



SOCIETY OF PETROLEUM EVALUATION ENGINEERS

SPEE

Newsletter

May 2023

President's Letter

Greetings from the 2023 President of the Society of Petroleum Evaluation Engineers. As we continue to move beyond Covid into the new normal, it is refreshing to see the return to the office and in-face meetings and events (like our Annual Meeting!).

The oil and gas industry continues to face many pressures beyond the day-to-day business challenges and continues to cope with global events that complicate how we move forward in a socially and environmentally responsible manner. We plan to address some of these issues at the 58th Annual Meeting to be held at Newport Harbor Island Resort in Rhode Island. **Dean Sergent** is the chairman of the Annual Meeting and has put together an excellent program of courses and speakers. This event is designed to be more family friendly and registrations are selling quickly. In fact, some events are already sold out. So make sure you register early to avoid any disappointment. See details in this newsletter.

Our membership and finances continue to remain strong as we diligently continue to monitor revenue and expenses during these inflationary times. We are steadily recruiting new members of a younger demographic to help ensure the future of the SPEE.

Thanks go out to all of our volunteers without whom we would not be able to maintain the level of return to our membership. It is challenging to provide guidance and mentorship while developing new courses, monographs and REP's. So if you are interested in giving back, please feel free to reach out to myself or any of the other EXCOM members.

Attila Szabo



SPEE Annual Meetings

June 18-21, 2023 - Newport Harbor Island Resort
Newport, Rhode Island

June 1-4, 2024 - Westin Riverfront Resort and Spa
Beaver Creek, Colorado

2023 Officers and Directors

Executive Committee

President Attila Szabo (Calgary)
 Vice President Dean Sergent (Oklahoma)
 Secretary-Treasurer Tad Fielder (Dallas)
 Past-President..... Joe Young (Dallas)

Directors

Gregg Birrell (Europe)	Martin Hubbig (Europe)
Antony Corrie-Keilig (Asia-Pacific)	Larry Petropoulos (Calgary)
Federico Dordoni (Dallas)	Lucas Smith (Houston)
Steve Gardner (Denver)	Zack Warren (Denver)
Steven Golko (Calgary)	

Bylaws Committees

Chair of Past Presidents Council Jennifer Fitzgerald
 Qualifications..... Mark Reeves
 Committee: Steve Blair, Danilo Bandiziol, Claudio Virues and Tad Fielder
 Nominating Joe Young
 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 Robert Green
 Evaluation Parameters Survey..... Tad Fielder
 Fair Market Value Dee Patterson
 Internet Steve Gardner
 Membership Fred LeGrand
 Newsletter Coordinator..... Floyd Siegle
 University Interface Marshall Watson
 Historian Melissa Nance
 Communications.....
 Recommended Evaluation Practices..... Dan Olds
 Annual Meeting Advance Planning..... Tim Smith
 Professional Registration Anna Hardesty
 Monograph 5-Type Well Profiles..... Jennifer Fitzgerald
 Technical Training Zack Warren
 SPE OGRC Observers..... Stefan Krystosik/Rawdon Seager
 COGEH (Canadian Oil and Gas Evaluation Handbook) Mike Verney
 UNECE Expert Group on Resource Classification Danilo Bandiziol
 CSRS (SRMS) Rawdon Seager/Robert Green

Chapter Officers - 2023

Asia Pacific

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

Calgary

Chairman – Tim Freeborn
 Vice Chairman – Steve Golko
 Secretary – Claudio Virues
 Treasurer – Colin Edie
 Membership – Jason Pacholko

California

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

Central Texas

Chairman –
 Vice Chairman –
 Secretary –
 Treasurer –
 Membership –

Dallas

Chairman - Colter Kazmann
 Vice Chairman – Michael Zuber
 Secretary - Travis Guenther
 Treasurer - Stefan Krystosik
 Membership – Jordan Lanig

Denver

Chairman – John Seidle
 Vice Chairman - Nicole Ford
 Secretary-Treasurer – Rhonda Gathers
 Membership - Jeff Clampitt

Europe

Chairman – Tom Gunningham
 Vice Chairman -
 Secretary-Treasurer – Gregg Birrell
 Membership-Program – Victor Alcobia

Houston

Chairman – Deji Adeyeye
 Vice Chairman – David Fulford
 Secretary-Treasurer – He Zhang
 Program Chairman – Marylena Garcia
 Membership –

Latin America

Chairman – German Moss
 Vice Chairman – Rafael Cavero
 Secretary-Treasurer – Oscar Valbuena
 Membership – Ernesto Duran

Midland

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

Northern Rockies

Chairman – Rick Vine
 Vice Chairman – Bonnie Percy
 Secretary-Treasurer – Tom Hohn
 Membership – Andrew Finley
 Program Chairman – Bonnie Percy

Oklahoma

Chairman – James Sauseda
 Vice Chairman - Aaron Anderson
 Secretary-Treasurer - Steve Blair
 Membership - Don Jacks
 Program Chairman – Aaron Anderson



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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

Membership - 20

Calgary

The Calgary Chapter of SPEE has held several events in the last few months. A technical luncheon was held at the Calgary Petroleum Club on February 21 and featured a presentation entitled *Perspective on 2022 PRMS and SPEE Unconventional Guidelines* by Syed Hasan. A regular business meeting was held on March 21 and was attended by nearly half of all Calgary Chapter members.

A technical luncheon was held at the Calgary Petroleum Club on April 18 and featured a presentation entitled *Students' Perspective of the Energy Industry* by Anita Malekian, President, Petroleum & Energy Society, University of Calgary and Raksha Achar, Director of Professional Development, Petroleum & Energy Society, University of Calgary. Attendance at the meeting was the highest since pre-Covid. The presentation generated many questions.

The Calgary Chapter Donation Committee awarded \$1,500 to the Calgary Youth Science Fair Society. The Calgary Youth Science Fair Society (CYSFS) is a volunteer-run charitable society whose purpose is to organize and host the Calgary Youth Science Fair in April of each year. The event typically attracts around 700 projects and almost 1,000 students in grades 5 to 12 from over 100 schools.

Meetings - 3rd Tuesday of each month except June, July and August.
Membership - 52

California

California Chapter members continue to attend meetings, presentations and events of other Chapters virtually. The Chapter is challenged by a small membership number across a large geographic area.

Membership - 7

Central Texas

Membership - 22

Dallas

Meetings - Semi-monthly except June, July and August.
Membership - 77

Denver

The Denver Chapter had an in-person meeting in April. Dr. Dilhan Ilk of DeGolyer and MacNaughton presented the luncheon talk entitled *A Survey of Diagnostic Based Methods for Well Performance Analysis and Production Forecasting in Unconventional Reservoirs*. The meeting was attended by 24 members and 24 non-members.

The Denver Chapter is hosting a New Member Workshop over the lunch hour on April 24 to help prospective new members complete their membership applications. Thank you to Aspect Energy for once again providing office space for this event.

Meetings - 2nd Wednesday of January, April, July, October, Dec
Membership - 81

Europe

Meetings - Four per year.
Membership - 43

Houston

On February 16, the Houston Chapter had a joint meeting with the Society of Independent Professional Earth Scientists (SIPES). The topic of discussion was *Don't Say Oil!* The speaker was Mike Umbro, Principal with FieldView Capital, and the founder of Californians for Energy and Science, a non-profit organization.

The speaker for the March SPEE Houston Chapter meeting was Dr. David S. Schechter, Chief Technical Advisor for Third Wave Production and Technical Advisor for EOR ETC LLC. The topic of discussion was *EOR in Unconventional Reservoirs - The Way Forward*. Thirty people attended the meeting.

The topic of discussion for the April SPEE Houston Chapter meeting was *The Complexity of Energy Transitions*. The speaker was Dr. Kenneth B. Medlock III, Fellow at the Rice University Baker Institute for Public Policy and Co-Director of the Master of Energy Economics Program. Forty people attended the meeting.

The next meeting of the Houston Chapter will be on May 3. The topic of discussion will be *Building a Resilient Energy Workforce of the Future*. The speaker will be Susan Howes, President of Subsurface Consultants & Associates.

Houston continued on page 4

SPEE Houston Chapter currently has 153 paid members. During the April meeting an announcement was made to encourage non-SPEE members to join SPEE in order to increase membership. An announcement was also made to encourage members to attend the Annual SPEE meeting at the Newport Harbor Island Resort in June.

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

Membership – 153

Latin America

To attract new members, the Latin America Chapter will start to offer the Oil and Gas community in the region both virtual and in-person meetings starting in April. The first virtual meeting took place on April 11 related to reservoir engineering fundamentals. On May 11 a hybrid event (virtual/in-person) will be held in Buenos Aires related to data analytics in reserves evaluation.

Meetings – Officers’ meeting every two months and all members’ meeting every four months.

Membership – 14

Midland

The Midland Chapter’s November 16 meeting presenter was Marshall Watson and was held at the Petroleum Club of Midland. Marshall presented *An Overview of the CO2 Storage System Guidelines*. A total of 14 attended which included 9 non-members. Bradley L. Edgar presented *The Ice Age: The Ascent and Decline of the Internal Combustion Engine* on January 16. The meeting was held at the Petroleum Club of Midland and 13 attended which included 7 non-members. The March 15 meeting speaker was Brent Hale. He presented *Well Level Proved Reserve Changes in the United States* at the Petroleum Club of Midland. Twenty-two attended which included 15 non-members.

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

Membership - 18

Northern Rockies

The Northern Rockies Chapter co-hosted a meeting on April 28 with the SPE Wyoming Petroleum Section in Casper, Wyoming. The speaker was Blake Burget from Kimmeridge Energy who presented *Optimizing Completion Design & Well Spacing in the Powder River Basin Niobrara Oil Plays*. This was the first meeting of 2023 for the Northern Rockies Chapter.

Membership – 7

Oklahoma

Dr. David Ferris, Chief Sustainability Officer, Vital Energy spoke at the Oklahoma Chapter meeting on January 12. This was a hybrid meeting with five members and six non-members attending in person and three members and eight non-members attending via Zoom. The topic was *The Current State of ESG in Energy*. This presentation covered conversations related to ESG. Dr. Ferris overviewed a common understanding of what ESG is and how energy professionals may position their careers to benefit from this growing field.

On March 23, Charles Meyer, Senior Reservoir Engineer, Stephens Group, presented an *A&D Market Update*. This presentation discussed a 2022 market recap and well as trends and drivers for 2023 and beyond. Five members and eight non-members attended in person while four members and seven non-members attended via Zoom.

On May 17, John Krenger from Bank of Oklahoma will be presenting on *Oil and Gas Banking: An Update on Reserve Based Loans*.

Meetings – Second Tuesday of the month excluding summer.

Membership - 38

The Soon-To-Be-Angry Bartender

An engineer walks into a bar and says, “Give me a beer before the problems start!”

The bartender senses pain but obliges.

The engineer drinks the beer and then orders another, “Give me a beer before the problems start!”

The bartender gives him another beer, but is visibly concerned for the engineer.

After the 6th beer the bartender is totally confused and asks the engineer, “Hey, when are you going to pay for these beers?”

The engineer answers, “See! Now the problems start!”



We are excited to invite you to the Society of Petroleum Evaluation Engineers 2023 Annual Meeting! Information on the meeting at the sailing capital of the world, Newport, Rhode Island, is provided below.

If you have any questions, please contact Andrea Bracho at (832) 972-7733 or andrea@spee.org.

ANNUAL MEETING SUMMARY

A robust and exciting agenda of **short courses** and technical talks has been scheduled. Short courses will be offered on Saturday morning, Sunday morning, and Tuesday afternoon, plus half-day technical sessions on Monday and Tuesday mornings. Short course topics include CCUS and SRMS, Monograph 5, and PowerBI Applications for Reserves and Reservoir Engineering.

During the **technical program sessions** on Monday and Tuesday, participants will hear relevant presentations on Private Equity, A&D Markets, the Annual Survey of Parameters, PRMS guidelines, and Auto-forecasting. In addition, topics in the emerging areas of Energy Transition, Unconventional Enhanced Recovery, Carbon Capture Utilization and Storage, and Geothermal Applications for Oil & Gas will be presented. For the ethics requirement, participants will hear a unique perspective from a former Enron executive.

Situated on Goat Island and surrounded by the picturesque Newport Harbor and Narragansett Bay, **Newport Harbor Island Resort** is a short walk from the heart and history of the charming waterfront cobblestone streets of Newport. The area offers abundant and affordable attractions and activities, including great restaurants, live music, landmark mansions, museums, aquariums, golf courses, beaches, state parks, scenic walks, and cruises. Group and guest activities have been planned for attendees – both young and old! On-site amenities include an outdoor pool, a 24-hour fitness center, and a luxurious spa.

On Sunday evening, a **Welcome Reception** will be open to all SPEE members, nonmembers, and guests as part of each participant's registration.

The **Awards Dinner** will include a New England clambake with live music by the bay. There will be an additional charge for the Awards Dinner – all SPEE members, nonmembers, and guests 21 and over are encouraged to attend!

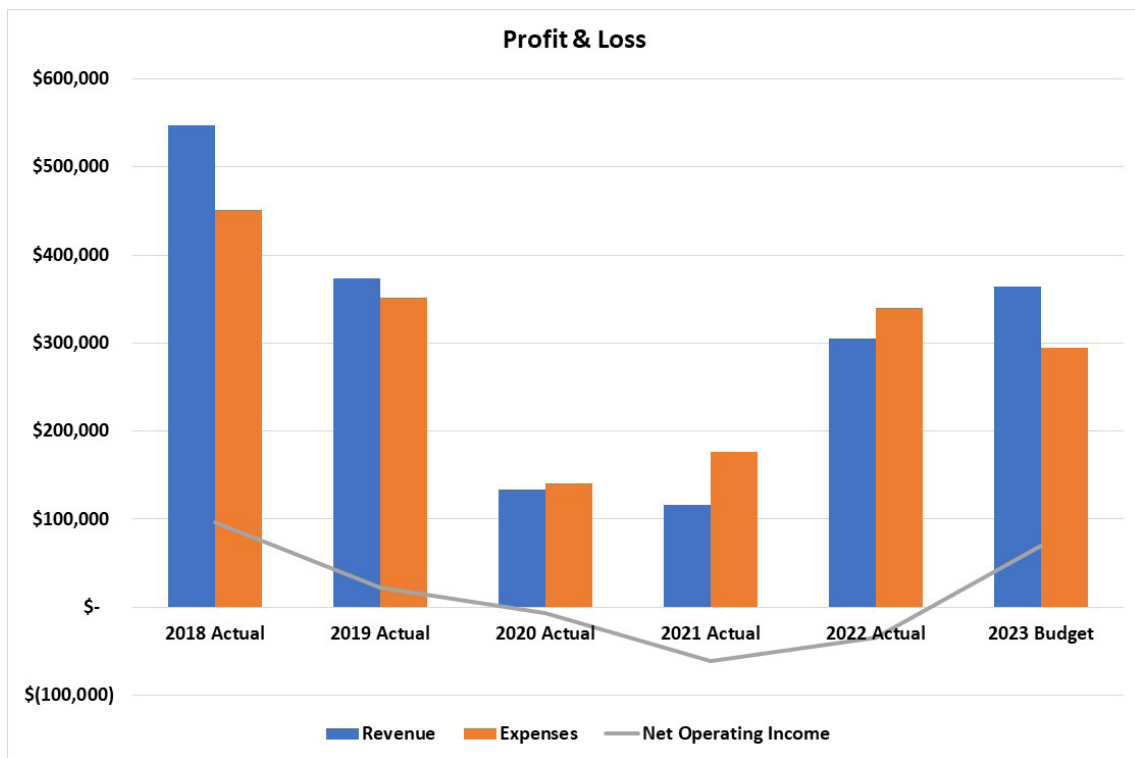
HOTEL ACCOMMODATIONS

Newport Harbor Island Resort offers SPEE group rates from Friday, June 16th to Wednesday, June 21st, at a block rate of \$319.00 plus state and local taxes (currently 13%) and a \$1 per night Newport Tourism Assessment Fee. The resort fee (\$30) will be **waived** for all attendees. Luxury Shuttle Transportation to and from downtown Newport will be offered free to resort guests.

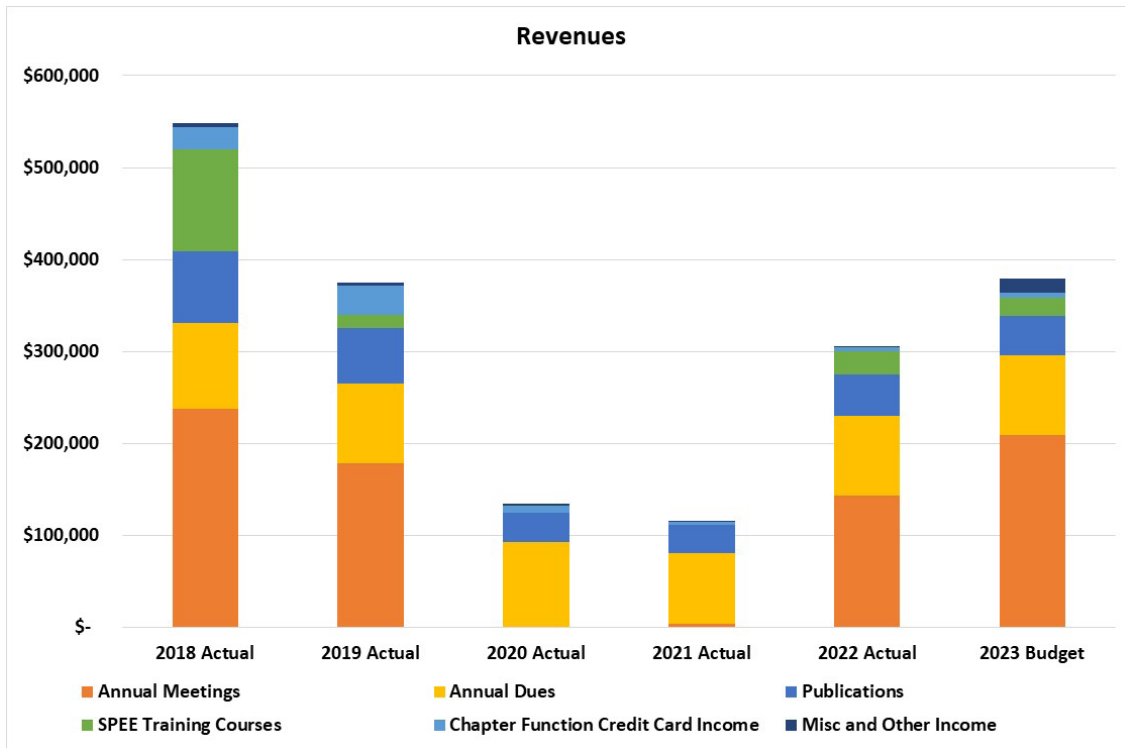
Financial Report

Revenues for the Society continued to recover during 2022, as the in-person Annual Meeting resumed and training courses were held. Revenues for SPEE International during 2022 were \$305,703 and expenses totaled \$339,743, yielding a net loss of \$34,040. The difference in 2022 actual versus our budgeted net income of approximately \$5,000 is largely attributable to differences in estimates for the 2022 Annual Meeting. Information from this first post-pandemic Annual Meeting was helpful in planning future budgets and the 2023 Annual Meeting. The Society remains financially healthy with cash and cash equivalent assets held by SPEE International at the end of 2022 totaling approximately \$500,000.

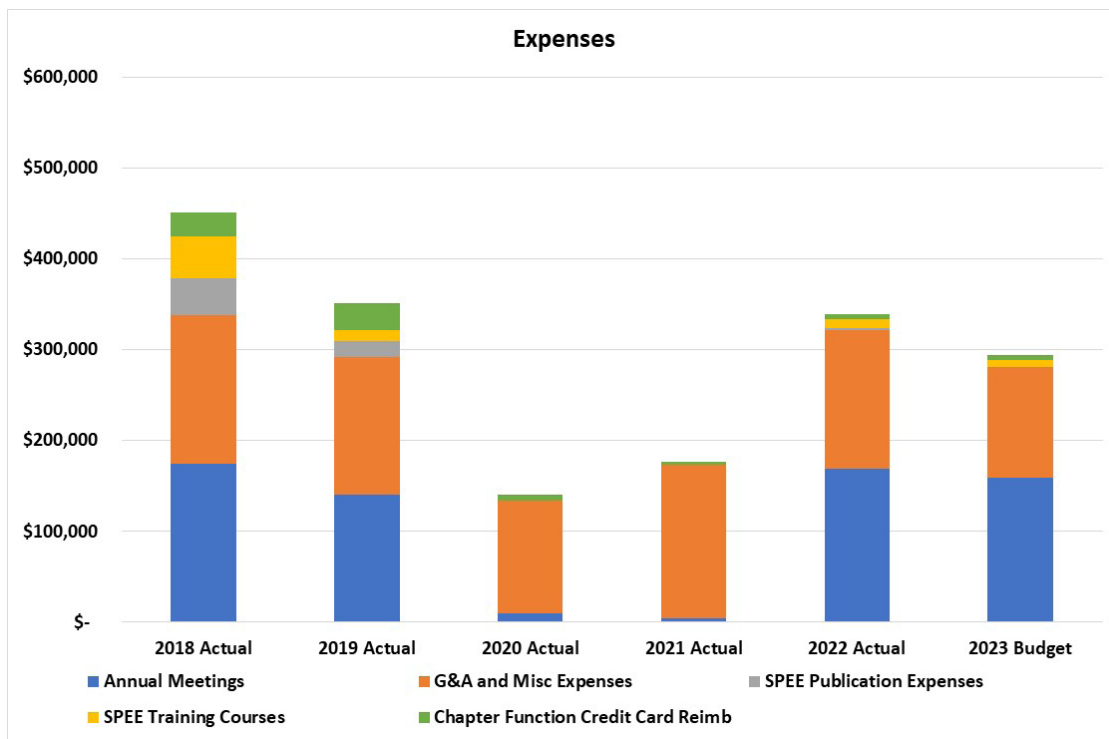
The chart below shows the financial performance of SPEE International for 2018 through 2022. Overall, the Society had been operating at a profit prior to the pandemic and successfully limited losses the past few years. The budget for 2023 includes an estimated net income of approximately \$80,000, as we continue to tweak plans for the Annual Meeting, hybrid training opportunities, and cash management.



The charts on the following page summarize the principal sources of revenue and expenses over the last five years. Dues and publication revenues have largely held steady in recent years. With the resumption of training courses and the in-person Annual Meeting in 2022, revenues from these two sources returned during 2022 and are estimated to continue to increase during 2023.



Expenses during 2022 were near pre-pandemic levels, as expected. Budgeted expenses associated with the 2023 Annual Meeting and with G&A and Misc. during 2023 are estimated to be slightly lower than corresponding expenses during 2022.

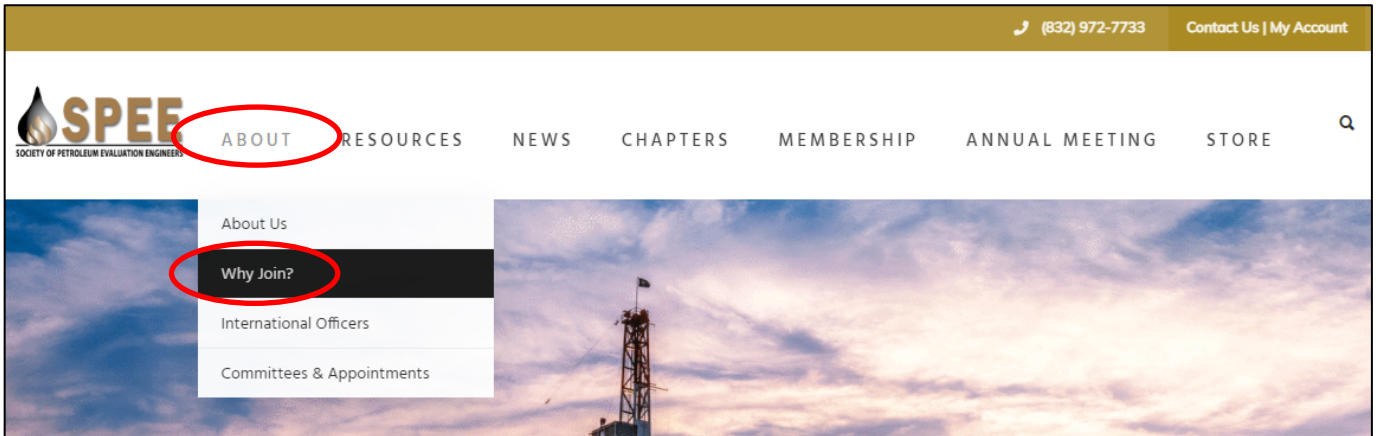


The Society remains in a healthy financial position. We look forward to continued revenue growth in the near future from training events, publications, and in-person meetings. If you have any questions, feel free to contact me or other members of the Executive Committee directly.

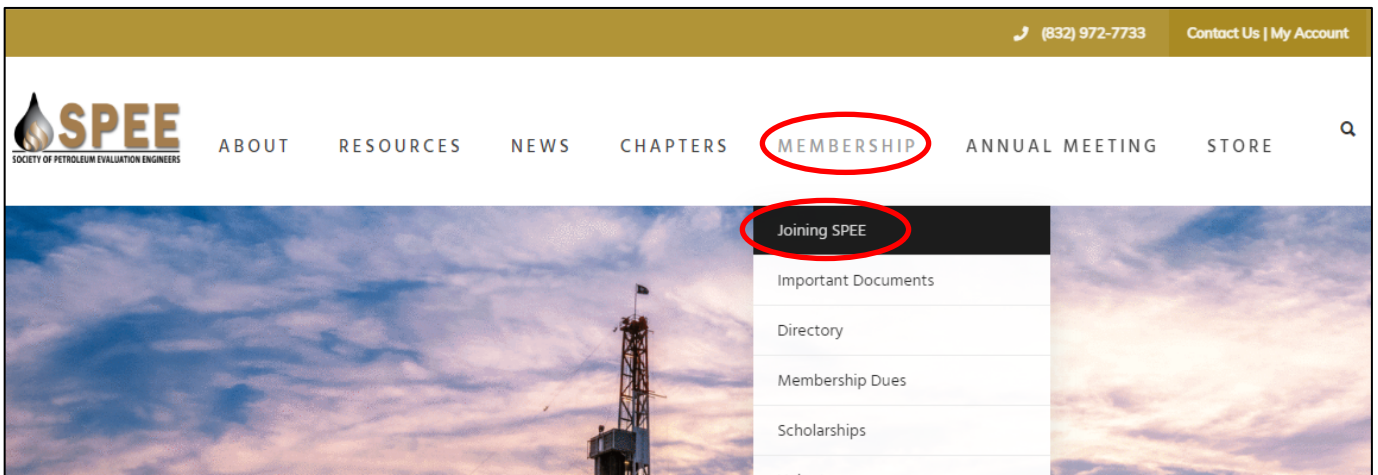
Tad Fielder
2023 Secretary - Treasurer

SPEE Website News

There has never been a better time to consider joining SPEE! While the benefits of becoming a member often sell themselves, few things are as effective as a personal invitation from a friend or colleague, and the SPEE website has some great resources to help you prepare the perfect pitch. Check out some suggestions for key reasons to join SPEE by clicking on Why Join? underneath the About menu, which is located on the homepage.



Membership requirements, application forms, and a description of the application process are all located under the Membership menu.



When it comes to finding sponsors, applicants can browse the Membership Directory, or search by name and/or location. If an applicant is unable to identify three existing members who are familiar with their work, don't be dismayed. The interview method is another option for obtaining sponsorship, and details can be found on the Sponsor Form located on the same webpage as shown above. If someone needs help finding an "interview sponsor," just reach out to andrea@spee.org.

As a general reminder, please contact andrea@spee.org for help setting up a local Chapter event.

Also, if you find any bugs or have other feedback, please direct all website-related suggestions and questions to info@spee.org.

Steve Gardner
Internet Committee Chair

Is It Ethical To Take Two Desserts?

An Adaptation of Dr. Christopher E. Mathewson

Dr. Mathewson, PhD, PE, PG was a professor at Texas A&M University and Board member of the Texas Geological Board. He liked talking about ethics and this article is adapted from his talk.

First, let me review for purposes of this article the definitions of Moral, Ethical, and Legal.

Moral: The boundaries of behavior established by the individual.

Ethical: The boundaries of behavior placed on people by that society.

Legal: The boundaries of behavior placed on people by laws, rules, and regulations.

There is a natural progression of behavior boundaries from Moral to Ethical to Legal. So we see those boundaries codified into law when people exceed their moral and ethical boundaries. For example, it used to be unethical to plagiarize another's work, now it has become against the law. The modern electronic environment makes it "easier" to plagiarize. College students think they can do this, and the professor will not know. However, the professors have tools to research the students' work for plagiarism and the consequences are failing the course or removal from the school.

Now onto the "Cookie Model of Ethics." Suppose someone from your office decides to bring cookies to the office for everyone to enjoy. Large, delicious cookies! There are eight people in this office and the person brings eight cookies, one for each person. After all, they are large cookies. However, one self-centered, entitled person with no consideration for others takes two cookies, leaving someone without a cookie. Do we see this as unethical behavior? The answer is yes. The individual's moral behavior boundary is only consideration of self. Their ethical behavior boundary is to place self before society. Unfortunately, there was no legal violation at this time. However, the next time a person brings a tray of cookies, we see a codification into a rule because of the breakdown of ethics and a sign appears on the counter by the tray of cookies, "One Cookie Only Please!" Thus, in this Cookie Model, we see the development of behavior boundaries from Moral, Ethical and onto Legal.

Citing a different situation, a vendor brings a large tray of fried chicken-stuffed breakfast rolls to the office (aka Chick-Fil-A Chicken Minis). There are numerous rolls, enough for everyone to have several. However, once again, a self-centered, entitled person chooses to take numerous chicken bites from the tray leaving the empty rolls on the tray. This behavior is done to the exclusion of others in the office. Can we define this as "Unethical?" Of course we do.

Now, onto another setting to illustrate the situational ethics of taking two cookies. This time you have gone out to a restaurant or buffet and your wait staff brings to the table a large tray of numerous types of dessert and says "Help yourself" or you go by the dessert display of the buffet and there is a virtual bounty of different desserts, each one looking just as wonderful as the next. Is it ethical to take two desserts this time? Yes, because the proprietor expects people to take more than one dessert and has prepared for that.

Many will be familiar with this example: "The middle seat on Southwest Airlines" and other discount airlines that have no seat assignments. How many feel entitled or hopeful that no one will take the middle seat on the row, therefore giving us more room on the plane. We put newspapers, coats, briefcases or other items to discourage people from taking the seat. We are not entitled to that seat and in most cases we have not purchased that seat either. On the other hand, how many of you have travelled with your family with young children and purchased a seat for that young child because of safety and you did not want to hold them in your lap for the trip? It is an oversold flight and the airline employee challenges you for that seat. Once again, moral, ethical, and legal is at play in our everyday lives.

In closing, let me go back to the beginning, "Is it Ethical to Take Two Desserts?" The answer is sometimes yes but frequently no. Again situational.

Moral is your boundaries of behavior, Ethical is society's boundaries of behavior and Legal is the boundaries of behavior placed by rules, laws, and regulations. Over time Moral and Ethical boundaries become codified into rules, laws, and regulations because of behavior changes or expectations of people. Let us hope that taking two desserts does not become against the law!

Robert Green
Ethic Committee Chair

Welcome New Members

Asia Pacific Chapter

Lee, Kiong Hooi (Steven) Member No. 1096
Business Dev. Manager/Principal Reservoir Engineer
Molyneux Advisors Consultancy
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Denver Chapter

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Dallas Chapter

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Dallas, TX 75214
United States
brian.lanier@burkroyalty.com

TEN BEST THINGS TO DO IN NEWPORT, RI

1. CLIFF WALK
2. MANSIONS
3. WINERIES + BREWERIES
4. BEACHES
5. OCEAN DRIVE
6. EAT LOCAL
7. MUSIC FESTIVALS
8. FORT ADAMS
9. INTERNATIONAL TENNIS HALL OF FAME
10. NEWPORT ART MUSEUM

WEATHER IN NEWPORT, RHODE ISLAND

Mark Twain once famously said, “If you don’t like the weather in New England now, just wait a few minutes.”

It’s a familiar sentiment shared among many New Englanders. Even just here in the Ocean State, the weather can be surprisingly varied. While the capital city might be roasting in the summer heat, the coastal temps may be cool and inviting.

On average, early June to mid/late September the average daily high temperature reaches above 70° F, peaking in mid-July.

RESOURCES FOR INFORMATION ON NEWPORT, RI

Discover Newport: <https://www.discovernewport.org/>

City of Newport: <https://www.cityofnewport.com/>

Visit Rhode Island/ Newport: <https://www.visitri.com/newport/>