



SOCIETY OF PETROLEUM EVALUATION ENGINEERS

# SPEE

# Newsletter

August 2023

## President's Letter



**G**reetings from the President of the Society of Petroleum Evaluation Engineers.

Congratulations to **Dean Sergent**, SPEE Vice President for running an extremely successful Annual Meeting in Rhode Island. Our goals were to make the Annual Meeting more cost effective and family friendly. These goals were achieved through Dean's and his family's significant personal efforts to ensure that a good time was had by all. The overall programs were well received as will be discussed in the meeting recap later in the newsletter. I would also like to thank Dean for filling in on my Presidential duties at the Annual Meeting as I was not able to make it this year.

Plans are in place for a site visit to Beaver Creek, Colorado, the site of the next Annual Meeting to be held from June 1st – 4th, 2024. Stay tuned for details in the coming months.

Congratulations to **Steve Gardner** on his SPEE Service Award for his work as chair of the SPEE Internet Committee and to **Brenda Brown** on her SPEE Service Awards for her work on the SPEE Internet Committee. Both were instrumental in the creation and execution of the new SPEE website. Also, congratulations to **Joe Young** for his Past President service award.

The finances remain healthy as we continue our

diligence on costs and revenues. Secretary-Treasurer **Tad Fielder** has provided a financial report later in this newsletter. There is great news there in the area of our new investment strategy.

We are planning our annual Chapter Roundtable via Zoom later in August. I encourage all Chapters to attend as this is an excellent opportunity to bring forward your successes and challenges and provides an opportunity to network with not only other chapters but the executive committee as well. I look forward to seeing you all there.

In closing, I would like to recognize the many volunteers that contribute countless time and expertise to help the SPEE deliver on our initiatives. Please consider taking on a volunteer role in your chapter or at the international level. It is an excellent opportunity to meet new professionals and benefit from their knowledge and expertise.

Stay safe and I hope to see you in Beaver Creek in June 2024.

Attila Szabo



## SPEE Annual Meetings

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



# Chapter News

## Asia Pacific

Membership - 21

## Calgary

The Calgary Chapter of SPEE has continued to move forward with hybrid business meetings and technical presentations since the end of the pandemic. The hybrid approach provides flexibility to those members not able to attend in person to attend remotely, which has helped to support business meeting attendance.

The final business meeting of the year and Annual General Meeting were held May 24th. There was no change to the Executive at that time given positions are subject to two-year terms.

The next meeting of the Calgary Chapter will be a technical luncheon at the Calgary Petroleum Club on September 19th. The topic and speaker are yet to be determined.

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.

Membership - 7

## Central Texas

Membership - 22

## Dallas

All Dallas Chapter meetings in 2023 were in-person at the Brookhaven Campus of Dallas College. Luncheon meetings are held from 11:30-1:00 pm. The Dallas Chapter meeting in January 2023 featured a presentation by BJ Brandenberger of Ten Oaks Energy Advisors entitled *Key Drivers for Today's Mineral Buyers*. The March meeting featured a presentation by Robert Clarke of Wood Mackenzie titled *Global Upstream: Benchmarks, Outlooks & Structural Changes*. Both meetings were well attended: 47 people attended the January meeting and 39 attended the March meeting.

Two section officers attended the Texas Energy Council 2023 Symposium on April 26. In addition, the Dallas Section made a \$500 donation (Associate Sponsor level) to the 2023 TEC Symposium.

Meetings - Semi-monthly except June, July and August.  
Membership - 76

## Denver

The Denver Chapter had an in-person July meeting. Laura Freeman, Managing Director, BD and Engineering, Highpoint Global Capital, presented a luncheon talk entitled *M&A Update: Headline Corporate Consolidations while Asset and Private Capital Markets Continue to Falter*. The meeting was attended by 13 members and 16 non-members.

A big thank you goes to Steve Gardner and Zack Warren for running the SPEE booth at the recent URTEC Conference in Denver and coordinating with Denver chapter members to staff it. Many people visited the booth, some interested in joining SPEE, some members just stopping by to talk.

Meetings - 2nd Wednesday of January, April, July, October, Dec  
Membership - 83

## Europe

Meetings - Four per year.  
Membership - 43

## Houston

The Houston Chapter had its last meeting in May, and then took a break for the summer. The topic of discussion during the May meeting was *Building a Resilient Energy Workforce of the Future* and the speaker was Susan Howes, President of Subsurface Consultants & Associates.

The next meeting of the Houston Chapter will be on September 6. The topic of discussion will be *Ethics and Reserves Reporting* and the speaker will be Ron Harrell, Chairman Emeritus, Ryder Scott Company L.P.

SPEE Houston Chapter currently has 154 paid members. During the May meeting an announcement was made to encourage non-SPEE members to join SPEE in order to increase membership. In July, we welcomed one new member, Simeon Adeponle, Senior Resource Consultant with Shell Upstream Finance, Americas Resource Assurance and Reporting Group

Meetings - 1st Wednesday of each month except June, July and August - Houston Petroleum Club.  
Membership - 154

## Latin America

Meetings - Officers' meeting every two months and all members' meeting every four months.

Membership - 15

## Midland

The Midland Chapter's May 17th meeting was held at the Petroleum Club of Midland. The speaker was Zack Warren who presented *Fitting Square Pegs into Square Holes: Data Analytic Trends in Reserves Evaluations*. A total of 14 attended which included 10 non-members. We are looking forward to our September and November speakers: Matt Sands, host of the Mineral Rights podcast, and Dr. Tom Blasingame, 2021 SPE President and professor at Texas A&M University.

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

Membership - 18

## Northern Rockies

Membership – 7

## Oklahoma

The Oklahoma Chapter has been on summer break since the last newsletter. Meetings will begin again in September. Steve Blair has resigned from the Oklahoma board after nearly a decade serving as Secretary-Treasurer. His service to the society has been greatly appreciated. Kaleb Eussepi has been voted in to take over Steve's duties. Speakers who are lined up for the fall are Dr. Lonnie Kennedy, Mike McConnell, and Aegis Hedging's Director of Research.

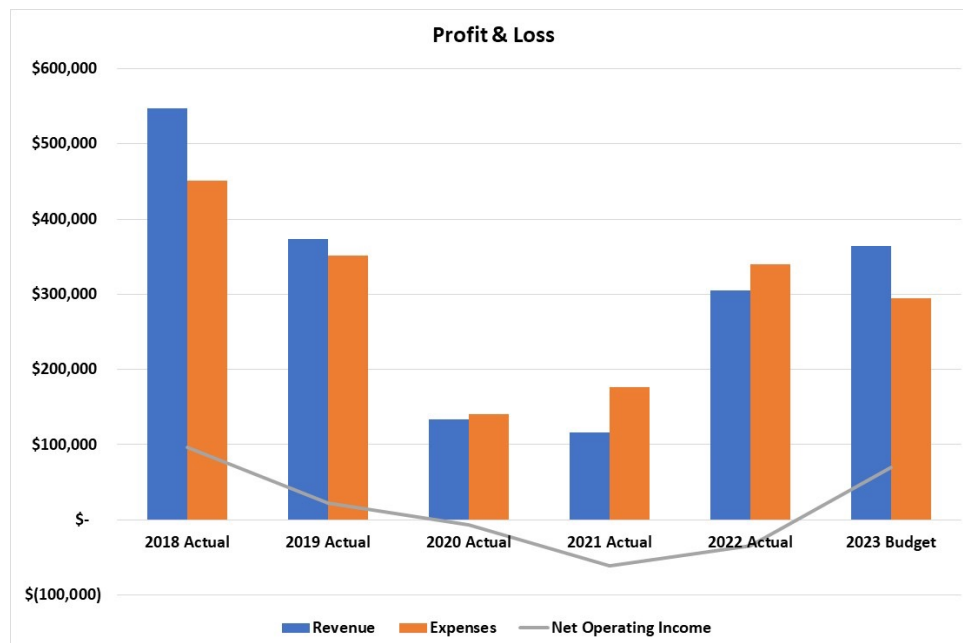
Meetings – Monthly excluding summer.

Membership - 39

# Financial Report

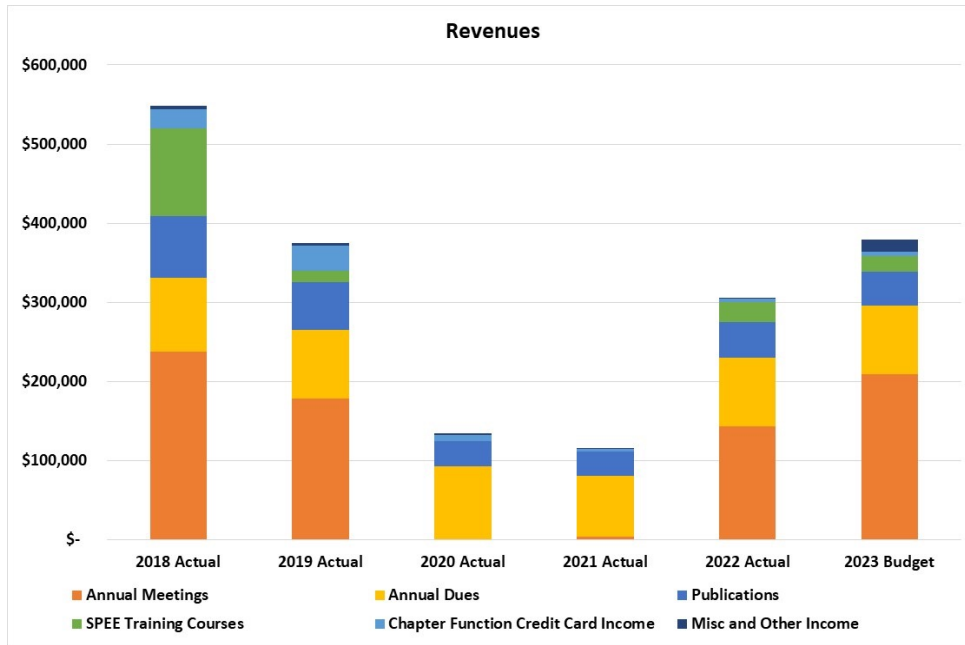
The success of the Annual Meeting and other initiatives continued building the favorable financial position of SPEE International. Preliminary finances for the 2023 Annual Meeting show a net gain, demonstrating success from changes made to planning over the past two years. The Society remains financially 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, as well as the 2023 budget. The Society appears to show a return to operating at a profit, as it was prior to the pandemic.

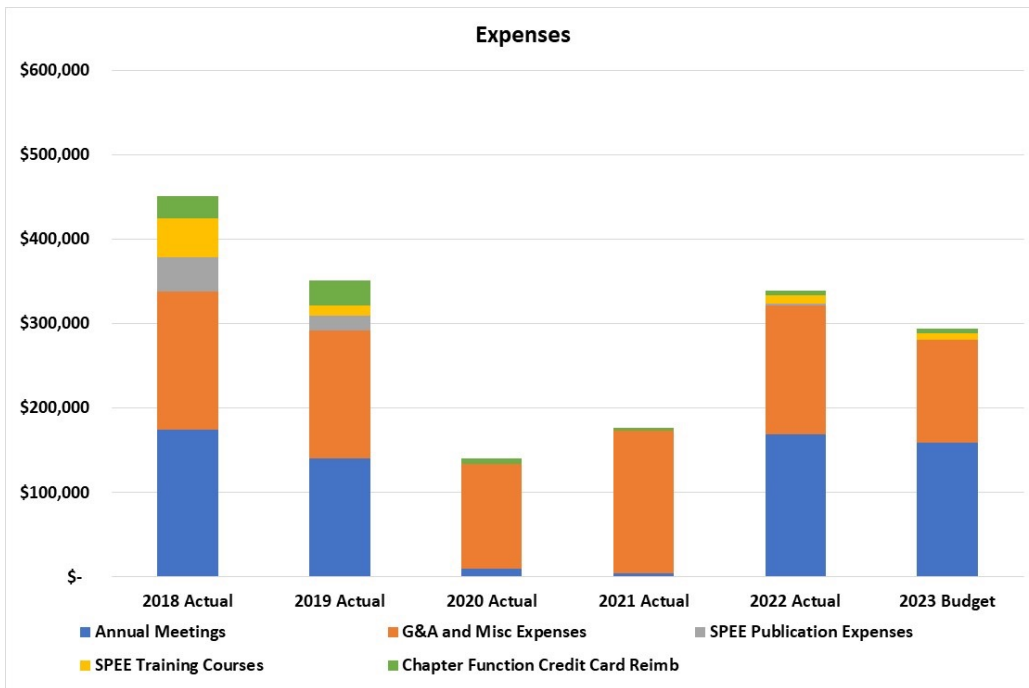


The following charts summarize the principal sources of revenue and expenses over the last five years. Dues and publication revenues have largely held steady in recent years. Revenues from the Annual Meeting and training courses returned during 2022 and are estimated to continue strong performance. Miscellaneous revenues in the 2023 Budget include those from cash equivalent investments, which are buoyed by interest rates. Investments are expected to continue providing a material revenue stream through 2023 and 2024.





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



SPEE International 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**



## Annual Meeting Recap

The 2023 Annual Meeting was held in Newport, Rhode Island, at the Newport Harbor Island Resort. Over 100 attended the Technical Meetings, of which 77 were members and 27 were non-members. In addition, 72 attended as spouses or guests, including 14 children – an almost 50% increase from last year’s guest attendance. Newport offered a wide variety of activities, and almost 300 people attended 10 activities offered over four days. The three short courses were well attended with 88 participants.

The three short courses included:

- CCUS and the SPE CO2 Storage Resources Management System, taught by Rawdon Seager
- Monograph 5: A Practical Guide to Type Well Profiles, taught by Jennifer Fitzgerald and Rick Krenek
- PowerBI for Reserves and Reservoir Engineering, taught by Zack Warren

In addition, separate meetings were held over the weekend by the Board of Directors, Council of Past Presidents, and Reserves Definition Committees.

Dean Sergent, Vice President, led off the Technical Meeting with the 2023 SPEE business highlights, including an overview of the Financial Report, Membership, Organizational Structure, and New SPEE Initiatives. Mike Ming opened and set the foundation for the technical sessions with his presentation, *The Future of Energy, or What the Energy Future Ought to Be*. George Koperna, Jr. followed with his presentation, *The Next Phase of the Shale Revolution: Storing CO2 with Shale EOR*. David Wiist shared his review of *Next Generation Geothermal: Reliable, Renewable Energy of the Future*. Kevin Voelte provided an *Oil & Gas M&A Update*, and the Monday session concluded with Chris Stoeckle’s *The Evolution of Energy Private Equity*.

Tuesday’s technical session began with Rawdon Seager’s *PRMS Update*, followed by Tad Fielder’s review of the SPEE 42nd annual *Survey of Parameters Used in Property Evaluation*. Dawn Lima provided a detailed overview of CCUS, Doug Willits discussed *Auto-Forecasting*, and then Mike McConnell concluded the technical sessions with his presentation on *Ethics & Educating Tomorrow’s Leaders: Just Because You Can Doesn’t Mean You Should* – his behind-the-scenes look into Enron before, during, and after bankruptcy.

Special efforts were made to provide activities for all ages! On Saturday morning, several people went on a Food Tour: Taste of Newport. In the afternoon, several got their swings in at Newport National Golf Club. Sunday morning offered a trip to Save the Bay Aquarium at Easton’s Beach, while the afternoon included excursions to the Cliff Walk, kite flying at Brenton Point State Park, and a tour of The Elms mansion. The Sunday evening Welcome Reception was held on the deck of the Rose Island Room overlooking Narragansett Bay, and attendees were treated to a beautiful sunset!

Monday morning included a mimosa cruise, and many spent the afternoon at the Vanderbilt’s summer mansion, The Breakers. The Monday Night Awards was a clam bake with live music at an outdoor pavilion. Incredible clam chowder was provided during the happy hour, and “the reveal” gave a first glimpse of the fresh lobster, oysters, potatoes, and corn on the cob! Pat Cottrell provided music throughout the evening with his acoustic guitar and vocals of some of the great tunes from the ‘70s and ‘80s! Dinner concluded with cobbler and s’mores over an open fire.

Dean Sergent presented the following awards:



- Steve Gardner was given an Outstanding Service Award for his service as Chair of the Internet Committee Under Steve's leadership, the SPEE website was redesigned to its current, and much more useful form;
- Brenda Brown also was given an Outstanding Service Award for her role on the Internet Committee during the website redesign; and
- Joe Young was recognized for his generous contributions as the 2022 President of SPEE.

Tuesday morning activities included trips to the Newport Museum of Art, Redwood Library, and the International Tennis Hall of Fame. Activities concluded Tuesday afternoon with a beautiful sail around Narragansett Bay aboard the 72-foot Bermuda rig schooner Madeleine.

We cannot thank the Short Course instructors and the Technical Meeting presenters enough! They really did a great job and provided timely and thought-provoking content! Thanks to our SPEE Administrative Assistant Andrea Bracho for her tireless work throughout the year to plan and execute the annual meeting. I would also like to thank my wife Amy, who helped plan and coordinate all the extracurricular activities. And finally, thanks to the SPEE Executive Committee and Board of Directors for their support and work to make the meeting a success.

Finally, thank you to the sponsors whose support contributes greatly to the success of the Annual Meeting and the Society of Petroleum Evaluation Engineers throughout the year.

See you at the Annual Meeting in Beaver Creek in 2024!

**Dean Sergent**  
2023 Vice President and Annual Meeting Chair

















# Is Insider Trading And Loopholes Unethical?

## Do the Right Thing!

I want to open by thanking Mike McConnell for coming to the SPEE Annual Meeting in Newport, Rhode Island, and presenting an interesting and informative presentation of ethics using the history of Enron. Mike pointed out the behaviors that Enron did well and the behaviors that needed improvement. He referred to insider trading and the rules for corporate executives and divulging information about the status of the company. Upon return to Midland, I investigated the business of insider trading.

So, I need to step back in history some to set the stage. The US Stock Market collapsed in 1929, sending the nation into a depression. There were several reasons for the collapse, but one was the lack of controls on stock trading. Subsequently, the US Government established the Securities and Exchange Commission (SEC) by public act in 1934 and established a thorough regulation for controls. So, the history of the New York Stock Market is a good example of Morals transitioning into Ethics and finally, because of lack of self-control, the codification into law and regulations. Thus began the SEC which governs all publicly owned businesses in the USA including those in the Energy Industry. SPEE traditionally invites the SEC and the Alberta Stock Exchange to our SPEE Annual Meeting each year to speak and give us an update on changes in procedures and regulations.

In the original code, the government defined “insider trading” as trading on the basis of material nonpublic information. Thus, insider trading allowed persons to benefit from information before it became public knowledge. The goal of prohibiting that practice was to protect the public and other investors from financial loss.

However, the SEC regulation did not end insider trading and the Wall Street Journal reported that as much as 60% of corporate executives deviate from preset trading plans. The SEC has constantly revised the regulations to “close loopholes” discovered. The loophole is basically an unintended omission in the rules that allows someone to continue unethical business practices. Sort of an attitude of it’s not illegal until you get caught. The SEC’s most recent regulation changes went into effect on April 1, 2023, applicable to most companies and rewritten to remove or close a common loophole used by corporate executives to sell stock.

The “catch me if you can” attitude is prevalent today because of lack of self-control and a regulatory agency not staffed to deal with the workload. In 2022 the SEC prosecuted 43 insider trading cases against 93 persons. This is not a reflection of the activity but the lack of SEC personnel to investigate and prosecute. Unfortunately, it does not make behavior moral, ethical, and legal but rather uncontrolled. The Exchange Commission and banking industry operate under a system of self-control. When that breaks down, companies and people suffer. The employees of Enron lost everything they had in their 401k saving plans.

When we look at how the word loophole is defined, it says, “an ambiguity or omission in the text through which the intent of a statute, contract, or obligation may be evaded.” That by definition makes it immoral, unethical, and possibly illegal. Mike closed with some key points but the one I want to leave you with is, “Do the Right Thing!” When you do the right thing, you are exercising self-control in a moral, ethical, and legal behavior.

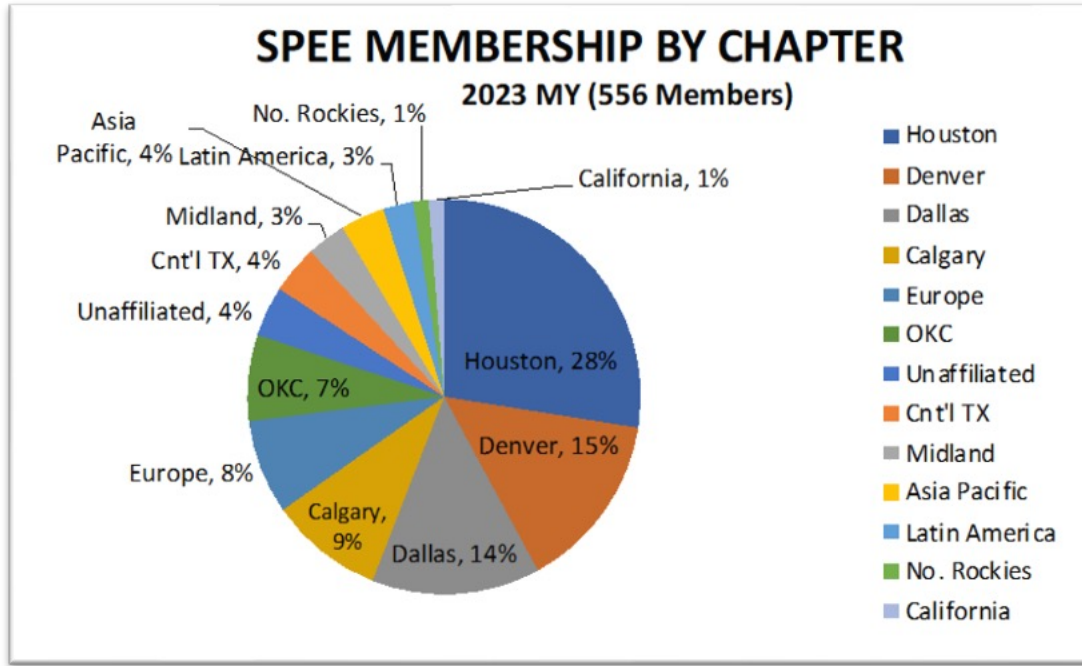


**Robert Green**  
Ethics Chairman

# Membership Report

Total membership count as of May 1, 2023 was 556 members consisting of 436 General members, 92 Retired, 19 Associates, and 9 Lifetime.

The following chart shows membership by Chapter.



## Key items:

- The newest chapters, Asia Pacific and Latin America, now comprise 34 total members, almost 7% of the total membership.
- Congratulations to the Oklahoma Chapter on winning the most membership gain for 2023 with three new members added May 1st.
- The average age of our membership has remained stable for the past four years at an average of 60 years.
- 90% of our membership is male and 10% is female.
- The youngest member is 31 and the oldest is 94 years young.
- The longest standing living member joined in November 1965.
- The trend of the organization continues becoming more diverse in age, sex and country.

Our current membership of 556 is anticipated to return to a stable 577 members by year end. Please remember to encourage colleagues to join SPEE.

**Fredrick LeGrand**  
Membership Chairman

# Welcome New Members

## Asia Pacific Chapter

**Mahmoud Aly, Ihab**                      **Member No. 1099**  
Senior Petroleum Reservoir Engineer  
Saudi Aramco  
P.O. Box 8673  
Dhahran, 31311 Eastern Province  
Saudi Arabia  
Ihab.mahmoudaly@aramco.co

## Houston Chapter

**Adeponle, Simeon**                      **Member No. 1101**  
Senior Resource Consultant (Resource Assurance & Reporting)  
Shell US  
150 North Dairy Ashford  
Houston, TX 77079  
United States  
s.adeponle@shell.com

## Latin America Chapter

**Gentil, Pablo**                              **Member No. 1102**  
Senior Engineer  
DeGolyer and MacNaughton  
5001 Spring Valley Rd, Suite 800 E  
Dallas, TX 75244  
United States  
pgentil@demac.com

## Unaffiliated

**Boothe, Matthew** **Status Change–Associate to General Member**  
Corporate Reserves Lead/Coordinator  
Diversified Energy Company, PLC  
4150 Belden Village Street NW, Suite 410  
Canton, OH 44718  
United States  
boothepetro@gmail.com