



SPEE

SOCIETY OF PETROLEUM EVALUATION ENGINEERS

Newsletter

May 2021

President's Letter

As we marked the 12-month anniversary on March 11, 2021 of the World Health Organization (WHO) issuing its pandemic alert, the arrival of COVID-19 vaccines represents "some light at the end of the tunnel." We are starting to see restaurants and businesses open back up, the travel industry beginning to add flights and life begin to return to our "new normal." And oil prices rising!

Unfortunately, things are progressing too slowly for us to feel comfortable conducting our annual meeting this June at the Onni Grove Park Inn in Asheville, North Carolina. The SPEE Board felt that since the measures taken to prevent the spread of COVID would hinder our traditional annual meeting and the ability to network and socialize, it would be in everyone's best interest to cancel again this year as we did in June 2020. The health and safety of our SPEE members and guests is primary.

We have scheduled a 2021 Virtual Society Business Meeting for a half day on Monday, June 14, 2021 to give our members an update on the happenings within SPEE. More information will be emailed to all members regarding registration soon.

Planning has started for the 2022 Annual Meeting at the Vista Collina Resort in Napa, California June 11-14. We look forward to seeing you all in person!

The society has grown significantly in the international area this past year. The newly formed Asia Pacific Chapter has held their first virtual meeting, and the Latin America Chapter-in-Formation has just added their 10th member and will be completing the documentation needed to form a new chapter soon.

Thank you all for your time and expertise to keep our organization working through a trying time. If you would like to volunteer on one of the committees, please let me know.

Stay safe,

Charles Boyette
President



2021 SPEE Virtual Business Meeting

Please mark your calendars for the 2021 SPEE Virtual Business Meeting on June 14th from 8:00 am to 12:00 pm CDT. The meeting will feature an update on Society activities from the President, a presentation on the upcoming Monograph 5, updates from the Reserves Definition Committee and Survey of Parameters Committee. The meeting will conclude with a one-hour Ethics presentation. Information on registration will forthcoming shortly.



PLAN AHEAD



SPEE Annual Meetings

June 13-16, 2022 - Meritage Resort
Napa, California

June 18-21, 2023 - Gurney's Resort and Marina
Newport, Rhode Island

2021 Officers and Directors

Executive Committee

President Charles Boyette (Dallas)
Vice President Joe Young (Dallas)
Secretary-Treasurer Attila Szabo (Calgary)
Past-President Robert Green (Midland)

Directors

Chuck Boyer (Pittsburgh)	Shane Hattingh (Europe)
Gregg Birrell (Europe)	Fred LeGrand (Denver)
Brenda Brown (Dallas)	Dean Sergent (Oklahoma)
Steve Gardner (Houston)	Doug Wright (Calgary)
Steve Gardner (Denver)	

Bylaws Committees

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

Individual Appointments

Ethics Deb Ryan
Evaluation Parameters Survey Steve Hendrickson
Fair Market Value Dee Patterson
Internet Steve Gardner
Membership Fred LeGrand
Newsletter Coordinator Floyd Siegle
University Interface Marshall Watson
Historian Melissa Nance
Communications Karthik Revana
Recommended Evaluation Practices Daniel R. Olds
Annual Meeting Advance Planning Tim Smith
Professional Registration Anna Hardesty
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 .. Ron Harrell/Rawdon Seager

Chapter Officers - 2021

Asia-Pacific - Chapter in Formation

Chairman – Peter Stephenson
Vice Chairman – Nick Pink
Secretary – Hongfeng Wu

Calgary

Chairman – Larry Petropoulos
Vice Chairman – Tim Freeborn
Secretary – Colin Edie
Treasurer – Gary Metcalfe
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 –
Membership –

Dallas

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

Denver

Chairman – Zack Warren
Vice Chairman - Emily Miller
Secretary-Treasurer – John Seidle
Membership - Nicole Ford

Europe

Chairman – Joel Turnbull
Secretary – Gregg Birrell
Treasurer – Jes Christensen
Membership-Program – Tom Gunningham

Houston

Chairman – Ali Porbandarwala
Vice Chairman – Jay Quinn
Secretary-Treasurer – David Fulford
Program Chairman – Jay Quinn
Membership – Deji Adeyeye

Midland

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

Northern Rockies

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

Oklahoma

Chairman – David Yard
Vice Chairman - Laura Stauffer
Secretary - Bruce Heath
Treasurer - Steve Blair
Membership - James Sauseda



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

Executive Assistant
Debbie Suter
debbie@spee.org

Web Admin
Kyle Fitzgerald
fitz@fitz.family

Newsletter Editor
Diane Pollard
diane.w.pollard@gmail.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

The SPEE Asia Pacific Chapter held a quarterly meeting on 25th April, attended by eight member/potential members with three others streaming in. Nick Pink gave a technical presentation on the extension of discovered resources in the absence of a defined HCWC. Are all potential down-dip resources from lowest known hydrocarbon to lowest closing contour discovered or do some remain prospective? Peter Stephenson presented a case study of a resource evaluation for discontinuous sands within a background of non-pay, and how well test data can be used to estimate the range of resource areas, resulting in-place and recoverable volumes.

Membership - 14

Calgary

The Calgary Chapter continues to work through the COVID-19 restrictions placed on face-to-face meetings using online platforms to operate our Business Meetings as well as Technical Meetings. We hope that we will soon be able to provide the option of attendance in a physical space while continuing the virtual access.

Virtual Business meetings were held on January 19 and on March 16 with 16 and 18 members in attendance, respectively.

A virtual Technical meeting was held on February 23. Sonia Rudolph, P.Eng. of GLJ Ltd. presented on *Reserve Based Lending; Role of Reserves Evaluator in the Lending Process*. Ms. Rudolph's experience working as a reserves evaluator with a Canadian Bank provided the membership with a keen insight into the engineering calculations supporting the loan process. 20 Members attended.

Claudio Virues, Chairman of our Membership Committee, has submitted a promotional handout that highlights the informal benefits of membership in the SPEE. The handout will be circulated at upcoming virtual business meetings with the intent of distribution among the networks of our members.

SPEE Calgary Chapter Past-Chair Mike Verney was instrumental in moving forward with a recommended practice for estimating commodity prices to be used in forecasting reserves value. The recommended practice was well received and was implemented by most consulting firms for the year-end 2020 evaluations.

In Canada, the implementation of expanding the Asset Retirement Obligation to include all asset classes in estimating a reporting issuer's liabilities remains a recommended practice as we work through finding a consensus with our Canadian Securities regulator. Mike Verney again leads this very important update to the Canadian Oil and Gas Evaluation Handbook.

The SPEE Calgary Chapter has approved the expansion of the Robert A. Odd Memorial Bursary to also commemorate those members who have made significant lifetime contributions. The name of the award will be amended to the SPEE (Calgary) & Distinguished Members' Bursary.

Finally, as a result of our financial stability, the SPEE Calgary Chapter will move forward with an annual donation to support deserving educational activities associated with the sciences, engineering and geoscience vocations.

Meetings - 3rd Tuesday of each month except June, July and August. Membership - 45

California

Membership - 8

Central Texas

Membership - 24

Dallas

On March 11, Chris Simpson and David Hargis from the Deloitte Mergers and Acquisitions Group presented *Recent Oil and Gas M&A Update Discussion of Financial and Tax Consideration in Upstream Transactions*. Total registered attendance was 52 consisting of 34 SPEE members and 18 non-members.

On May 14 at 4:00 p.m. (Central), Christi Wilson of Trinity Consultants and Steven Flagg of DeGolyer and MacNaughton will present *A Guide to Reporting GHG Emissions & Sustainability Goals*. During the meeting we will discuss social and governmental pressure to reduce GHG emissions that are driving fundamental changes in project evaluation and financial commitments. We will also discuss key drivers and other pressures influencing companies to develop GHG footprints and metrics.

We are currently discussing ways to stay more connected as a Chapter. This has become more and more challenging in this remote world. We have

continued to discuss membership at the beginning of each virtual luncheon and have continued to use social media (LinkedIn) to promote SPEE.

Meetings – Bimonthly from September through May at the Brookhaven College Geotechnology Institute. Membership – 75

Denver

The Denver Chapter continues to host meetings virtually for now, but the Denver SPEE board hopes to move to hybrid meetings this summer!

On February 10, the Denver Chapter held its first quarter virtual meeting of 2021 with 117 pre-registered – 49 members spanning five chapters and 68 guests. The speaker was Ms. Jamie Jost, principal of Jost Energy Law, P.C. Ms. Jost gave an overview of the Colorado Oil and Gas Conservation Commission's recent round of rulemaking. She touched on the new drillwell permitting process plus certain technical aspects affecting new oil and gas development.

Meetings – 2nd Wednesday of first month of each quarter – location virtual for now.

Membership – 81

Europe

Meetings - Four per year. Membership - 39

Houston

On January 21 the Houston Chapter co-hosted an event with the SPE-GCS. Nigel Jenvey, Head of Carbon Management, Gaffney, Cline & Associates presented on *The National Petroleum Council Study on Carbon Capture, Use and Storage*. Attendance 9.

On February 25, the Houston Chapter co-hosted with SIPES a presentation by Ted Kernan, Director of US Operations at geoLogic Systems Ltd. on *From Vision to Sale: An Oil & Gas Tech Startup Journey*. Attendance 23.

Brandon Davis, Director, Head of Americas Corporate at Wood Mackenzie spoke on *L48 Unconventional – The Changing Corporate Landscape in the 2020s* spoke on March 10. Attendance 31.

On April 7, Jennifer Fitzgerald, Vice President, Corporate Reserves at Occidental Petroleum presented on *Rethinking an Industry Recommended Practice – Lessons being Learned from Monograph 5 (Type Well Profiles)*. Attendance 47.

The Houston Chapter is fully sponsored for 2021 by TRC Consultants and Mosaic.

Meetings – 1st Wednesday of each month except June, July and August – Houston Petroleum Club. Membership – 167

Midland

Meetings – 2nd Wednesday odd months at 11:30 a.m. – Midland Petroleum Club. Membership - 25

Northern Rockies

Membership – 8

Oklahoma

All Oklahoma Chapter meetings have been on the ZOOM platform for the last year. Our January 2021 meeting featured Dwayne Purvis, PE (25-year member of SPEE). Dwayne is always a great speaker. His topic was *Climate, COVID and Careers: A Look at a Changing Industry*. We had 71 register and 50 attendees.

Our February 2021 meeting featured Steve Jones who is a Reservoir Engineering Advisor for Cimarex Energy in Tulsa. His topic was *Gas-oil ratio as a diagnostic tool for evaluating infill well spacing*. We had 30 register and 24 attendees.

Our March 2021 meeting featured Derek Detring of Detring Energy Advisors. His topic was *A&D Market Update*. The meeting was well received by the 28 attendees with a substantial Q&A session.

Meetings – Every odd-numbered month. Membership - 39

60th ANNIVERSARY OF SPEE IN 2022

Members, 2022 is the 60th anniversary of SPEE. As such, we would like to publish a hardbound book commemorating the SPEE. Please help us by sending photos (include names, where and when the photos were taken), and any historical stories or biographies pertaining to SPEE to historian@spee.org.

The average WTI oil price in 1962 was \$3.00/bbl, which is equivalent to \$26.08 in today's dollars.

THE ETHICS COLUMN

ESG and Reserves Reporting: Ethical Environmental Reporting for Oil and Gas

ESG (Environmental, Social, Governance) reporting is still voluntary rather than mandatory for companies, although there is some talk by the EU that it may look at setting mandatory non-financial standards. But even though it is voluntary, there is extreme pressure on companies by shareholders, capital investors, and the public to have a position on ESG, and in particular the “E,” the environmental impact of the company.

But how does this relate to ethics and reserve reporting?

According to dictionary.com the definition of ethical is:

“(adjective) relating to moral principles or the branch of knowledge dealing with these (for example, ethical issues in energy) or, avoiding activities or organizations that do harm to people or the environment.”

When I look up “harm” in the thesaurus I get words like spoil, destroy, impair or damage, and the opposite of harm would be to benefit. So, if I re-write the definition of ethical in terms of energy, I can re-define it as:

“Participate in energy generation and consumption activities or organizations that benefit people and the environment.”

So, let’s start there. How are companies making sure that their production of oil and gas is actually benefitting people and the environment? I will focus on people, the social aspect of ESG in the next column, and for this one just focus on the environment.

Part of the issue with current ESG reporting is that, unlike reserve reporting, there is currently no single standard mandated by different exchanges. Some of the standards available are from non-profits like Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI), and then some other frameworks are available including the International Finance Corporation’s Performance Standards, United Nations Sustainable Development Goals (SDG) and Task Force on Climate-related Financial Disclosures (TCFD).

Different standards not only lead to confusion and difficulty comparing companies’ approaches to their environmental practices, but it also leaves the door open to accusations of, or actual, greenwashing by companies. As companies come out with their own net-zero or low emissions targets, it is going to require much more transparency in terms of emissions reporting. Flaring is a good example, where companies will need to be careful to ensure that their “E” messaging and reporting to stakeholders is consistent with operations. Blackrock recently said they would prefer their companies to use SASB or TCFD standards to provide some consistency in reporting and to be able to actually compare company performance. Also Chevron recently came under attack from a coalition of green groups who filed a complaint with the Federal Trade Commission alleging that Chevron is misleading

the public in its claims that it is working to reduce greenhouse gas emissions. Chevron indicated they do not believe this is the case, but these examples bring up an important discussion point. The public perception of the oil and gas industry is that we are trying to hide things about our operations, whether this is true or not. As ESG reporting standards move from voluntary to mandatory, we as evaluation engineers are going to play a role in ensuring accurate and transparent reporting of emissions in line with country and company goals and targets. This will ensure company operations and targets are consistent and that company performance can be easily compared, much like it can be with reserves reporting.

This brings up to the second aspect of environmental reporting that as evaluation engineers we will need to understand, and that is the economic evaluation of carbon.

According to the World Bank, there are currently 32 national initiatives around carbon already implemented, with another two countries with scheduled or under-consideration policies. This does not include the additional regional or state jurisdictions also implementing or evaluating their own regulations and rules around carbon. As these carbon pricing initiatives, whether it is an actual price or tax on carbon, or some sort of “cap and trade” or emissions trading system, become more prevalent, they will need to be included in economic evaluations.

For some companies carbon will be an ongoing operating expense, as they are mandated to pay for carbon emissions, but for other companies, carbon is going to be a revenue opportunity. For these companies they will be able to capitalize on utilization infrastructure and development, for example, through EOR. The other aspect will be subsurface storage options where companies can capitalize on their ability to sequester CO₂ from their own, and other companies’ operations. SPEE is working alongside SPE and AAPG to develop the CO₂ Storage Resources Management System (SRMS), to help standardize this effort.

Again, as evaluation engineers, it will be on all of us to understand the very rapidly changing landscape in terms of emissions and CO₂ reporting, the nuances in relation to regulation across multiple jurisdictions, and ensuring we are transparent and accurate in the ethical reporting that will be required.

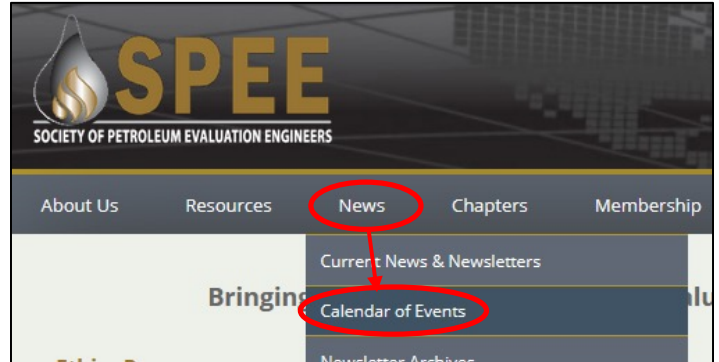
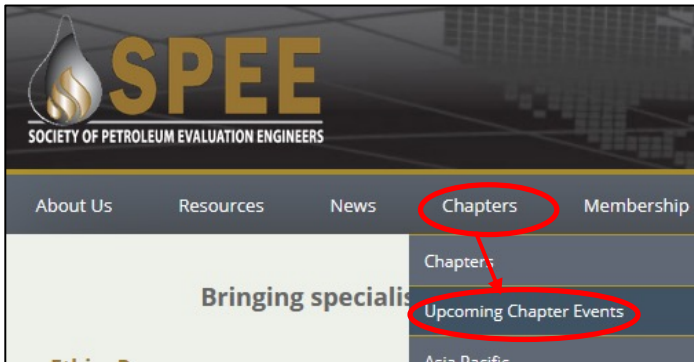
As always, feel free to reach out to me with comments at debryanpe@outlook.com.



Deb Ryan
Ethics Chair

SPEE Website News

Several chapters are holding meetings virtually, with registration open to anyone anywhere. The speakers and topics continue to draw strong participation and positive feedback. So, don't miss an opportunity to join in! Upcoming events are publicized in two locations, both accessible from drop-down menus on the SPEE homepage:



Please contact info@spee.org for help in setting up your next event. In addition, don't forget about SPEE's growing library of Past Presentations, including some recordings, which can be accessed from the SPEE homepage under the Resources menu. These are great resources made available to anyone and at no cost.

The official address of the SPEE website is 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.

Steve Gardner
Internet Committee Chair

In Memorium

**We regret to note
the passing of:**

**Emil Bernard "Bernie" Brauer
Corpus Christi, TX
February 2, 2021**

**Ben Buongiorno
Houston, TX
February 19, 2021**

SPEE Membership Recruiting Assistance

The following document, sometimes referred to as the “Elevator Speech,” was written to assist SPEE members in pointing out the benefits of membership in a convenient/condensed format. Feel free to make copies and personally give them to colleagues whom you feel may be interested in joining SPEE. All existing members are encouraged to recruit new members to maintain and grow our membership.

Why Do I Want to Join the SPEE?

First, the SPEE continues efforts to make the application process as seamless as we can while maintaining consistency with SPEE By-Laws, thereby assuring that all members are qualified evaluation professionals. In the end, what this means to you is that by becoming a member you are making a supporting statement about your qualifications as an evaluation professional.

So, what are the other benefits of membership?

- o Make relevant new contacts within the business, reserves and evaluation engineering community
- o Represent your industry/company by being a member of an internationally recognized Society that holds professional ethics as a cornerstone
- o Expand the network of colleagues that you can utilize for ideas, advice and shared experience
- o Contribute your expertise to petroleum evaluation engineering through a structured, well-vetted and respected society
- o Attend and participate in Annual Meetings in favorable worldwide locations, that are focused upon both the technical and the business aspects of reserves/evaluation, without commercial distractions
- o Socialize with a manageably sized but ever-expanding international society of evaluation professionals, “have a friend in every town”
- o Enhance your resume/CV as a professional evaluation engineer or geoscientist, have your expertise and hard-earned accomplishments recognized by a group of your peers

Becoming a Member requires some effort on your part; however, the benefits are well worth the effort.

Let us help you get started!

Visit the Membership Tab on the SPEE Website <https://spee.org/membership-information>; contact your local chapter membership chair (<https://spee.org/local-chapters>) or email info@spee.org.

Welcome New Members

Asia Pacific Chapter

Tleukhabyly, Olzhas Associate Member No. 1050
Head of Petroleum Economics & Assurance
Naftogaz Exploration and Production Company
26/28 Kudriavska St.
Kiyv 04053
Ukraine
olzhas@outlook.com

Calgary Chapter

Status Change – Associate to Full Member
Lambert, Sara Member No. 803
Obsidian Energy
207-9 Ave SW
Calgary AB T2P 1K3
Canada
sara.lambert@obsidianenergy.com

Denver Chapter

Matthews, Katherine Member No. 1047
Senior Evaluations Reservoir Engineer
Sentinel Peak Resources
6501 East Belleview Ave, Suite 400
Englewood CO 80111
kmatthews@sentinelpeakresources.com

Shivare, Shishir Associate Member No. 1049
Senior Petroleum Engineer
Sproule
730 17th St, Unit 410
Denver, CO 80202
shishir.shivhare@sproule.com

Status Change – Associate to Full Member
Rabun, Rachel Member No 981
Heinle & Associates, Inc.
Petroleum Engineer
1490 W. Canal Ct, Suite 3000
Littleton, CO 80110
rachel@heinleassociates.com

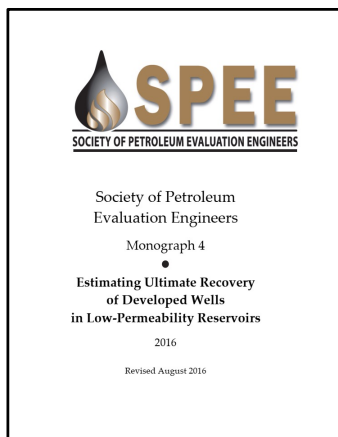
Latin America Chapter

Mur, Javier Member No. 1048
Senior Engineer
GeoPark
Florida 961
Autonomous City of Buenos Aires 1006
Argentina
jmur@geo-park.com

COMING SOON!

A New SPEE Webinar Technical Training Course

Production Forecasting in Unconventional Reservoirs
An Update of SPEE Monograph 4
Dr. W. John Lee - Texas A&M University



This virtual short course will provide an update of selected topics from SPEE Monograph 4. The course will be presented in two four-hour sessions on successive days. The agenda will include the following topics:

- Multi-segment Arps production decline model
- Workflow for rate-transient analysis and forecasting
- Application of numerical models in production forecasting
- Well spacing
 - Interference
 - Parent-child issues
- Multi-phase flow

Registration details and course date coming soon.
Other virtual courses are under development – more information forthcoming.