

May 29, 1986

TO ALL MEMBERS
THE SOCIETY OF PETROLEUM EVALUATION ENGINEERS

Dear Members:

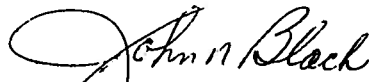
Congratulations go to Scott Hickman and his associates for arranging another top quality convention this year in Nashville. We had excellent speakers, and the entertainment, food, golf, tennis and tours were outstanding. The large turnout of 60 members and spouses speaks highly of the quality of these conferences. Next year Bob Moses has set May 3rd through the 6th in Lake Tahoe, Nevada as the conference site. Try to plan ahead so you and your wife can attend.

Your society has grown from three committees to 14 action committees and four local chapters. The local chapters are located in Houston, Dallas, Tulsa and Denver. Please support the chapter in your location. Work is moving ahead to form another chapter in New Orleans and add a placement committee to the national organization.

Again, I want to emphasize the importance of sponsoring new members and the obligations of the sponsor to make sure the applicant is qualified.

These are trying times, however, we have the opportunity and obligation to build a strong dedicated society for SPEE, our industry, and ourselves.

Sincerely,


John N. Black
President, 1986

MINUTES - SPEE BOARD OF DIRECTORS MEETING
APRIL 27, 1986
OPRYLAND HOTEL - NASHVILLE, TENN.

The meeting was called to order at 3:30 PM by John Black, President. Directors in attendance were John Black, Scott Hickman, Bob Moses, Dave Frawley, Tom Stevens, Carl Sharp, and Charles Milner.

Minutes of the last meeting, January 29, 1986, were circulated, reviewed and approved upon being properly moved and seconded.

The financial report from our auditors Mathews & Associates, P.C. as of December 31, 1985 was presented by Bob Moses, Secretary/Treasurer. It showed the Society to be in a sound financial position. The bank balance as of April 25, 1986, was \$40,826, \$14,131 of which was convention income. It was reported eleven members have not paid their 1986 dues and that there are several who have not paid their 1985 dues.

John Black then reported that the society had made significant strides since last year by increasing the number of standing committees from four to fourteen. The Board then heard reports from the following committees:

1. Membership - Larry Martin

- A. Total Membership - 270 members
- B. Approved applications circulated to membership - 12
- C. Applications in progress - 5
- D. One applicant, Dr. Richard Morse is in the process of petitioning for membership since he did not meet the evaluating experience qualifications. It was the consensus of the Board he would be an asset to the society, but that it was necessary for him to duly petition for membership.

Membership Chairmen have been appointed in the Tulsa, Dallas and Denver chapters as well as the New Orleans and California areas, which to date do not have chapters.

2. Harold Vance Foundation - Don Clark

The fund balance March 31, 1986 was \$7,936.21. An additional \$1,690.00 has since been transferred from the Society as a result of 64 member contributions along with their annual dues. To date, fifteen \$1,000 scholarships and two \$1,500 scholarships have been granted. It was the consensus of the Board that the scholarship recipients were at the discretion of the engineering department heads of the selected college or university and the awarded therefore could be presented to either an undergraduate or a graduate student.

3. Reserve Definition Committee - Barry Van Sandt

It was reported that the SPE's Standing Reserve Definition Committee task force under the leadership of Chap Cronquist had relatively minor changes to our proved definitions, and that it would, therefore, be beneficial for a joint effort of SPE and SPEE to publish the definitions.

Barry Van Sandt introduced a motion for "the SPEE to make a joint effort with the SPE to publish Reserve Definitions for Hydrocarbons and Related Marketable Substances." The motion was seconded by Dave Frawley. After discussion regarding SPE's desire to include wording applicable to regional specifics which would not conflict with the SPEE's definition, and Ray Brack's statement that the SPE wants to address more required volumes rather than dollar values, the motion as introduced unanimously passed.

4. Engagement Letter Committee - Roy Williamson

This is a new committee which was scheduled to meet during the convention. Barry Van Sandt suggested the committee discuss their conclusions with Bill Porter. It was also suggested that the conclusions also be reviewed with Richard Adkinson and that he possibly would serve as an exofficio member of the committee. The conclusions of the committee will be mailed out to the members for comments.

5. Qualifications Committee - Buddy Sipes

At the request of John Black, Buddy clarified that 5 years of full time employment in property evaluation, means that the primary everyday task of the applicant had been assigning "dollars and cents" to the evaluation, not only calculating reserves. The committee was scheduled to meet during the convention.

6. Strategic Planning Committee - Charles Milner

The committee will be comprised of four consultants, two bankers and five members from industry producers. The committee will rely heavily on the surveys to set standards for hydrocarbon evaluations.

7. Grievance Committee - John Black for Herb Poyner

There was no report.

8. Fair Market Value Committee - John Black reported for Les Nemeth

It was reported that due to the pricing instability in the industry during the first quarter, the annual survey had been postponed several months in hopes of some assemblance of stability and therefore, the accomplishment of a more meaningful report. The report is also being renamed to "The Society of Petroleum Evaluation Engineers Survey of Parameters Used in Property Evaluation", so as to clarify its intent. Amiel David was scheduled to go over the survey during the Tuesday general session.

Charles Milner felt it would be appropriate to publish the survey more frequently but the Board recognized the cost and effort associated with the annual publication and that it would most likely not be practical to increase the frequency of the publication.

9. Publication Committee - John Black for Cam Steirnberg
It is the intent to publish the newsletter quarterly or as economically feasible but no less than semiannually. Included in the newsletter shall also be reports from the local chapters.
10. Engineering Registration - John Black for Ed Barsachs
Ed has been appointed SPEE representative for the next three years. The State of Illinois is working toward a procedure for registration.
11. Placement Committee - John Black
The Board voted to establish a placement committee which would function as a clearing house for those seeking employment or those seeking employees to perform evaluation engineering. A chairman has not been appointed.
12. Bylaws Committee - John Black
The bylaws committee shall review the bylaws published in the Directory and insure all changes be incorporated for future printings.

There were no reports from the Legislative, Publicity and Evaluation report committees.

Old Business

Bob Moses addressed the previously mentioned fact that there were a few delinquent members from 1985 and eleven for 1986. The Board concurred that the delinquent 1985 members be notified by return receipt mail that unless their dues be brought current, appropriate action provided for in Section XII of the bylaws would be taken which would effectively terminate those members from the society. Every effort will be made to collect the unpaid 1986 dues as soon as possible through notification. Eddie Hudson brought to the attention of the Directors a situation where an applicant had changed addresses since application was made and that he was unaware of his approval for membership and, therefore, was unable to pay his initial dues timely. To avoid such in the future, Mr. Hudson introduced a motion which was seconded and approved to "Require first year dues payment upon submittal of an application for membership." The payment would be refunded if the applicant was not approved for membership.

New Business

Scott Hickman reported on relative procedural items of the convention and also states that 57 members and applicants had paid for the convention.

Chapter Reports

Houston and Dallas - No office representatives were present from these chapters, but those members present indicated the chapters have been having informative speakers and good attendance.

Tulsa - currently has 28 members and attendance at their monthly meetings average 12. Rather than having speakers, a topic is chosen for discussion and Foley acts as catalyst.

The Board members requested that an officer representative from each Chapter be in attendance at the future meetings.

There being no further business, the meeting was adjourned.

Regards,



Robert J. Moses
Secretary/Treasurer

RJM:klh



1986 SPEE OFFICERS

John N. Black	President
T. Scott Hickman	Vice-President
Robert J. Moses	Secretary-Treasurer

1986 SPEE COMMITTEES

Larry Martin	Membership
Sam Singer	Legislative
Edwin Barsachs	Engineering Registration
Herb Poyner	Grievance
Roy Williamson, Jr.	Engagement Letter
Cam Stiernberg	Publication
Vaughn Scanland	Publicity
Barry Van Sandt	Reserve Definition
Buddy Sipes	Qualifications
Les Nemeth	Fair Market Value
Charles Milner	Strategic Planning
Don Clark	By-Laws
Charles Massey	Evaluation Report
Don Clark - President	Harold Vance Foundation

1986 SPEE DIRECTORS

Barry Van Sandt
John N. Black
T. Scott Hickman
Robert J. Moses
David Frawley
Thomas G. Stevens
Clarke Gillespie
Carle F. Sharp

Society of Petroleum Evaluation Engineers
Harold Vance Foundation, Inc.
Scholarship Fund Recipients (Thru 1985)

<u>Date</u>	<u>Amount</u>	<u>Recipient</u>	<u>University</u>
9-24-79	\$ 1,000.00	-	Marietta College
8-22-79	1,000.00	-	Texas A & I
10-3-80	1,000.00	-	Louisiana Tech. Univ.
10-23-80	1,000.00	Randolph L. Perry	-
9-2-81	1,000.00	Matilda J. Wilson	Texas A. & M. Univ.
7-6-81	1,000.00	John Howard	Oklahoma Univ.
8-5-81	1,000.00	Kenley McQueen, Jr.	Tulsa Univ.
9-9-81	1,000.00	-	Missouri Univ.
9-21-82	1,000.00	Dudley Atkinson	Louisiana State Univ.
11-24-82	1,000.00	Danny Corillo	N.M.Inst. of Min. & Tech.
11-24-82	1,000.00	Gregory Grover	Univ. of S.W. Louisiana
10-24-83	1,000.00	Charlene E. Federoff	Univ. of Pittsburg
10-20-84	1,000.00	Peter Spitz	Univ. of Wyoming
10-1-85	1,500.00	John K. Hicks	Texas Univ.
10-1-85	1,500.00	Jerald J. Stratton	Texas A. & M. Univ.

SPEE Harold Vance Foundation, Inc.
One Allen Center, Ste. 925
500 Dallas Street
Houston, Texas 77002

Original Contributions (Prior to 1986)

SPEE Account	\$10,000.00	
J. Donald Clark	500.00	
Robert P. Ridley	200.00	
Fred Oliver	100.00	
Marvin C. Zeid	\$100,000.00	Life Insurance Policy

1986 Contributions:

SPEE Account (5-13-86)	\$ 5,000.00	Jack Colle	\$ 20.00
SPEE Account (6-86)	5,000.00	Milton Cooke	60.00
Kenneth Ancell	10.00	Jack Crichton	20.00
Richard Banks	40.00	Willard Curtis	10.00
Allen Barron	20.00	Ralph Daniel	20.00
Ray Brack	20.00	Amiel David	20.00
Philip Bridges	20.00	Harry Dedman	100.00
Charles Brittan	10.00	Charles Dodson	25.00
E. P. Burtchaell	25.00	Bob Doubek	20.00
Larry Byrd	20.00	Walter Dowdle	10.00
Robert B. Byrnes	20.00	Marshall Fagin	20.00
Tom Calhoun	40.00	Frank Foster	20.00
Pete Cawthon	20.00	David Frawley	40.00
John T. Chandler	20.00	Raymond Garcia	20.00
Donald Clark	60.00	Rick Garza	20.00
Paul Clevenger	20.00	Harry Gaston	100.00

Harold Vance Contributions - 1986

James Givens	\$ 100.00	Harry Otell	\$ 40.00
H. J. Gruy	100.00	Robert Ridley	60.00
Raymond Hansen	20.00	Vaughn Scanland	20.00
Scott Hickman	20.00	Charles Schutz	80.00
William Holland	10.00	Michael Silbergh	20.00
B.P. Huddleston	20.00	Sol Smith	20.00
E. J. Hudson	20.00	Milton Standley	20.00
James Hughes	10.00	Barry Van Sandt	60.00
V. A. Isaacs	20.00	Joe Vaughn	20.00
Henry Keplinger	20.00	Emmett Wassell	20.00
Robert Magnie	20.00	Arliss Watts	20.00
Robert Mannon	20.00	Roy C. Williamson	20.00
Nace Mefford	40.00	J. W. Wood	20.00
Charles Milner	20.00	W. Wright	20.00
S. K. Moredock	40.00	Marvin Zeid	20.00
Robert Moses	20.00	Tucker Lazarus	20.00
Fred Oliver	20.00	Charles G. Massey	60.00
			<u>\$1,950.00</u>

Foundation Funds, June 1986 (Approximately)

\$14,667.23 - Cash

6,500.00 - CD

Note: \$10,000 will be invested in CD's during June 1986; all funds are interest bearing. Scholarships will be awarded to Colorado School of Mines and Texas Tech University for next fall school terms.

1986 SPEE Harold Vance Foundation, Inc.; Officers & Directors

J. Donald Clark, President
Tom R. Fuller, Vice President
Barry K. Van Sandt, Sec./Treas.
John N. Black, (SPEE President) ex-officio member Board Directors

New Members:

Richard J. Dobson
Randell E. King
Stuart L. Watson
Billy W. Lee
Emmett Sutton
Edward P. Miesch
Sidney F. Jones, Jr.
Melvin J. Hardy