

President's Letter

Fondest greetings to all SPEE members! The year is winding down with a series of changes in store. Foremost on my mind is B.K.'s retirement and transition of the administrative duties to Debbie Suter. B.K. is currently helping Debbie learn the ropes and is available for as long as she is needed. Debbie is the perfect fit for SPEE, and we are lucky and overjoyed that we found her. At the same time, we will miss B.K. She gave 32 years of dedicated and cheerful service to SPEE. Since she is the current record holder for the oldest ziplining SPEE member (if you will recall Stowe 2014), I thought it appropriate to ask her of what, out of everything, what was her fondest memory? She answered simply the entire experience, because there were no bad SPEE memories. I found that to be very indicative of this close knit society and I would agree wholeheartedly. I know that she is a wealth of good stories about our members, so I pressed a little more and asked her for the funniest moment. She recalled the very first Annual Meeting, where Tom Fuller roasted incoming President Barry Van Sandt. Tom introduced Barry to his new administrative assistant, a lifesize blowup doll! As a good sport, Barry carried the "new admin" around for the rest of the evening. What a way to start an amazing journey! Debbie brings in a similar sense of humor and rapport. You can read more about her qualifications on the front page banner of the website. So, here's to a fond farewell and warm welcome!

Other administrative transitions include Financial and Web Administrator positions. As an expansion of our bookkeeping capabilities, LPAC (Lisa Poletti Accounting Services) has taken over that role for Kemper Dotson, and Kyle Fitzgerald has taken over the website administration duties (under the direction of the Internet Committee) that Kemper was also doing. Did I mention, we also have a new office (still in Houston)? Please note the new address listed in the newsletter for all future correspondence. It has been a very busy summer!

Of course, we also have transitions on the Board. To our outgoing Directors, **Mike White**, **Brent Hale**, and **Letha**

Lencioni, SPEE sincerely thanks you for your service, dedication, and leadership. Mike will be staying on for another year as Internet Chairman and Brent continues his service as chair

of the Parameters Survey. The ballots are in and congratulations are in order for our new 2016 Directors-elect: **Charles Boyette**, **Rhonda Gathers**, and **Mark Ireland**! Welcome to the SPEE Board and what I am sure will be a great experience for you! Thank you to ALL of the candidates who ran and your willingness to "put yourself out there" on behalf of the society. Everyone on the ballot was immensely qualified and a credit to the organization. We welcome the new directors as they begin their terms at the Board of Director's Meeting in Dallas on January 11th. **Samantha Holroyd** completes her term on the Executive Committee this year after many years of great service. Thank you, Sam! We will be announcing the newest member of the Executive Committee at the January meeting and **Dee Patterson** will assume the position of president.

SPEE has been very busy this year. The authoring of Monograph 4 (Estimating Developed Reserves in Unconventional Reservoirs) has taken a little longer than expected, but it is nearing completion. The Monograph 4 committee has taken great pains to amass as much feedback as possible from our membership and peer review. The final draft is going out for one last round of comments from SPEE's sister societies next month, and the final manuscript is scheduled to go to the publisher by the beginning of April. The feedback has been enthusiastic, constructive and the process is working as it should. Thanks to the Monograph 4 committee, especially



2015 Officers and Directors

Executive Committee

President..... Gary Gonzenbach (Central Texas)
Vice President..... Dee Patterson (Dallas)
Secretary-Treasurer..... Floyd Siegle (Calgary)
Past-President..... Samantha Holroyd (Houston)

Directors

Brad DeWitt (California) Don Jacks (Oklahoma City)
Jennifer Fitzgerald (Houston) Letha Lencioni (Denver)
Robert Green (Midland) Simon McDonald (Europe)
Brent Hale (Dallas) Rawdon Seager (Houston)
Mike White (Director-at-Large)(Denver)

Bylaws Committees

Chair of Past Presidents' Council..... Marshall Watson
Qualifications Tim Gilblom
Committee: Steve Blair, Neal Howard, and Richard Rowe
Nominating Samantha Holroyd
Grievance David Gold
Committee: Frank Molyneaux and Dan Olds
Reserves Definitions..... Rod Sidle
Committee: Russ Long, S. Tim Smith, Stuart Filler, John Etherington, John Ritter, Dave Elliott and Martin Hubbig

Individual Appointments

Ethics Tom Collier
Evaluation Parameters Survey Brent Hale
Fair Market Value D. Russell Long and Dee Patterson
Internet Mike White
Membership..... Donald C. Jacks
Newsletter Coordinator..... Richard J. Miller
Communications..... George Schaefer
Production Tax Summary and University Interface..... Marshall Watson
Recommended Evaluation Practices..... Daniel R. Olds
Annual Meeting Advance Planning Barry Ashton
Professional Registration Marcus Snyder
Monograph 3 - Evaluation of Resource Plays Russell K. Hall
Monograph 4 - Unconventional Developed Reserves John P. Seidle
Technical Training Jennifer Fitzgerald
SPE OGRC Oil and Gas Reserves Committee Observer..... Ron Harrell
COGEH (Canadian Oil and Gas Evaluation Handbook) Robin Bertram
UNECE Expert Group on Resource Classification John Ritter

Chapter Officers - 2015

Calgary

Chairman – Doug Wright
Vice Chairman – Keith Braaten
Secretary – Floyd Williams
Treasurer – Gary Metcalfe
Membership – Mark Ireland

California

Chairman - Brad DeWitt
Vice Chairman – Rick Finken
Secretary-Treasurer - Barry Evans
Membership - John Davis

Central Texas

Chairman – Joe Harris
Vice Chairman –
Secretary – Charles Price
Treasurer – Gary Gonzenbach
Membership –

Dallas

Chairman - Bill Gross
Vice Chairman – Joe Young
Treasurer - Alan Farquharson
Secretary - Russell Romoser
Membership –

Denver

Chairman – Steve Enger
Vice Chairman - Andrew Forcina
Secretary-Treasurer – John Wright
Membership - Steve Gardner

Europe

Chairman – Shane Hattingh
Vice Chairman – Bob Harrison
Secretary-Treasurer – Paul Taylor
Membership – Danilo Bandiziol

Houston

Chairman – Lucy King
Vice Chairman – Steve Davis
Secretary-Treasurer – David Nordt
Program Chairman – Tosin Famurewa

Midland

Chairman – Robert Green
Vice Chairman –
Secretary-Treasurer – Gail Hankinson
Membership – Russell Hall

Northern Rockies

Chairman – Tom Fitzsimmons
Vice Chairman – Rick Vine
Secretary/Treasurer – Tom Hohn
Membership – Joe Sinner

Oklahoma City

Chairman – Gary Hunter
Vice Chairman - David Yard
Secretary - Bruce Heath
Treasurer - Fletcher Lewis
Membership - Don Jacks

Tulsa

Chairman - Phil Schenewerk
Vice Chairman -
Secretary-Treasurer - Laura Stauffer
Membership Chairman -



20333 State Highway 249, Suite 200
Houston, Texas 77070
Office: 832.972.7733
Toll Free: 800.651.1639
www.spee.org

Admin Asst	Web Admin	Financial	Newsletter Editor
Debbie Suter	Kyle Fitzgerald	Lisa Poletti	Diane Pollard
debbie@spee.org	Kyle.fitzgerald@fitzgeraldhome.net	lisa@spee.org	dpollard@austin.rr.com

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

the committee chair **John Seidle**. As Monograph 4 nears completion, it's not too early to contemplate the next one. I have heard multiple suggestions for a Monograph on Type Well analysis, and I think it has some solid merit. If you have an opinion on that, or have another topic that you think should be in the forefront, please contact me and let's discuss. I would love to hear your input.

Thank you to **Karl Gulick** and **Jennifer Fitzgerald** for hosting a highly successful 3rd SPEE Software Symposium in September. Once again it was held in Houston, and I really liked the focus this time around on helping our members differentiate between the various features of all the software that's available today. It also served as a great venue to give feedback to the vendors on current industry evaluation needs. QED Energy Associates (a company that provides technicians for all the software packages) participated in hosting the event with SPEE. The concept worked great as they brought a "petroleum tech" perspective to the event. I have heard nothing but positive comments from attendees and vendors alike, as well as expectations for the next one. The SPEE Software Symposium has now become an industry expectation that we need to continue to live up to.

In August, we waved the SPEE flag at the REU Hanson Wade Conference in Houston where we hosted a panel on Unconventional Reserve Estimation. The panel consisted of **Rod Sidle**, myself, **Paul McDonald**, **John Seidle** and **Dr. John Lee**. We presented relevant aspects of both Monograph 3 and Monograph 4 to an engaged audience. There was good exposure, and I believe that we should continue supporting that event in the future.

As mentioned, the Board of Directors meeting is coming up in January. After that, we will be represented at the SPE/IAEE Hydrocarbon Economics and Evaluation Symposium on May 17th and 18th in Houston. So, please mark your calendars. Of course, current Secretary-Treasurer **Floyd Siegle** is busy making preparations for next year's Annual Meeting June 4th through 7th at Lake Tahoe (in Truckee, California). Also, I am looking for a person to replace **Barry Ashton** in the Advance Planning Committee. We need to start working on AM 2019. Please contact me if you are interested.

This year went by in the blink of an eye, much faster than I ever thought it would. It has been a great experience! We accomplished a lot but still have more left to do. Thanks to all the great committee chairs, chapter officers, Board of Directors, and Executive Committee. I am privileged to serve as your president. Best holiday wishes to you all.

Gary Gonzenbach
SPEE President



SPEE Annual Meetings

June 4 - 7, 2016 Lake Tahoe
Ritz Carlton

June 10 - 13, 2017 London, England
Geological Society of London

June 2018 Carlsbad, California
Park Hyatt Aviara



The 2016 Annual Meeting will be held at the Ritz Carlton Lake Tahoe June 4 through 7, 2016. If you would like to present a paper, please send an abstract to Floyd Siegle at floyd.siegle@spyglassresources.com by December 31, 2015.

Chapter News

Calgary

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

California

Membership - 22

Central Texas

Membership - 33

Dallas

The Dallas Chapter hosted its first luncheon meeting of the year on September 17th. Keith King, Managing Director, Moyes & Co., presented a timely talk on *Oil: What's a Reasonable Price?* Keith presented information that pointed to factors that indicate higher prices are around the corner. There were 52 very interested attendees.

The next meeting will be a joint ethics meeting with the Dallas SPE on November 17th. Mark A. McLane, a Partner at Rose and Associates, Inc. will present *Reserve Overbooking – An Issue of Professional Ethics*.

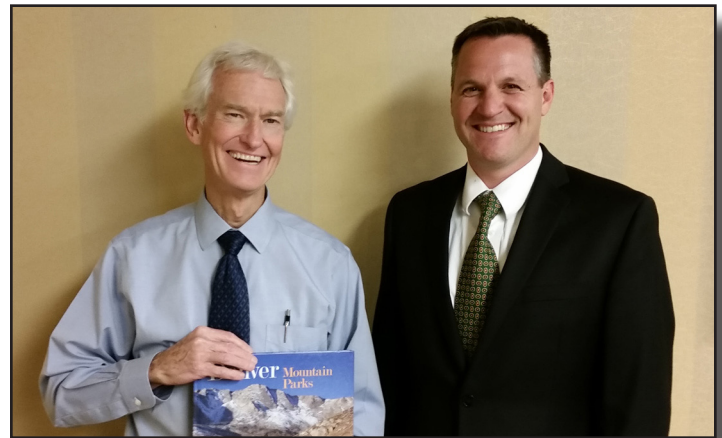
Meetings – Bimonthly from September through May at the Brookhaven College Geotechnology Institute. Membership – 58

Denver

On July 8th, Denver Chapter held its third luncheon meeting of 2015 with 76 in attendance, 31 members and 45 guests. Guest speaker Dr. Tom Blasingame spoke on the topic, *Reservoir Engineering Aspects of Unconventional Reservoirs* and was, as usual, a stimulating and entertaining speaker. Tom challenged the audience with discussions of the current state-of-the-art in several areas – geosciences, reservoir flow regimes, reserves assessment, RTA/PTA, completion

practices, and modeling – and questions and ideas as to how to improve practices in many cases.

On October 14th, Denver Chapter held its fourth luncheon meeting with 38 in attendance, 18 members and 20 guests. SPEE member and speaker Dr. John Seidle spoke on the topic, *The status of SPEE Monograph 4 and the importance of transient flow in estimating unconventional reserves*. John walked us through examples using diagnostic plots. Established and newer decline curve techniques were presented to assess reserves at various points in a well's flow regime. John's presentation was highly interactive, and we look forward to the publication of Monograph 4 and subsequent course here in Denver.



Dr. John Seidle (speaker) and Andrew Forcina, Denver Chapter Vice-Chairman

In 2015, the Denver Chapter has welcomed new SPEE members Emily Miller and Trina Medina as well as Jerry Simon and Phil Cherry by transfer.

Meetings – 2nd Wednesday of first month of each quarter – Denver Athletic Club – The New Petroleum Club. Membership – 60

Europe

Meetings - Four per year. Membership - 28

Houston

On Wednesday, September 9th, Dr. David Nordt, Managing Director of Engineering for PNC Energy Group and Houston Chapter Treasurer-Secretary, spoke about the ABCs of capital resources, capital market trends, the spring 2015 reserves-based lending results and the roles of evaluation engineers in attempt to answer if it is the upstream industry's fate to relive today's down cycle again and again. David's presentation, *Managing Capital and Ground Hog Day*, gave us an access to understanding more about capital management to sharpen our asset analyses and assist decision makers in portfolio management to survive oil and gas price cycles.



Andrew Forcina and guest speaker Dr. Tom Blasingame, Texas A&M University

There were 44 members, guests, and visitors in attendance for the meeting.

On Wednesday, October 7th, Jeff Sieler, Managing Director, Co-Head of A&D for Citigroup presented the topic: *Permian Basin: Geologic Concepts, Future Development, Transaction Trends, Deals, and More*. Jeff spoke to us about transaction trends and recent deals in the Permian Basin; he included key geologic concepts driving formation quality and associated well performance.



Speaker - Jeff Sieler

The presentation addressed the associated impact on deal metrics and multiples and highlighted formations targeted for future development along with drilling and completion trends. There were 59 members, guests, and visitors in attendance for the meeting.

On Wednesday, November 4th, we welcomed two new members to the Houston Chapter during our luncheon meeting: Victor Abu and Ali Pordandarwala were presented their membership certificates by 2015 SPEE Vice-President, Dee Patterson. During the meeting, Keith King, Managing Director at Moyes & Co., gave a presentation titled *What's A Reasonable Price for Oil?* Keith's presentation was an update of his presentation at the 2015 SPEE Annual Meeting. The talk examined the historical drivers of oil price, supply, demand, OPEC capacity and the cost of supply, and discussed the price anomalies caused by lags between price stimulus and production response. Keith asserted that current prices are inadequate to bring in supplies to replace volumes and accommodate demand growth and speculated that prices will rise to the \$80-\$90 range once current over-supply is worked off. There were 60 members, guests, and visitors in attendance for the meeting.

Meetings – 1st Wednesday of each month except June, July and August – Houston Petroleum Club. Membership – 182

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 meetings in July, September and November since the 2015 Annual Meeting in Halifax, Nova Scotia.

The July meeting tried something new with a video conference with SPEE President Gary Gonzenbach presenting the

Presidents Report to the chapter. Fourteen people attended the meeting, seven members and seven non-members.

Phil Kandel, SPEE Member from Denver and engineer at Wells Fargo Bank, presented his Wells Fargo Energy presentation from the Annual Meeting. Twenty-eight people attended with seven SPEE Members.

November's meeting featured *Horizontal Drilling in the Hammer-Rock Tank Area in the Northern Midland Basin* by Darryl James, Vice President of Exploration for Tall City Exploration. Thirty people attended the meeting with nine SPEE members.

The next meeting of the Midland Chapter is on Wednesday January 13th, 2016. We continue to attract non-members to the meetings by offering valuable content. Most of the non-members have less than five years in the industry and attend because of the presentations.

The Midland Chapter is currently in the process of setting up the RSVP and credit card payment feature offered through the SPEE Office.

Meetings – 2nd Wednesday odd months – Midland Petroleum Club. Membership - 22

Northern Rockies

SPEE Northern Rockies will be hosting a luncheon on January 12, 2016 at the Casper Petroleum Club. Subject of the talk will be *Rockies Natural Gas Market Update and Impacts of a REX Reversal*. Speaker at this talk will be Societe Generale Senior Gas Analyst Breanne Dougherty. The talk will coincide with Wyoming Oil and Gas Commission hearings so Wyoming's Governor Matt Mead along with his staff can join the discussion. Contact Rick Vine at Allen and Crouch for more information.

Membership – 10

Oklahoma City

On September 24th, the OKC SPEE Chapter hosted Pierre Goiran from Total E & P. Pierre gave a presentation describing methods of integrating geomechanics into reservoir characterization at well and regional scales. The presentation was prepared by Roberto Wagner whose wife had a baby that day. Congratulations to Mr. and Mrs. Wagner.

On October 22nd, the OKC Chapter Vice Chairman David Yard gave a very timely presentation. The topic was *Survival Tactics for 2016 – Strategic Planning and Portfolio Management*.

Meetings – The next scheduled meeting is December 10th.

Meetings – Every odd-numbered month. Membership - 22

Tulsa

Meetings – Four times yearly - Summit Club. Membership – 24

2015 SPEE Election Results: SPEE BOD 2016-2018

The 2015 SPEE BOD election has concluded and the results are in! The membership has elected three new Board Members who will take their seats in January 2016 for a three-year term, concluding in December 2018. The new Board Members elected are:

Charles Boyette (Local Chapter Affiliation: Dallas)

Rhonda Gathers (Local Chapter Affiliation: Denver)

Mark Ireland (Local Chapter Affiliation: Calgary)

We wish to thank all of the SPEE Members who ran for election. SPEE Board members represent the Society as a whole, generating, defining, executing and supporting various initiatives for growth and progression of the Society. It is the active participation of the membership at large, and especially, the elected leadership of the SPEE, who continue to make this society highly respected across the industry. This year, 30% of the membership voted in the election. If you voted, we are grateful for your participation. If you didn't vote this year, we encourage you to participate in the voting process next year.

Thank you for your consideration,

SPEE Executive Committee
Samantha Holroyd, Past President
Gary Gonzenbach, 2015 President
Dee Patterson, 2015 Vice-President
Floyd Siegle, 2015 Secretary Treasurer



Charles Boyette has more than 35 years of experience in the oil and gas industry. He currently serves as Executive Vice President with Dallas-based DeGolyer and MacNaughton, which he joined in 1982.



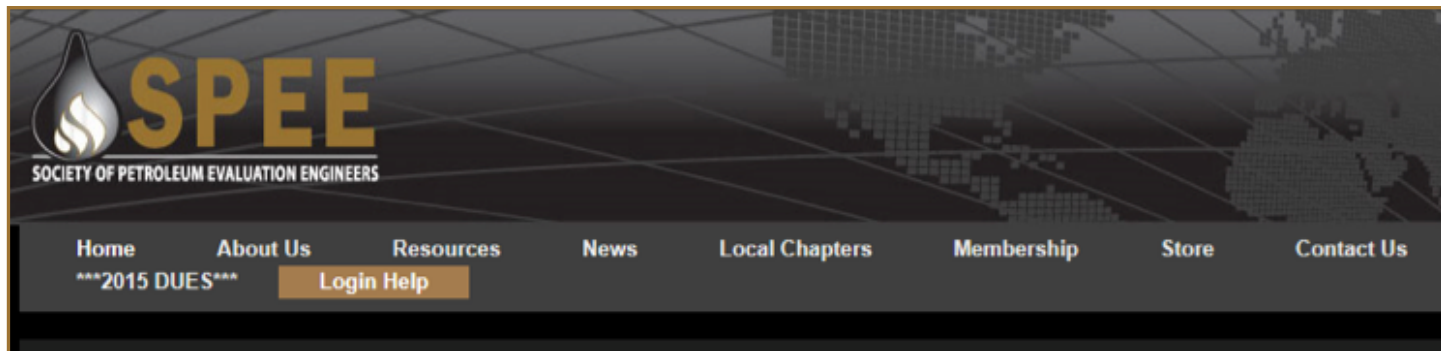
Mark Ireland works as the Vice President of Exploration and Production Technology and the Internally Qualified Reserves Evaluator (IQRE) for Talisman Energy, which is now a part of Repsol in Calgary.

Rhonda Gathers currently works as an independent Reservoir Engineering Consultant for various E&P companies, legal firms and petroleum consulting firms providing field studies, reserve estimates and asset evaluations in many basins domestic and international. Independent consulting gives her the flexibility to dedicate time and energy to SPEE.



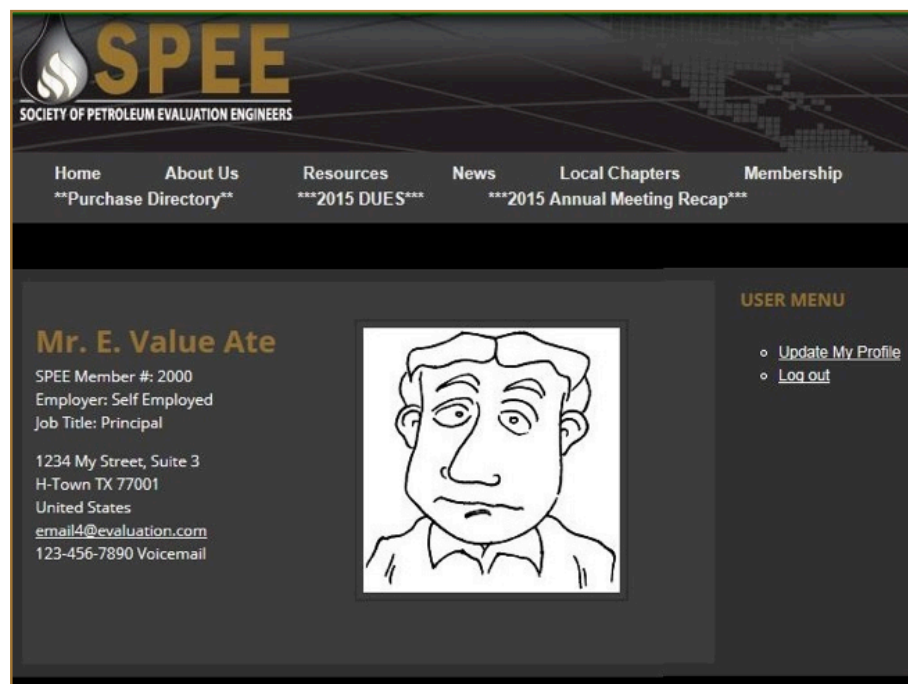
News You Can Use from Your Internet Committee

The Internet Committee is comprised of SPEE members Mike White and Jennifer Fitzgerald. In this article series of News You can Use, the Internet Committee, IC for short, covers useful aspects of your SPEE website. The address of the SPEE website is www.spee.org.



There is a new main menu item on the home page called **Login Help**. All previous login tips published in these various articles and more are available with a single click just when you need it most. It essentially outlines what things you can do on your own to reset a password versus when and how to seek assistance from a web administrator.

After logging in, check out the online membership directory. Online, an SPEE member may look up contact information on a fellow member. The online layout format is very similar to the hardcopy membership directory published last year with one major advantage over the book form; the information is live and as current as a mouse click.



appears. Each name contains hypertext. Select an individual, maybe even yourself, and view contact information in a membership directory view similar to this screen shot. If a photo is on file, it will be displayed. Email addresses are hypertext as well. Should you desire to upload a photo (or change out a photo), simply email it to info@spee.org and it will be loaded. IC Committee at your service.

Mike White and Jennifer Fitzgerald
Internet Committee



2015 SPEE Software Symposium Huge Success

On Thursday September 10, 2015, the SPEE and their industry partner QED Energy Associates held a Petroleum Evaluation Software Symposium at Anadarko's facilities in The Woodlands, Texas. Over 80 end users and vendors attended this event. The symposium focused on the capabilities and features of the various software packages and the direction of future development, both from the vendor's and the users' perspectives.

The methodology for this year's symposium differed from past symposiums in that separate surveys were sent to vendors and users as opposed to presenting the vendors with several problems to solve using their programs and the results being compared and contrasted. Twelve evaluation software development companies were sent surveys that questioned them about their software's capabilities, hardware and operating system requirements, unique features, and development directions. After the vendors' surveys were returned (11 of 12 companies chose to participate), the SPEE membership was sent an entirely different survey, with encouragement to pass it on to coworkers, including fellow engineers and engineering techs. This survey established what type company they work for, their job function, the end use of the evaluation software, which software package(s) they use, their experience with both the software and the vendor's customer service group, and the features that they would like to see added to that software. QED Energy Associates collected the submitted surveys and analyzed the results.

The morning session featured presentations from the 11 participating vendors, with emphasis on their software's unique features and the planned development direction. In the afternoon, Jennifer Fitzgerald (SPEE Director and Symposium Co-chairman) presented the results of the vendor's surveys and Courtney Stephens (CEO of QED Energy Associates) presented the results of the user's surveys. The symposium was concluded by a panel discussion focusing on the industry's desires for future development of evaluation software.

After expenses, the symposium earned over \$7,200 for the SPEE. Many thanks to the SPEE 2015 Petroleum Evaluation Software Symposium Committee Members: Karl Gulick – Chairman, Jennifer Fitzgerald – Co-chairman, Courtney Stephens - QED, Margie Mattoso – QED, Erich Reigle, Bill Vail, Stuart Filler; to the members of the panel discussion: Stuart Filler, Dr. John Lee, Rod Sidle, Bill Vail, Jeff Wilson, and Pam Wren, to QED Energy Associates for their hard work and partnership in this event, and to Anadarko Petroleum for hosting the symposium.

Karl Gulick
Petroleum Evaluation Software Symposium Committee

Perspectives on the Fair Market Value of Oil and Gas Reserve/ Resource Ownership

In 2002 The Society of Petroleum Evaluation Engineers (SPEE) published the document titled *Perspectives on The Fair Market Value of Oil and Gas Interests*. Today it is commonly referred to as SPEE Monograph 2. A new SPEE Fair Market Value (FMV) Committee has been appointed with the task of updating the previous work. I was the editor and committee chairman during the original writing. I will be joined by Dee Patterson, this year's SPEE Vice President and destined to be next year's SPEE president, as co-chairman of the committee consisting of seven SPEE members. We are planning on expanding the example problem statements beyond the four used to solicit opinions of FMV as a part of the 2002 publication. If you wish to submit an idea, send an email to drlong@longconsultants.net or phone 281-397-8500.

The 2002 Monograph 2 has been used as an educational tool but I find its greatest value to be in the results of the SPEE member surveys that solicited opinions as to the FMV of the four hypothetical example problems mentioned above. The problems presented a general description of hypothetical properties and included economic projections (production and cash flow forecasts) similar to those of a typical reserve report. It is envisioned that an expanded set of example problems will be the primary focus of the updated work. Perhaps there will be some focus on unconventional reservoirs and/or quantities classed as a contingent resource.

As I recall, the responses to Example Problem No. 4, which presented both deterministic and probabilistic economic analyses to a hypothetical new field discovery, were very light. The original problem 4 included volumes classed as proved and unproved. Perhaps the industry experience gained in dealing with uncertainty during the period since that survey was taken will result in a better response rate to a similar problem.

The original surveys were confined to SPEE members and were sent one at a time by email over a period of several months with responses to each problem collected before distribution of the next problem in number order. I expect, when a new set of problems is developed, they will all be sent at the same time but that will be up to the committee. Whether you are an SPEE member or not, any ideas you have as to a problem statement will be welcome. If you are not an SPEE member but would like to participate in the FMV opinion surveys, let us know.

Russ Long
Fair Market Value Committee

Opportunity Knocks?

Sometimes opportunities just fall into our laps.

A while ago, I was approached about a consulting job at a time when I really needed some work. A small startup firm was in the process of acquiring their first set of assets and one of the mezzanine financiers was looking for a quick assessment of the assets. It was in an area that I had worked and in which I had developed some expertise. As we discussed the project further, we discovered that I had participated in advising the purchaser in the first place, although the independent engineering report was prepared by others. Sometimes the things that fall into our laps are not really opportunities at all.

Using this fairly straightforward real-life scenario, I will offer a few thoughts on some screening processes that might help avoid ethical issues down the road. Although by no means an exhaustive treatment, it might be worthwhile to discuss a few issues related to qualifications, conflicts of interest, and independence.

Of course I am qualified – Aren't they offering to pay me?

In my scenario, qualifications were not an issue. The study the bank was requesting involved analyzing reservoirs with which I was familiar using techniques that I had used my entire career. Between SPEE's membership requirements and our members' average experience level, it is reasonable to think that we have amassed the experience needed to handle just about any assignment that might come our way. We also have enough experience to know what we do not know. The challenge is to put what we know to good use while we continue to develop our skills in new or changing areas. We need to avoid "cookie cutter engineering" and honestly assess our qualifications to perform the evaluation that is before us. I recall Scott Hickman at the SPEE Annual Meeting in 2012 suggesting that unconventional resources might be a separate area of expertise that might challenge our competency. At the risk of embarrassing him, if someone with Scott's skills and experience feels compelled to ask a question like that, then so should we on a regular basis.

Conflict of interest? Can't I take care of everyone, myself included?

The classic test for conflict of interest looks for a conflict between private interests and official responsibilities. This was no problem in my case. A second test for conflict of interest requires alignment between the interests of multiple clients. That was a problem, but not altogether insurmountable. I could imagine a scenario where my former client would grant permission for me to accept the assignment from the bank, although it was less likely that the bank would also accept. It is not enough to simply avoid conflicts of interest. One must always strive to avoid the appearance of conflicts of interest as well, and one mechanism for avoiding this appearance is full disclosure.

Do you really want me to grade my own work?

This brings us to our final point, independence. In my real-world scenario, assuming I could get by the other hurdles, it was simply not possible for me to advise one client and then develop an independent assessment for another on the same project. Those who work the sell side of transactions on a contingent fee basis are providing petroleum evaluation work that does not meet the test of independence since the evaluator's remuneration is dependent on the final valuation. Although the interests of the evaluator are aligned with the sellers, they are definitely not aligned with the purchasers. Nor would I suspect that reports prepared under this commercial model would be useful to lenders. Is this practice unethical? Not necessarily. But I would say it should be limited to transactions involving sophisticated counterparties, and the fact that the evaluation firm has a financial interest in the outcome should be disclosed.

In the end, our continuing ability to provide petroleum evaluations is conditioned upon the confidence that the users of our work can place in our ability and in our integrity. A little honest scrutiny at the beginning of an assignment along with a clear and open line of communication go a long way toward ensuring that our work continues to be of trustworthy and useful.

Suggestions? Feedback? Please send your thoughts to me at tcollier@concho.com. I look forward to hearing from you.



Tom Collier
Chair, SPEE Ethics Committee

Introducing Debbie Suter-SPEE Administrative Assistant

It is with great pleasure that we introduce Debbie Suter to the SPEE Membership! The SPEE has hired Debbie in response to B.K.'s request for a Succession Plan regarding broad administrative support duties for the SPEE International (including: Executive Committee, Board of Directors, Local Chapters, Committees, and the membership at large). Effectively immediately, Debbie is set up and is transitioning to handle all SPEE administrative duties from B.K. as the new SPEE Administrative Assistant. B.K. will be supporting Debbie and the SPEE during the transition.



Debbie has a broad professional background coming to us most recently from her position as a Real Estate Assistant where she assisted an independent realtor with managing daily operations, marketing, transactions, customer service and maintaining filing systems. Prior to that, Debbie was a Business Analyst/Project Development and Delivery Manager for Icon Information Services. In that capacity, Debbie reviewed existing software for nearly a dozen international countries to determine feasibility of incorporation into global solution or upgrade of local systems. Prior to these recent positions, Debbie was a Senior Global Business Analyst at Aon Corporation for nearly 30 years.

Debbie is warm, generous and engaging. She is enthusiastic and dedicated to joining the SPEE and supporting the ExCom, Board of Directors, Committee Members, Local Chapter Officers, Members and Non-members in their quest to contribute and be involved with the SPEE. She will be learning the ropes from B.K. and meeting as many members as possible over the next few months. She has already assisted B.K. at Houston Chapter luncheons, supported in planning the 2016 Annual Meeting in Lake Tahoe, is learning the website and also working to digitize key historical SPEE records.

This transition will include a number of 'behind the scenes' changes for SPEE:

- We have opened a new office and have a new mailing address, but still located in Houston.
- There is a new US-based phone number, but the 1-800 number stays the same.
- No changes to the Website....
- No changes to the support our organization will receive, just a new member of the family!

Please join us in welcoming Debbie to the SPEE family, and be sure to introduce yourself as soon as you can. She can be reached at the following contact information:

Office Phone: 832.972.7733

Toll Free: 800.651.1639

Email Address: debbie@spee.org

Physical/Mailing Address: 20333 State Highway 249, Suite 200, Houston, TX 77070



IN MEMORIUM



We regret to note
the passing of:



J. DARBY SERE'
Houston, Texas
October 18, 2015

Jared Darby Seré, age 68, known as “Darby,” passed away peacefully on Sunday, the 18th of October 2015. Darby was born in New Orleans, Louisiana on the 18th of September 1947 and raised in Lafayette, Louisiana where he excelled in baseball, basketball and football. He graduated from Louisiana State University, with a degree in Petroleum Engineering and was an avid fan of LSU Tiger Athletics, especially football. He earned a Master of Business Administration from Harvard University, and subsequently moved to Houston to work in the oil and gas industry, later serving ably as chief executive for two companies. He was a longtime member of The Petroleum Club of Houston.



CLAUDE L. McMICHAEL, JR.
Dallas, Texas
December 14, 2014

Claude L McMichael, Jr., 77, of Plano, Texas, passed away on December 16, 2014.

Claude was born in Shreveport, Louisiana on August 28, 1937. He graduated from Louisiana Polytechnic Institute with a Bachelor of Science in 1958 and went on to earn a Master of Science in Petroleum Engineering in 1962. Claude later earned a PhD in Petroleum Engineering from the University of Tulsa in 1971. Claude retired from Mobil Oil Company after a 25-year career in their International Exploration and Production Division and Mobil Research and Development Corporation. Claude's career took him around the world where he held positions in Dallas, Virginia, New York, Norway and London. After retirement, Claude loved to flyfish, enjoying the outdoors and the challenge of trout fishing. Throughout his life, he loved traveling and also volunteered as a DFW Airport Ambassador.

Welcome New Members

Dillon, David L. Member No. 874

Senior Petroleum Engineer
Wells Fargo Energy Group
1000 Louisiana Street, 9th Floor
Houston, TX 77002
david.dillon2@wellsfargo.com

Oh, Jennifer Member No. 875

ARC Resources Ltd.
Suite, 1200, 308 – 4th Ave. SW
Calgary, Alberta T2P 0H7
Canada
joh@arcresources.com

Eubanks, Michael A. Member No. 804

Senior Petroleum Engineer
DeGolyer and MacNaughton
5001 Spring Valley Rd., Suite 800E
Dallas, TX 77244
meubanks@demac.com
Status Change from Associate to Regular Member

Porbandarwala, Ali A. (Associate Member) Member No. 876

Senior Petroleum Engineer
Ryder Scott Company
1100 Louisiana St., Suite 4600
Houston, TX 77002
ali_porbandarwala@ryderscott.com

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
<p>Badran, Jamil Sr. Reservoir Engineer TransGlobe Energy Corporation 2300, 250 – 5th Street SW Calgary, Alberta T2P 0R4 Canada</p>	<p>Gary Metcalfe Floyd Siegle Attila Szabo</p>	<p>Smith, Lucas Evan Sabine Oil & Gas Senior Reservoir Engineer 1415 Louisiana St., Suite 1600 Houston, TX 77002</p>	<p>Jennifer Fitzgerald Frank Jeanes Michael Stell</p>
<p>Berezowski, Les President T1 Resources Ltd. 261 Eagle Terrace Road Canmore, Alberta T1W 3C7 Canada</p>	<p>Keith Braaten Mark Ireland Boyd Russell</p>	<p>Vermaelen, J. Douglas Director – Petroleum Engineer Scotiabank 711 Louisiana St., Suite 1400 Houston, TX 77002</p>	<p>Sam Attaya Thomas Bett Larry Earhart</p>