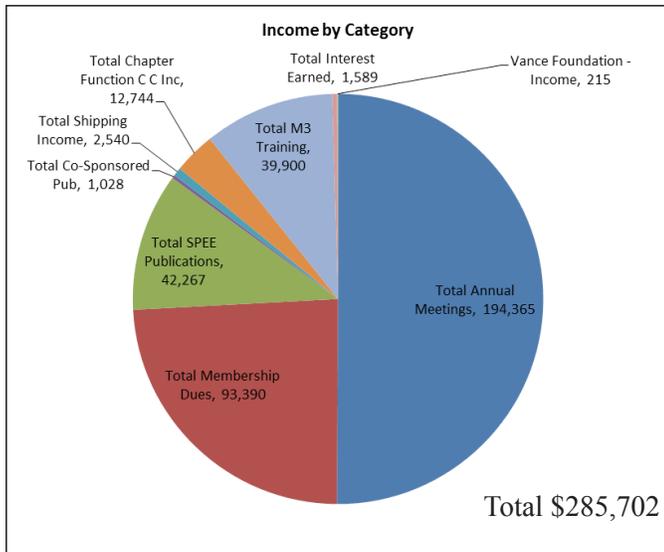


Figure 3: National and Local Chapter Combined SPEE Balance Sheet

The Society of Petroleum Evaluation Engineers			
Statements of Assets and Liabilities- Income Tax Basis			
As of December 31, 2013			
	<u>2013</u>	<u>2012</u>	
Assets			
Current Accounts	\$ 477,092	\$ 452,635	
CD's	\$ 110,000	\$ 110,000	
Office Equip	\$ 1,013	\$ 1,013	
Accum Depr	\$ (1,013)	\$ (1,013)	
	<u>\$ 587,092</u>	<u>\$ 562,635</u>	
Liabilities and Fund Balance			
Liabilities	\$ -	\$ -	
Fund Balance	\$ 587,092	\$ 562,635	
	<u>\$ 587,092</u>	<u>\$ 562,635</u>	

Confessions of a Computer Modeler

By Robert J. Caprara

Any model, including those predicting climate doom, can be tweaked to yield a desired result. I should know.

Reproduced from the Wall Street Journal, July 8, 2014

The climate debate is heating up again as business leaders, politicians and academics bombard us with the results of computer models that predict costly and dramatic changes in the years ahead. I can offer some insight into the use of computer models for public-policy debates, and a recommendation for the general public.

After earning a master's degree in environmental engineering in 1982, I spent most of the next 10 years building large-scale environmental computer models. My first job was as a consultant to the Environmental Protection Agency. I was hired to build a model to assess the impact of its Construction Grants Program, a nationwide effort in the 1970s and 1980s to upgrade sewer-treatment plants.

The computer model was huge—it analyzed every river, sewer treatment plant and drinking-water intake (the places in rivers where municipalities draw their water) in the country. I'll spare you the details, but the model showed huge gains from the program as water quality improved dramatically. By the late 1980s, however, any gains from upgrading sewer treatments would be offset by the additional pollution load coming from people who moved from on-site septic tanks to public sewers, which dump the waste into rivers. Basically the model said we had hit the point of diminishing returns.

When I presented the results to the EPA official in charge, he said that I should go back and “sharpen my pencil.” I did. I reviewed assumptions, tweaked coefficients and recalibrated data. But when I reran everything the numbers didn't change much. At our next meeting he told me to run the numbers again.

After three iterations I finally blurted out, “What number are you looking for?” He didn't miss a beat: He told me that he needed to show \$2 billion of benefits to get the program renewed. I finally turned enough knobs to get the answer he wanted, and everyone was happy.

Was the EPA official asking me to lie? I have to give him the benefit of the doubt and assume he believed in the value of continuing the program. (Congress ended the grants in 1990.) He certainly didn't give any indications otherwise. I also assume he understood the inherent inaccuracies of these types of models. There are no exact values for the coefficients in models such as these. There are only ranges of potential values. By moving a bunch of these parameters to one side or the other you can usually get very different results, often

(surprise) in line with your initial beliefs.

I realized that my work for the EPA wasn't that of a scientist, at least in the popular imagination of what a scientist does. It was more like that of a lawyer. My job, as a modeler, was to build the best case for my client's position. The opposition will build its best case for the counter argument and ultimately the truth should prevail.

If opponents don't like what I did with the coefficients, then they should challenge them. And during my decade as an environmental consultant, I was often hired to do just that to someone else's model. But there is no denying that anyone who makes a living building computer models likely does so for the cause of advocacy, not the search for truth.

Surely the scientific community wouldn't succumb to these pressures like us money-grabbing consultants. Aren't they laboring for knowledge instead of profit? If you believe that, boy, do I have a computer model to sell you.

The academic community competes for grants, tenure and recognition; consultants compete for clients. And you should understand that the lines between academia and consultancy are very blurry as many professors moonlight as consultants, authors, talking heads, etc.

Let's be clear: I am not saying this is a bad thing. The legal system is adversarial and for the most part functions well. The same is true for science. So here is my advice: Those who are convinced that humans are drastically changing the climate for the worse and those who aren't should accept and welcome a vibrant, robust back-and-forth. Let each side make its best case and trust that the truth will emerge.

Those who do believe that humans are driving climate change retort that the science is “settled” and those who don't agree are “deniers” and “flat-earthers.” Even the president mocks anyone who disagrees. But I have been doing this for a long time, and the one thing I have learned is how hard it is to convince people with a computer model. The vast majority of your audience will never, ever understand the math behind it. This does not mean people are dumb. They usually have great BS detectors, and when they see one side of a debate trying to shut down the other side, they will most likely assume it has something to hide, has the weaker argument, or both.

Eventually I got out of the environmental consulting business. In the 1990s I went into a completely different industry, one that was also data intensive and I thought couldn't be nearly as controversial: health care. But that's another story.

Mr. Caprara is chief methodologist for PSKW LLC, which provides marketing programs for pharmaceutical firms.



A very special Thank You for all those that attended our Annual Meeting in Stowe. This year we had 216 attendees, 2 short courses, and 10 technical presentations.

30 Years of Outstanding Service!



Sunday Social



Thanks for the pictures Richard!

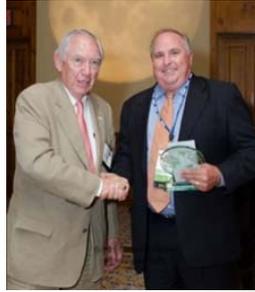


Swingin' Vermont Big Band

Ahh — Golf !!!



2014 Society of Petroleum Evaluation Engineers Annual Meeting was held in Stowe, Vermont June 7th—10th



Two days of Technical Presentations on valuation, reserve models, and statistical analysis of unconventional reservoirs provided attendees with valuable insight from the experts.



SPEE was also pleased to host a feedback session from the US Securities and Exchange Commission, as well as updates on Monograph 4 (Estimating Developed Reserves in Unconventional Resources), the Annual Parameter Survey, and Global Issues on Ethics.

Excellent short courses on the Evaluation of Unconventional Reservoirs and Shale Asset Management were well attended.

ANNUAL MEETING **SPEE**
 Stowe Mountain Lodge, Vermont • June 7-10, 2014

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SPEE Recommended Evaluation Practice #1

Elements of a Reserve and Resource Report

Editor's Note: At the SPEE 2000 Annual Meeting, the SPEE adopted a pilot program to develop a series of Recommended Evaluation Practices (SPEE REPs). The SPEE REPs were envisioned to be short position papers outlining petroleum evaluation on specific evaluation issues and offering suggestions for handling those issues. To date, SPEE has written, approved, and published ten REPs which are posted on the SPEE website. Since we have many new Members who may not be familiar with the REPs, along with Members who might like a reminder, the REPs will be published in the SPEE Newsletter as space allows. The Recommended Evaluation Practices Committee, chaired by Dan Olds, is active and would entertain suggestions for additional REPs.

Section #1 - Recommendations for Reporting Estimated Reserves and Resources of Oil and Gas

Issue:

It is widely accepted that a formal report is a necessary part of most engineering studies or evaluations. What guidance does the SPEE provide to assist engineers in completing a report?

SPEE Recommended Practice:

The wide variation in types of evaluation reports prohibits the development of strict report standards. Individual standards that are generally desirable in most instances will sometimes be inappropriate for specific circumstances. Nonetheless, a set of recommendations has been developed to assist preparers of reserve and resource reports¹ present their findings. It is anticipated that these recommendations will also encourage discussion among preparers of reserve and resource reports and that the recommendations will be revised from time to time.

The Preparer's Responsibility

The preparer should provide a report that presents projections and opinions that fairly reflect the available factual data without a bias to be optimistic or conservative. A series of steps will normally be required to understand engineering and geology, prepare an economic projection, and produce a report. The preparer has a professional responsibility to:

1. Determine the proper engineering procedures and techniques to fairly estimate future producing rates for hydrocarbons;
2. Work with the client to determine financial and economic projections to fairly estimate future cash flow and economic limits; and
3. Prepare a report for the use of the client, which presents the findings in a manner that promotes understanding and does not obscure uncertainties.

Contents of a Typical Reserve Report

Most Reserve Reports will include these three components:

1. A cover letter and discussion section, which may be combined or separated;
2. A copy of the reserve and resource definitions used in

preparing the report and any requirements of governing regulatory bodies, if applicable; and

3. Tabular data showing summary results and detailed projections.

Most of the preparer's time and attention will be devoted to understanding the available data and preparing the detailed projections shown in the tabular data section. Most of the reader's time might well be spent studying the discussion section and summary tables in an effort to understand the entirety of the work performed. Thus, the preparer is encouraged to give careful consideration to the narrative and summary tables.

Basic information that should be included in virtually every report includes:

- The client for whom the report was prepared;
- The purpose of the report;
- The date the report was completed;
- The effective date of the report;
- A discussion of reserve and resource definitions, assumptions, methods, procedures, and sources of data;
- Disclaimers to warn the reader of limitations;
- A statement of independence of the preparer; and
- The signature of the preparer or firm responsible for the report.

Sections #2 and #3 of this REP provide additional guidance for the Discussion Section and the Tabular Data included in evaluation reports.

Reserves versus Resources

The term "Reserve Report" is somewhat generic and often used interchangeably with "Evaluation Report." It is acceptable to refer to a report that contains both reserves and resources as a "Reserve Report," but if a report only contains resource volumes, calling it a "Resource Report" or "Report of Resources other than Reserves" would make the contents of the report clear to users. If a report only contains resources, a statement to the effect that "the resource volumes included in this report are not considered to be reserves at the effective date of this report" is recommended to help users of the report avoid mistakes.

¹ The terms "Preparers of Reserve and Resource Reports" or "Preparer" are used herein to signify the person(s) responsible for the contents of the report.

SPEE Recommended Evaluation Practice #1

Elements of a Reserve and Resource Report

Section #2 -- Information Typically Found in the Discussion Section of an Evaluation Report

Issue:

Users of an evaluation report depend on the cover letter or discussion section of a report to gain understanding of the preparer's work. What information should the preparer include in this section?

SPEE Recommended Evaluation Practice:

(See also Sections #1 and #3)

The discussion is sometimes included in the cover letter and sometimes included as a separate section of the report. In either case the preparer should include narrative and tabular data as necessary to allow the reader to address the following items:

1. The preparer should clearly state the purpose for which the report is being prepared and for whom it is prepared.
2. The preparer should clearly present the effective date

of the report and the date on which the report was completed. The effective date is the beginning date for projections. Every effort should be made to include historic data as near as possible to the effective date. The reader will appreciate finding the cut-off date, the date after which no new data was available to the preparer. Based on the purpose of the report, the preparer might want to include a discussion of events occurring between the effective date and the report date. Generally, the effective date will occur before the date of the report. In situations where the preparer is requested to provide reports with effective dates after the date of the report, the preparer might include discussion calling attention to the premature nature of the report. If the report is a "roll forward" or a "mechanical update" of an earlier report, the preparer should include a discussion of all the assumptions involved and material changes considered in the roll forward process.

3. The preparer should state the definitions, assumptions, methods, and procedures used, and state that these are appropriate for the purpose.



B.K.



Special People Exciting Evening

*The evening flew by.....
as have the years.
Thank you so much for
30 years of kindness,
thoughtfulness and
friendship.
B.K.*

Welcome New Members

Clemans, Mark A. (Member No. 843)

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Spouse - Virginia

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Spouse - Kristy

Membership Applicants

The following member applicants have been processed by the Qualifications Committee. The by-laws require that 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 by-laws regarding other important details) since the applications have already passed through the Qualifications Committee.

APPLICANT	SPONSOR	APPLICANT	SPONSOR
Corrie-Keilig, Antony G. E. Sr. Petroleum Engineer Senergy (Australia)Pty Ltd Level 1, 16 Ord Street West Perth 8005, Western Australia	Gordon Adamson Peter Aquilina Bob Harrison	Olsen, Grant Theodore Director Pressler Petroleum Consultants 550 Club Drive, Suite 100 Montgomery, TX 77316	Larry Gring Tracy Heckman John Lee
Hanson, Kevin Blair Reserves Engineer Sinopec Canada 2700, 112 4 th Ave SW Calgary, Alberta T2P 0H3 Canada	Laurie Bowns Mark Ireland Attila Szabo	The new SPEE Membership Directory is available for purchase and payment on the website - www.spee.org. The cost is \$55.00 plus shipping.	