



# SPEE

SOCIETY OF PETROLEUM EVALUATION ENGINEERS

# Newsletter

August 2020

## President's Letter

SPEE Members and other readers, as I look back over the past six months, it goes without saying that my thoughts are with everyone affected by global outbreaks of the coronavirus. No one has been immune from the changes to our societies. The time was filled with COVID-19, isolation from one another, economy and industry shutdown and low oil prices. All the members of SPEE have encountered some of these challenges. One of our members put it this way, "I'm semi-retired until the next opportunity comes along." I feel sad for all of us!

Traditionally I would fill the page with thanks and a summary of the 2020 Annual Meeting at Gurney's Resort and Marina in Newport, Rhode Island, USA. **Charles Boyette** prepared a great meeting and social events, only to be cancelled. The resort was amid a COVID-19 hot spot and your safety as SPEE members was most important. We plan to return to Gurney's Resort in 2023. My personal thanks to Charles, Debbie and others for the planning work on the 2020 Annual Meeting.

As you might guess, the loss of the Annual Meeting and shutdown of activities have a significant financial impact to the organization. Please review **Joe Young's** Financial Report. This year has had a significant negative financial impact, but we started out the year strong and we can endure this year's downturn. We do need everyone to continue to support and participate with the local chapters and the international organization. Jump in with working from home, virtual meetings and new words like "Zoom." Participate and encourage your colleagues to as well. We can still reach out to potential new members and get them involved.

SPEE began a transition to a more digital world last year with the elimination of the printed newsletter and posting new members monthly by email notification to the membership. These changes have significantly accelerated the membership process. The society has grown significantly in the international area this past year. The printed and mailed newsletter and posting of new

members does not work for an international organization. It takes over a month for the mailed newsletter to arrive at locations outside the USA so electronic works much better for the total membership.

Speaking of the digital world, **Steven Hendrickson** and his committee have made great advances in transitioning our SPEE Publications away from a printed format. The first document to roll out completely digital is the "Annual Parameter Survey." Look for it next month. SPEE now manages publications through a platform by Vitrium. Through Vitrium any member or person may have instant access to SPEE Publications. Many thanks to Steve, Debbie, Kyle Fitzgerald and others working to bring this project online. You may print copies of documents you want in paper form, depending on the subscription you purchase.

In closing, thank you to every member of SPEE! Your contributions of time and expertise make this organization work. Please keep volunteering and participating. There is always room on our working committees for you. For the near future, travel to meet and work with colleagues has been suspended. In-person training has also been suspended. The current normal is work from home and hold meetings by internet virtual platforms. Society has changed and SPEE needs to change with the situation.

Stay Safe, invite potential new members, make your future SPEE Annual Meeting plans and I hope to see you at Asheville, North Carolina, USA on June 12-15th, 2021.



**Robert E. Green**  
2020 SPEE President

# 2020 Officers and Directors

## Executive Committee

President .....Robert Green (Midland)  
Vice President .....Charles Boyette (Dallas)  
Secretary-Treasurer ..... Joe Young (Dallas)  
Past-President.....Jennifer Fitzgerald (Houston)

## Directors

Chuck Boyer (Pittsburgh) Steve Hendrickson (Houston)  
Brenda Brown (Dallas) Fred LeGrand (Denver)  
Steve Gardner (Dallas) Attila Szabo (Calgary)  
Anna Hardesty (Houston) Doug Wright (Calgary)  
Shane Hattingh (Europe)

## Bylaws Committees

Chair of Past Presidents' Council .....Rick Krenek  
Qualifications.....Neal Howard  
Committee: Steve Blair, Mark Reeves, Danilo Bandiziol and Claudio Virues  
Nominating ..... Jennifer Fitzgerald  
Grievance..... David Gold  
Committee: Dan Olds  
Reserves Definitions.....Rawdon Seager  
Committee: Shane Hattingh, John Ritter, Tim Smith, Jorge Faz, Rod Sidle and John Lee

## Individual Appointments

Ethics .....Tom Collier  
Evaluation Parameters Survey.....Steve Hendrickson  
Fair Market Value ..... Dee Patterson  
Internet ..... Steve Gardner  
Membership ..... Fred LeGrand  
Newsletter Coordinator..... Floyd Siegle  
Historian ..... Melissa Nance  
Communications..... George Schaefer  
Recommended Evaluation Practices..... Daniel R. Olds  
Annual Meeting Advance Planning..... Tim Smith  
Professional Registration .....Abzal Narymbetov  
Monograph 5-Type Curves..... Jennifer Fitzgerald  
Technical Training ..... Chuck Boyer  
SPE OGRC Oil and Gas Reserves Committee Observer ..... Ron Harrell  
COGEH (Canadian Oil and Gas Evaluation Handbook) .....Mike Verney  
UNECE Expert Group on Resource Classification ..... Dominique Salacz

## Chapter Officers - 2020

### Asia-Pacific - Chapter in Formation

Chairman – Peter Stephenson

### Calgary

Chairman – Mike Verney  
Vice Chairman – Larry Petropoulos  
Secretary – Gary Metcalfe  
Treasurer – Tim Freeborn  
Membership – Claudio Virues

### California

Chairman - Brad DeWitt  
Vice Chairman – Rick Finken  
Secretary-Treasurer - Tom Walker  
Membership - John Davis

### Central Texas

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

### Dallas

Chairman - Tad Fielder  
Vice Chairman – John G. Davis  
Secretary-Treasurer - Colter Kazmann  
Membership –

### Denver

Chairman – Robert Schutzius  
Vice Chairman - Zack Warren  
Secretary-Treasurer – Emily Miller  
Membership - John Seidle

### Europe

Chairman – Joel Turnbullz  
Vice Chairman – Gregg Birrell  
Secretary-Treasurer – Jes Christensen  
Membership – Tom Gunningham

### Houston

Chairman – Lucas Smith  
Vice Chairman – Ali Porbandarwala  
Treasurer – Deji Adeyeye  
Program Chairman – Jay Quinn

### Midland

Chairman – Tom Collier  
Vice Chairman – Gail Hankinson  
Secretary-Treasurer – Monica Parkison  
Membership – Russell Hall

### Northern Rockies

Chairman – Rick Vine  
Vice Chairman – Leo Giangiacomo  
Secretary-Treasurer – Tom Hohn  
Membership – Joe Sinner

### Oklahoma City

Chairman – David Yard  
Vice Chairman -  
Secretary - Bruce Heath  
Treasurer - Steve Blair  
Membership - Don Jacks

### Tulsa

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



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

Executive Assistant	Web Admin	Financial	Newsletter Editor
Debbie Suter	Kyle Fitzgerald	Lisa Poletti	Diane Pollard
debbie@spee.org	fitz@fitz.family	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.

# Chapter News

## Asia Pacific

(Chapter In Formation)

## Calgary

Membership - 57

The Calgary Chapter is off for the summer and will resume with the first meeting on September 17th.

## California

Membership - 15

## Central Texas

Membership - 27

## Dallas

Membership - 75

May meeting was not held.

March 5, 2020, Neha Bansal, DeGolyer and MacNaughton, *Role of Characterization in Field Development Practices for Unconventional Reservoirs*. Total Registered: 26, SPEE Members: 16

## Denver

Membership - 66

Speaker: John Benton: *Leading COGCC as a Petroleum Engineer - Lessons from Interesting Times*. On February 12th, SPEE member John Benton recalled his eight-year tenure as Commissioner and Chairman of the Colorado Oil and Gas Conservation Commission. He served during a series of 14 challenging rulemakings including enhanced hydraulic fracturing disclosure rules and rules for development in Urban Mitigation Areas. Attendance: 29 members and 38 guests.

In March and continuing to the present, large gatherings were banned by local governance in the effort of containing the COVID-19 virus. On May 7th, the Denver Chapter held a virtual happy hour on the Microsoft Teams platform with Dr. John Wright hosting. John gave a retrospective of past events with emphasis on the ups and downs of the industry. The primary objective of the meeting was to keep the community connected and to test out a virtual platform. Advance registration was 40 members and 17 guests.

SPEE member Theresa Wisda presented *Using Empirically Derived Physics To Guide Development Strategies* on Zoom on July 8th.

Additionally, we are planning events in the fall (Sept / Oct) that will hopefully be in-person events. An ethics presentation is slated for December.

## Europe

Membership - 36

Chair: Joel Turnbull

Secretary: Gregg Birrell

Treasurer: Jes Christensen

Membership and Program: Tom Gunningham

Past Chairman: Dom Salacz

## Houston

Membership - 175

February 20, 2020, Tyler Krolczyk (Enverus/DrillingInfo) *Analytical Tools and Approaches Towards Well Spacing Optimization*, 33 total attendees. Joint Meeting with SIPES at Petroleum Club.

March 4, 2020, Ron Gajdica (EIG Energy Partners) *The Effect of Margin and Reserves/Production Ratio on Oil and Gas Transaction Multiples*, 32 total attendees

The Chairman and Program Chair attended the virtual meeting of the Denver Chapter in July to observe online technology and meeting flow. This will be a contingency plan for Fall meetings when our schedule starts back up again.

## Midland

Membership - 24

March 19, 2020 - Arlen Edgar's planned presentation on ethics was cancelled due to COVID-19.

May 27, 2020: Lex Hochner, Pickering Energy Partners presented *Energy Sunset...or Sunrise? Both!* and overview of the current oil and gas business environment. Presented by Zoom with 15 people attending.

## Northern Rockies

Membership - 13

## Oklahoma City

Membership - 19

January 29, 2020 Meeting cancelled as speaker could not make it.

February 27, 2020 John Spears presented *Questions for the US Oil and Gas Industry* with 6 members, 40 non-members, 46 total.

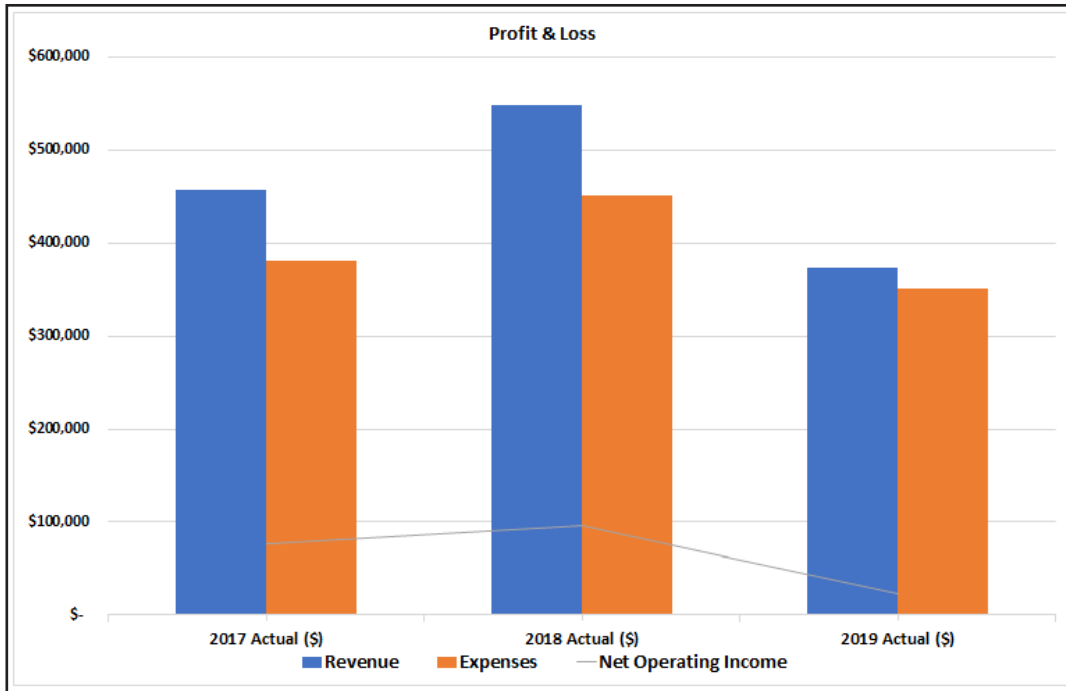
## Tulsa

Membership - 21

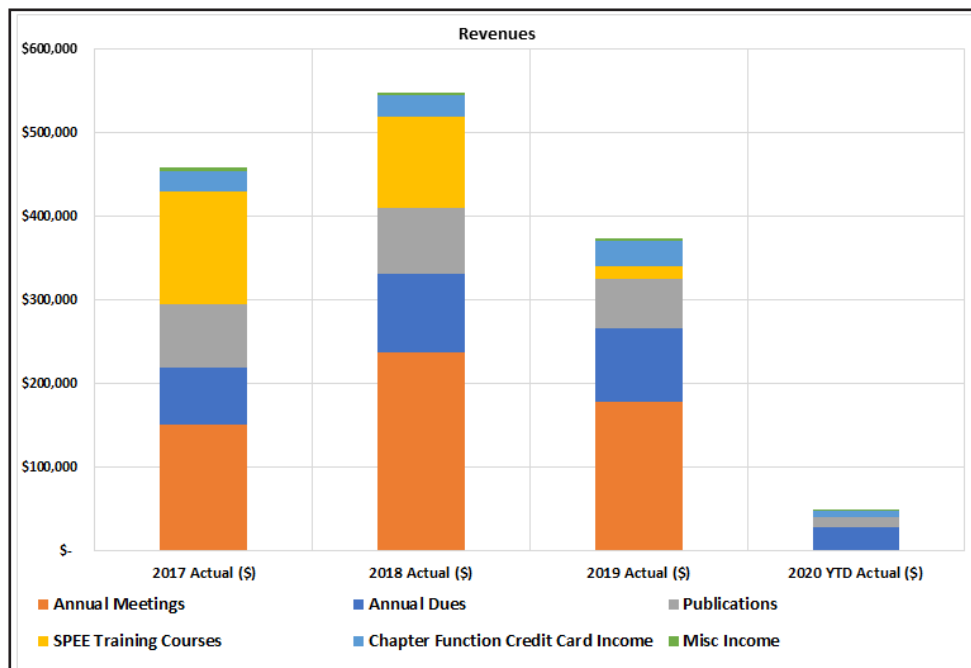
## Financial Report

The Society continues to remain financially healthy. Revenue of SPEE International in 2019 was \$374,804 and the Expenses were \$351,015, giving a Net Profit of \$23,789. Cash assets held by SPEE International at the end of 2019 in checking and money market accounts plus CDs total \$599,781.

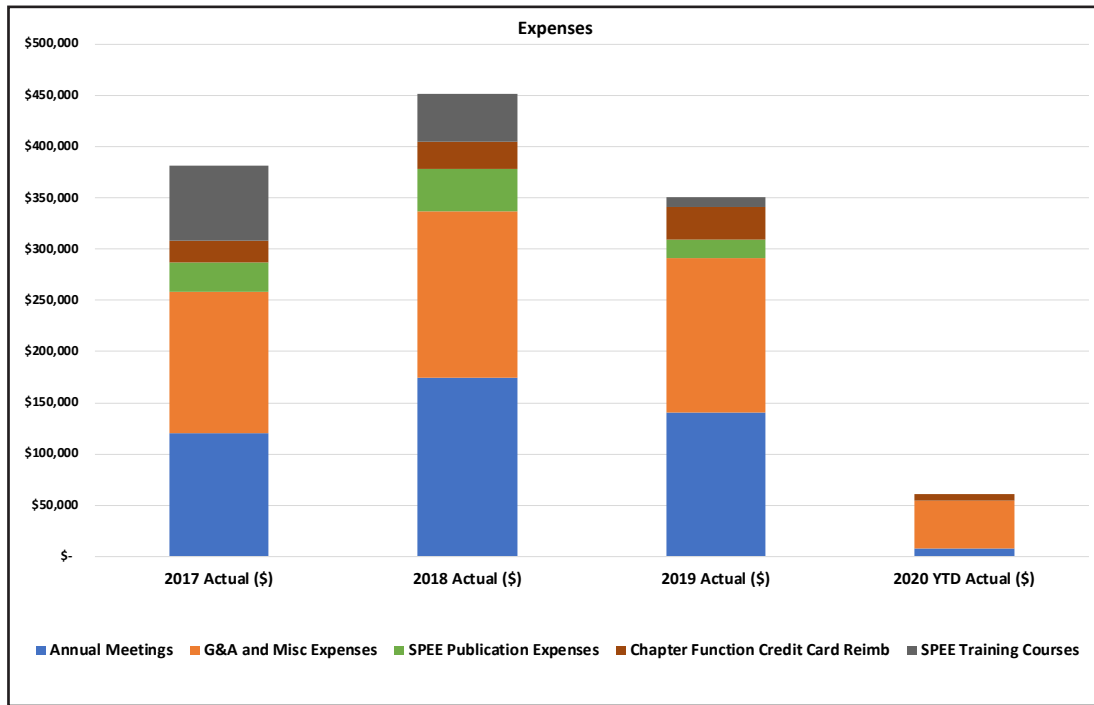
The chart below shows the financial performance of SPEE International for 2017 through 2019. Overall, the Society had been operating at a profit since 2017. However, 2017 and 2018 were very successful years for the organization, resulting in a profit in large part due to an active training program. Owing primarily to the cancellation of the Annual Meeting, a loss is expected for 2020. SPEE International's cash balance is projected to stand at approximately \$560,000 at the end of 2020.



The charts below summarize the principal sources of revenue and expenses over the last several years. The 2020 Year-To-Date figures are through May. The increased revenue in 2017 and 2018 was associated with a very active training program for Monograph 4.



Office Rental and Secretarial/Bookkeeping Fees have risen in the past few years as the Society now has dedicated office facilities and has invested in its administrative and financial framework. Other costs have remained reasonably stable in recent years. Moving to digital publications of the newsletter and Survey of Parameters is expected to decrease publication expenses.



The financial reserves of the Society are healthy. The lack of an Annual Meeting and Training opportunities this year will mean that 2020 is not a financially profitable year. Work continues on new Monographs and training will resume at some point. If you have any questions or need additional information, please feel free to contact me or President Robert Green directly.

**Joe Young**  
2020 Secretary / Treasurer

### Board of Directors Meeting Update

At a Board of Directors meeting on July 29, the Asia Pacific Chapter was declared a Chapter and no longer a Chapter in Formation. The Chapter charter will be presented at a later date. Congratulations to the Charter members.

The Board encourages all Chapters to transition to virtual meetings for now. The Denver Chapter had a very successful Virtual Chapter Happy Hour over Zoom.

The SPEE hopes to have a live Annual Meeting in 2021 and planning continues. Details will be released at a later date.

SPEE needs volunteers for committees. Contact President Robert Green or Debbie Suter if you are interested in serving in a particular capacity.

### Technical Training Committee

The Denver PRMS short course that was originally scheduled for this past May with Dr. Lee has been pushed tentatively to April 2021. The Software Symposium is being planned for the same time (April 2021) in Denver. The Houston course (originally scheduled for this past April) is on hold indefinitely.

Holding courses online is being investigated.

## SPEE WEBSITE NEWS

The past months have been accompanied by significant changes for some of our members. If you have recently retired or had other employment status or contact info changes, please be sure to update your membership profile with your latest information and/or other requested data. For help logging in, please click the link located at the bottom of the SPEE homepage.

Interested in catching up on that missed presentation you've heard so much about or just looking for additional resources to help keep you informed? Select Resources and then navigate down to Past Presentations directly from the homepage to see a listing of available material. Be sure to check back frequently as content is updated continuously! Below is a screenshot of the most recent presentations:

Date	Speaker	Location	Title	Slides
Mar 2020	Ron Gajdica	Houston	The Effect of Margin and Reserves/Production Ratio on Oil and Gas Transaction Multiples	<a href="#">PDF &amp; Worksheet</a>
Feb 2020	<a href="#">John Benton</a>	Denver	Leading the COGCC as a Petroleum Engineer - Lessons from Interesting Times	<a href="#">PDF</a>
Feb 2020	Tyler Krolczyk	Houston	Understanding Well Spacing Strategies in the Midland Basin	<a href="#">PDF</a>
Nov 2019	Neil Little	Houston	Well Spacing and Reserves Impacts	<a href="#">PDF</a>
Oct 2019	John Lee	Denver	Are All Those Bad Things They're Saying About Our Production Forecasts in Unconventionals True?	<a href="#">PDF</a>

The official address of the SPEE website is [www.spee.org](http://www.spee.org). Please help us keep content interesting, relevant, and error free by providing website-related suggestions, comments or questions to our group email inbox, [info@spee.org](mailto:info@spee.org).

**Steve Gardner**  
Internet Committee Chair

## THE ETHICS COLUMN

### The Ethical Side Of The Downside



Since my last column, the downturn in our industry has taken shape. Although we do not yet know exactly how it will play out, we do know that it isn't pretty. We are back to that territory, sadly familiar to many of us, of quarterly downsizings, decreased income, increased stress, borrowing base reductions and negotiations around loan covenants. The downside economic case has become our reality. This leads me to ponder about what ethical behavior looks like on the downside.

In an environment where reductions are more or less mandatory, are there any ethical principles that might apply? I can think of one or two.

The key driver in ethics in times like these – or any times for that matter - is our fundamental understanding of the people involved. At every step, however painful, we must recognize that we are working with living, breathing people. They are not “redundant” numbers. People are not simply factors of production nor are they obstacles to success (or even survival). I think three principles should guide us: (i) honesty, (ii) compassion, and (iii) equity.

In relating to people in uncertain environments, honesty is essential. In addition to simply being an ethical good, it is essential to continuing performance. Ordinarily, honest ethical behavior aligns quite well with business outcomes. The old saw “Honesty is the best policy” holds true, and bad news certainly doesn't get better with age.

Remaining compassionate through a down cycle sounds simple enough, but as the stress level rises it can become more difficult. I know it does for me. Speaking for myself, I know that as the stress level rises I become keenly aware of how I am feeling. My discomfort, my fears and concerns tend to move front and center in my thoughts and attitudes. Hopefully, I stop short of my least favorite airline gate agent who said, “I just hate it when these people get so upset when we have to rebook them.” I was the one who paid for this inconvenience, but I digress. I have probably come close. For those of you who are in any way like me, this is opposite of compassion. Compassion is the willingness to sit with someone else and share just a little bit in their sufferings. It is hard to be laid off. It is hard to adapt to the additional constraints in a reduced borrowing base of credit line. Knowing that and sharing a small part of that pain is why it is also hard to deliver that news. But it is important.

Finally, there is equity. I thought about discussing this as “fairness,” but I am sure that there is fairly little we can agree on as fair in our current operating environment. That conversation is much deeper philosophically. There is, however, a certain standard of equity involved. As a very elementary example, this is not the time to settle old political scores. That's an extreme example of the more general question, “Have you worked through your plan to make sure you are not creating disparate treatment?” Are the officers and directors receiving raises and bonuses while high-performing employees are not? Are the hourly workers considered in a significantly different manner than salaried employees? In each case, the answer to the question, “Why the difference?” should be clear and compelling – or else there should be no difference.

Is it possible to put this into practice? I know that it is. My own recent experience is a case in point. As the economic crisis worsened, we were promised by executive leadership a focus on controlling G&A costs. They delivered on that. A portion of delivering on that promise involved a voluntary separation plan which was described as “generous.” It was. After I accepted it, I happened to run into the CEO who looked me squarely in the eye and simply said, “Thank you.” The key elements of honesty, compassion, and equity were honored throughout the process. Not only is it possible to do this in difficult times. It is essential at all times. It is most essential in difficult ones.

**Deacon Tom Collier**  
Chair, SPEE Ethics Committee

# Welcome New Members

## Argentina - Chapter in Formation

**Fondevila, Gaston** Associate Member No. 1016

Engineering Manager  
Companias Asociadas Petroleras SA (CAPSA)  
Av Cordoba 950 5 C  
Cuidad Autonoma de Buenos Aires C1054AAV  
Argentina  
Gaston.fondevila@grupocapsa.com.ar

## Asia Pacific - Chapter in Formation

**Billingsley, Andrew J (Bill)** Member No. 1015

Principal Advisor  
RISC Advisory  
Level 2, 1138 Hay Street  
West Perth WA 6005  
Australia  
Bill.billingsley@riscadvisory.com

## Status Upgrade-Associate to Full Member

**Narymbetov, Abzal** Member No. 978

Senior Reservoir Engineer  
ENI  
18 Dostyk, 12th Floor  
Nur-Sultan, AKM 0100001  
Kazakhstan  
Abzal.narymbetov@eni.kz

**Wu, Hongfeng** Member No. 1021

Director and Principle Reservoir Engineer  
Molyneaux Advisors Pty Ltd  
24 Stanley Street  
Nedlands, WA 6009  
Australia  
Hongfeng.wu@molyneauxadvisors.com

## Colombia - Chapter in Formation

**Valbuena, Oscar** Member No. 1019

Field Development Technical Support/Reserves  
Manager Director  
Frontera Energy  
Street 110 #9-25, 14th Floor  
Bogota Colombia  
oscarvalbuena@yahoo.com

## Dallas Chapter

**Bennett, Jim C.** Member No. 1020

Senior Reservoir Engineer  
William M Cobb & Associates  
12770 Coit Rd Suite 907  
Dallas TX 75251  
jbennett@wmcobb.com

## Status Upgrade-Associate to Full Member

**Ghasemi, Mojtaba** Member No. 936

Senior Engineer  
DeGolyer and MacNaughton  
5001 Spring Valley Road, Suite 800 East  
Dallas, TX 75244  
gnala@demac.com

**Nala, Gopi** Member No. 1023

Senior Engineer  
DeGolyer and MacNaughton  
5001 Spring Valley Road, Suite 800 East  
Dallas, TX 75244  
gnala@demac.com

## Europe Chapter

**Aalbers, Remco D.** Member No. 1022

Senior Resource Consultant/Deputy VP RAR  
Shell International Exploration and Production B.V.  
Carel van Bylandtlaan 23  
2596 HR the Hague  
The Netherlands  
Remco.aalbers@shell.com

**Uran, Fabrice** Member No. 1025

Lead Development Engineer  
International Petroleum Corporation  
5 Chemin de la Pallanterie  
1222 Vesenz  
Switzerland  
Fabrice.uran@international\_petroleum.com

## Houston Chapter

**Kalyanaraman, Nishanth** Associate Member No. 1017

Unconventional Appraisal Manager  
Occidental Petroleum Corporation  
5 Greenway Plaza, Suite 110  
Houston, TX 77046  
Nishanth.kalyanaraman@oxy.com

**Liu, Shunhua** Member No. 1014

Director of Unconventional Simulation &  
Recovery Process Design  
Occidental Petroleum Corporation  
5 Greenway Plaza, Suite 110  
Houston, TX 77046  
Shunhua\_liu@oxy.com

**Schaper, Andrew J.** Member No. 1024

Principal, Owner  
Schaper International Petroleum Consulting LLC  
3006 Brazos St., Suite 200  
Houston, TX 77006  
andrew@schaperintl.com

## Oklahoma City Chapter

**Sauceda, James** Associate Member No. 1018

Vice President of Engineering  
Cosmo Energy LLC  
14612 Hertz Quail Springs Parkway  
Oklahoma City, OK 74134  
james@cosmoenergyllc.com



## IN MEMORIAM

We regret to note  
the passing of:

Robert Wilford Mannon  
Arlington, VA  
March 10, 2020



## SPEE Annual Meetings

June 12-15, 2021 - Omni Grove Park Inn  
Asheville, North Carolina

June 11-14, 2022 - Vista Collina Resort  
Napa, California

June 17-20, 2023 - Gurney's Resort and Marina  
Newport, Rhode Island



## CONGRATULATIONS!!!

On Saturday July 4th, our very own Debbie Suter married Mr. West Faison in a private ceremony at West's nephew's house in Houston, Texas. The ceremony was officiated by Reverend Suzanne Gulick (wife of SPEE member Karl Gulick). West is a retired attorney. The happy couple will live in Spring, Texas.

