



SOCIETY OF PETROLEUM EVALUATION ENGINEERS

SPEE

Newsletter

May 2024

President's Letter

I recently returned from a Thunder road trip. Although I reside in Oklahoma (a state known for its tornadoes), this was not a “storm-chaser” excursion, but rather a trip to see the Oklahoma City Thunder NBA basketball team play the New York Knicks, Philadelphia 76ers, and the Boston Celtics. A few weeks later I traveled on business to Washington, DC. So within a short period of time, I had the opportunity to visit some of the most historic cities in the United States. I walked the same streets in New York City that Alexander Hamilton and Thomas Jefferson walked, I visited Independence Hall in Philadelphia and stood in the room where the Declaration of Independence was signed, and I toured many monuments and museums and parks. As an American, I cannot help to feel appreciation for the effort and vision of those who formed our country, those who continued to lead over time, and those who lead us now into the future.

As I mentioned in our last newsletter, this year SPEE is celebrating its “Golden Birthday.” The Society of Petroleum Evaluation Engineers was granted a charter establishing the organization on September 24, 1962. And so, we were formed in '62, and this September we turn 62.

Also in September, 1962, President John F. Kennedy gave his famous “We choose to go to the Moon” speech at Rice University. JFK said,

“We choose to go to the moon. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard...”

Maybe we cannot say what we do in the oil and gas business is equivalent to sending a man to the moon, but I would argue that going from 25 MMBOPD in 1962 to 100 MMBOD in 2024 has been no easy task!

And so it is with SPEE this year that we take time to remember the Organizing Directors of SPEE: **Harold Vance, William Hurst, and Herbert F. Poyner, Jr.** We thank those who have donated their time to continue the mission of SPEE, and we look to the future for growth and new opportunities. It is in that spirit that the board of directors has approved funds for individual chapters to organize celebratory receptions this September and give members the opportunity to invite prospective members to meet SPEE members, to learn more

about the society, and hopefully move to apply to become active members. We will provide more details at the annual meeting – be on the lookout for future notices!



Speaking of the annual meeting, SPEE Vice President **Tad Fielder** has put together an excellent program at the Westin Riverfront Resort & Spa in Avon, Colorado, June 1-4. Short course topics include 8 hours of instruction on Monograph 5 - Type Well Profiles; SEC – New Securities Act Requirements; and CCUS – 45Q Tax Credits and Monetization. Various directors and committee meetings will be held over the weekend, and as usual, the technical program will be on Monday and Tuesday mornings. Social activities are geared to attract the young and old, providing ample time to catch up with colleagues, develop new professional relationships, and connect and re-connect spouses/guests and other family members in attendance. You won't want to miss the Gala and Awards Dinner Monday night as we celebrate and honor those who have served the society, and enjoy great food, drinks, and a live band. For more information and to register for the meeting, please consult the SPEE website.

Other highlights for the year include the anticipated release of Monograph 5: A Practical Guide to Type Well Profiles. The monograph is in the final stages of review and editing, and we look forward to making it available to the public in the coming months.

Plans continue for a petroleum economic evaluations software symposium to be held this fall. In addition to topics covering standard economic evaluations, auto-forecasting technologies also will be addressed. More information will be available at the annual meeting and on the website.

All of this is not possible without an outstanding group of volunteers. Thank you to all who serve as directors, committee members, and local chapter officers who give of their time and talents to make SPEE successful!

I look forward to seeing you soon in the Rockies!

Dean Sergent
2024 President

Chapter News

Asia Pacific

A technical meeting was held March 19th. An excellent technical presentation was given by William Walton on *Good Oilfield Practice and PRMS*, which provided discussion on project phasing and risk management with respect to PRMS. The presentation also noted some case studies where PRMS is not followed and project phasing gates are passed, but sometimes without the understanding of risk. The presentation finished with a recommendation that PRMS incorporate a Chance of Development calculation methodology.

Next technical meeting is planned for early June.

Membership - 24

Calgary

The Calgary Chapter of the SPEE has held a number of events since the last update. A technical luncheon was held on February 20th which included a presentation by Mr. Paul Glabus, Senior Manager, Engineering at Sproule Asset Management, titled *Directive 67 / Manual 23 and the Role of Reserves*. On March 19th, the membership met for its regular business meeting. Then on April 16th, another technical luncheon was held, which included a presentation by Mr. Devin Lacey, Director, Business Development, GLJ Ltd., titled *Carrots, Sticks and Carbon – A Policy and Incentive Case Study*. The Calgary Chapter currently holds its Business Meetings at GLJ Ltd.'s office, while technical luncheons are hosted at the Calgary Petroleum Club.

The next scheduled event for the Calgary Chapter will be its Annual General Meeting to be held on May 21st. The meeting will include the election of a new Calgary Chapter Executive, given the two-year term of the current Executive is coming to a close.

Meetings - 3rd Tuesday of each month except June, July and August.
Membership - 51

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 2023-24 will be in-person at the Brookhaven Campus of Dallas College. Luncheon meetings are held from 11:30-1:00 pm. Speaker starts at noon.

The Dallas Chapter meeting on February 1st featured a presentation by Doug McMaster of ComboCurve. The title of the presentation was *Navigating the Intersection of Carbon Emissions and Economics in Oil & Gas Operations*. There were 12 attendees.

The Dallas Chapter meeting on March 21st featured a presentation by Rob Quigley - Managing Director: VSO Petroleum Consultants, Inc. The presentation was titled: *My Own Worst Enemy – A Journey Toward Taming Overconfidence in Reserves Estimates*. There were 24 attendees. This was a very interesting interactive presentation that was enjoyed by all.

The next scheduled meeting for the Dallas section will be May 16th. The speakers will be Brian Sullivan and Deacon Marek of Hass & Cobb Petroleum Consultants. The topic for this presentation is *Waterflooding and Unitization 101*. They will cover the engineering aspects of waterflooding. This will include factors affecting waterflood success, and how to quantify and manage those factors. They will also discuss expected waterflood recovery factors for various reservoirs. They will also talk about the unitization process in Texas, including the requirements and benefits of unitization.

The next Dallas Chapter meeting after this will be in September 2024.

We are currently conducting a search to fill two section officers slots.

Meetings – Semi-monthly except June, July and August.
Membership – 78

Denver

The Denver Chapter held an in-person luncheon on February 13th at the Denver Athletic Club. Dr. Kumar Ramurthy led the technical discussion on *Improving Recovery by Effectively Managing the Drawdown in the DJ Basin Unconventional Reservoirs Using an Engineered Choke Management (ECM) Strategy*. Attendees: 24 members, 28 guests, 52 total.

The last luncheon in Denver was April 10th. Fred LeGrand and David Faulder spoke on *A Brief History of the US Geothermal Industry and Emerging Technologies*. The luncheon was held at the Wynkoop. Approximately 35 guests were in attendance.

Additional upcoming events: the Denver chapter's annual membership event is scheduled for April 24th and will be held at Oxy offices.

Meetings - 2nd Wednesday of January, April, July, October, Dec
Membership - 80

Europe

The European Chapter held a technical meeting featuring a presentation by John Cliver and Joe Mello from NSAI on April 11th. The subject of the meeting was *SEC vs. PRMS Reserves: Preparing and Using Reports with Different Definitions*. We hosted 10 in-person attendees at the offices of Kosmos Energy and 6 online attendees. Discussion was extremely active, as is typical for the European Chapter, and John and Joe were very patient with us. After the presentation we decamped to the Clarence Mayfair, a classic London pub rumored to be the location of Sir Alexander Bell's first successful telephone call. Thinking of a trip to London? Join us for a meeting if you enjoy the heady combination of a fine ale and a lively discussion of SEC comment letters.

Meetings - Four per year.
Membership - 43

Houston

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

Latin America

The Latin America chapter is having Officers' meetings every two months and currently is having presentations/technical discussion sessions each three-four months.

The last presentation was on March 20, given by Dilhan Ilk *A Survey on Diagnostic Based Methods for Well Performance Analysis and Production Forecasting in Unconventional Reservoirs*. It was a mix in person and online open event attended by around 30 persons.

Meetings - Officers' meeting every two months and members' meeting every four months.
Membership - 18

Midland

The Midland Chapter's February 28th meeting was held at the Petroleum Club of Midland. The speaker was Dr. John Wright who led a discussion of ethics. He presented *Evaluating Hypothetical Ethical Dilemmas*. A total of 11 attended, which included 8 non-members.

The next scheduled meeting for the Midland Chapter will be May 15th. The speaker will be Doug McMaster of ComboCurve, and his presentation is titled: *Navigating the Intersection of Carbon Emissions and Economics in Oil & Gas Operations*.

Meetings - 2nd Wednesday odd months (except July) at 11:30 a.m. - Midland Petroleum Club.
Membership - 18

Northern Rockies

Membership - 7

Oklahoma

John Tellers, Managing Director of MAP Energy and board member of SPEE OK, filled in for Larry Davis at our January 24th meeting. The topic was *Lessons Learned: Building a Mineral Portfolio to Stand the Test of Time*. John did an excellent job presenting MAP's industry insights and previous strategies as well as reviewing MAP's impressive track record and footprint. 25 people attended in person with 15 being members, while another 16 people joined via Zoom.

Dennis Kissler and Michael Kuta of BOK Financial presented at our April 10th luncheon. Dennis is SVP of Trading at BOK and Michael is a senior trader on Dennis' team. The topic was *Oil & Natural Gas Price Outlook*. Dennis is well known in Oklahoma for his daily newsletter and multi-decade expertise. 34 people attended in person of which 20 were members, while another 17 people joined via Zoom.

Daniel Kohl of Opportune will be speaking at our next luncheon on May 21st at Twin Hills Golf and Country Club in Oklahoma City. Dan Kohl is Co-Head and Managing Director of Opportune. He will give us our yearly *Market Update* presentation.

Meetings - Every other month.
Membership - 38

Sometimes Ethics Raises Social Awareness

For purposes of this discussion, accept these short definitions as they pertain to this topic:

MORAL: The boundaries of behavior established by the individual. (Self-Control based on your own boundaries)

ETHICAL: The boundaries of behavior placed on people by that society. (Self-Control based on the society boundaries.)

LEGAL: The boundaries placed on persons by laws and regulations. (Control placed on persons based on laws and regulations and enforced by law enforcement and regulatory authorities.)

Social Awareness (as defined by Pious Clements)

“Social Awareness is your ability to understand your environment and the mood thereof in preparation to conduct yourself accordingly.

It works in tandem with relationship management which considers the perspectives and points of view of others for beneficial interaction and good relationships.

Also, it is your recognizing the emotions, perspectives, and behaviors of individuals and groups within a social setting and being aware of the social dynamics, norms, and customs of the different cultures, and showing empathy.”

SPEE Ethics Guide, Appendix A

The Fundamental Canons of Ethics

Engineers shall hold paramount the safety, health and welfare of the public in the performance of their professional duties.

Let me link this together with a simple example: The Handicap Parking Spot and other considerations given to handicapped people. Looking at both perspectives, the handicap person and the non-handicap person, we can gain some awareness. Handicap Parking was instituted to improve accessibility to persons needing help, hence promoting safety, health and welfare. First, we have people with Handicap permits trying to park in those spots. Secondly, we also have people who have the permit but don't need it and park in those spots. Thirdly, there are the people that need accommodation but don't have a permit but choose to park in a handicap spot. Fourthly, we have people that have no permit and don't need accommodation but park there anyway for their own convenience and disregard of others.

From this example we can ask: who is acting ethically and who is not acting ethically? Additionally, as observing professional engineers who are holding paramount the safety, health and welfare of the public. what should be our role in this example?

Social awareness enters when we recognize that this class of person has special needs and those should be recognized, honored and accommodated. Unfortunately, we realize that there are those few people who abuse the system for their own selfish interests but as socially aware ethical professional engineers, we need to work to accommodate the people truly needing help. We can accomplish that through our engineering designs and public behavior.

What examples do you have that demonstrate ethics raising social awareness?



Robert E. Green
SPEE Ethics Chair



TECHNICAL AND SOCIAL PROGRAM

Technical events include short courses on Saturday afternoon, all day on Sunday, and on Tuesday afternoon. Included in our short courses will be a two-part Monograph 5 course. As always, we will offer half-day technical sessions on Monday and Tuesday.

Take advantage of opportunities to network and socialize during group and guest activities Saturday through Tuesday, including a Sunday evening Welcome Dinner, an Awards Dinner on Monday evening, golf, fly fishing, jeep tours, silk scarf painting, and an afternoon at Nottingham Lake.

SCHEDULE AT A GLANCE (SUBJECT TO CHANGE)

Friday, May 31

- Registration Desk Open

Saturday, June 1

- COPP Meeting
- Social Activity – Golf Tournaments
- Board of Directors Meeting
- RDC Meeting
- **Short Course I: Monograph 5 Part I – Fitzgerald & Krenek**
- Registration Desk Open
- Informal Happy Hour

Sunday, June 2

- **Short Course I: Monograph 5 Part II – Fitzgerald & Krenek**
- Registration Desk Open
- **Short Course II: SEC: New Securities Act**
- Social Activity: Jewelry Making Workshop
- Family/Guest Activity – Jeep Tours
- Board of Directors and Committee Chairman Meeting
- Childcare Activity – Fun Night
- Welcome Reception

Monday, June 3

- **Technical Sessions**
- Spouse/Guest Activity – Betty Ford Gardens Tour
- Social Activity – Fly Fishing



- Social Activity – Wine Tasting
- Childcare Activity – Fun Night
- Gala and Awards Dinner

Tuesday, June 4

- **Technical Sessions**
- Spouse/Guest Activity – Silk Scarf Painting
- Social Activity – Day in the Water at Nottingham Park
- **Short Course III: CCUS – Dawn Lima**

HOTEL ACCOMMODATIONS

Surround yourself with the breathtaking beauty of the Colorado Rockies at The Westin Riverfront Resort and Spa in Avon, Vail Valley. Named one of the 50 Best Resorts in the World by Conde Nast Traveler, the resort is located near the scenic Vail and Beaver Creek Mountains.

The Westin Riverfront Resort and Spa offers SPEE group rates from Friday, May 31st to Tuesday, June 4th, 2024, at a block rate of \$249.00 plus state and local taxes and a \$20 resort fee per night. The resort fee includes the following enhancements:

- 24-Hour access to the Athletic Club
- Access to the heated outdoor saltwater pool & infinity hot tubs
- Onsite storage of bicycles during your stay
- Shuttle service to Beaver Creek and Vail Villages seasonally (based on availability)
- Daily access to digital newspapers and magazines via mobile app
- Complimentary access to GoPros (based on availability)
- Complimentary access to Thule backpacks & strollers (based on availability)
- Daily housekeeping

Cancellation policy: To ensure the success of the Annual Meeting, all reservations will be charged a one-night deposit hold for the room, which won't be refunded if canceled after May 24, 2024. We appreciate your understanding in this matter.

Early Departure Fee: Guests who have reserved a room within the Group's block and check out prior to their reserved checkout date will be charged an early departure fee of one night's room and tax to their individual account.

Welcome New Members

Asia Pacific

Rusli, Muhammad Aizat **Member No. 1121**
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Dallas Chapter

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