



!!!! ANNUAL MEETING !!!!
Keystone, Colorado
June 12-14, 1988!!!!
SEND IN YOUR RESERVATIONS!!!!

April 12, 1988

TO ALL MEMBERS
THE SOCIETY OF PETROLEUM EVALUATION ENGINEERS

Dear Members:

With the first quarter of 1988 already behind us, it appears that we are once again faced with a year of uncertainty in the oil and gas industry. Oil prices, which started the year depressed, have recently made a rebound while gas prices which were very strong at the beginning of the year appear to have taken a dramatic downturn, as mild Spring weather is upon us. It will be very interesting to see the conclusion of the Evaluation Parameter Survey which we intend to have published in early May.

As many of you may know, fellow member Clark Gillespie had a heart attack July 15, 1987, which resulted in a substantial loss of memory and inhibits him from carrying on his engineering practice. At the request of his business associate, Aaron Cawley we have accepted his resignation from the board. Our thoughts are with Clark and his family while he undergoes rehabilitation treatment, that he will recover. We value his contribution to the Board and the Society. The Board has elected Tom Mehlberg to serve out Clark's unexpired term. Tom has recently joined Trust Company of the West in Los Angeles. He will be active in promoting the Society in the California area.

Looking back to 1987, Scott Hickman's administration accomplished much to both broaden national recognition of the Society as well as to set out a revised framework for the growth and strengthening of the Society through revisions to various committees and task forces. Our external recognition was greatly enhanced by the Society's initiation and contributions to the reserve definitions. It is planned during 1988 that the Society will gain further recognition through the current efforts of the Reserve Definition Task Force, headed by Barry Van Sandt, which is in the process of finalizing the guidelines for the preparation of reserve estimates and evaluation reports. The restructuring of the various committees and new chairmen, as listed later in this newsletter, will

hopefully allow for the involvement of many more members and spread the efforts to further the Society. This involvement by many more members will be furthered by rotating chairmanships on a three year basis. A significant committee, that will take on a new focus will be the Membership Committee, which will strategically target new members and areas of the country in which the Society's visability and exposure is minimal. This is a change in the function of the membership committee, which previously had processed new member applications. Fred Haston has agreed to chair this committee along with the assistance of Larry Martin who had been Chairman of the Membership Committee for the past several years and had contributed many hours under the previous format. We hope during 1988 we can stimulate interest in many areas of the country which do not currently have local chapters, by arranging for quarterly or semi-annual luncheons among members and prospective members in these parts of the country. Mr. Gordon Biescar, has agreed to chair the Task Force for the preparation of by-laws for the local chapters, in an effort to provide continuity and standardization among the chapters, and project a more consistent image. The Qualifications Committee, which has been chaired by Buddy Sipes for the past few years, will now take on the additional responsibility of processing new membership applications. It shall also be responsible for the preparation of a new membership application form, which is much needed since the growth of the society over the past 5 years.

As the Society has existed for a quarter of a century, September 24, 1987, it is the feeling of the Board, that it would be beneficial to document its growth and milestones. I am very pleased that Herb Poyner, one of the founding directors of the Society, has agreed to become Historian and assemble the history of the Society from the past 25 years.

These are some of the major changes implemented for 1988, which along with the numerous other committees and task forces that remain unchanged, will allow for the Society to grow and strengthen its objectives 1988

Chap Cronquist has arranged a very interesting and stimulating program for the Annual Convention to be held at Keystone, Colorado, June 12-14, 1988. I hope each of you will be in attendance to celebrate the Silver Anniversary of the Society at what I hope is the best meeting yet.

Best regards

A handwritten signature in cursive script, appearing to read "Bob", written in dark ink.

Robert J. Moses
President, 1988

NEW LOCATIONS

- Alexander, Louis
Naval Coastal Systems
Center
425 E. 19th, #C-5
Panama City, Florida 32405
904/785-5642
- Alspaw, D. I.
DIA & Associates
P. O. Box 7808
Dallas, Texas 75209-7808
214/691-5580
- Anderson, James R.
P. O. Box 717
Denver, Colorado 80201
303/232-4800
- *Baugher, Earl L.
4317 E. 83rd Street
Tulsa, Oklahoma 74137
918/588-6183
- Black, John N.
Floyd Oil Company
Executive Vice President
So. Pennzoil Place
711 Louisiana, Suite 1740
Houston, Texas 77002
713/222-6275
- Cleland, Noel A.
Sproule Associates Limited
3rd Floor
505 2nd Street, S.W.
Calgary, Alberta
Canada T2P 1N8
- **Cochran, Robert J.
Citicorp (USA), Inc.
717 N. Harwood, LB 17
Dallas, Texas 75201
214/953-3812
- Cone, David J.
David J. Cone & Assoc.
2412 Yorktown, #274
Houston, Texas 77056
713/623-0970
- Cunningham, John William
Apache Oil Corporation
1700 Lincoln, Suite 4900
Denver, Colorado 80203
303/837-5110
- *Diggle, Frederick J., III
11 East Wavy Oak Circle
The Woodlands, Texas 77380
713/292-3456
- **Doubek, Robert J.
3950 E. Costilla Avenue
Littleton, Colorado 80122
303/771-8148
- Drew, Paul A.
4210 Forest Holly
Kingwood, Texas 77345
713/360-6437
- Earlougher, R. C.
Earlougher Engineering
3316 E. 21st Street
Tulsa, Oklahoma 74114
918/749-5768
- * Edgar, Arlen L.
414 W. Texas, Suite 208
Midland, Texas 79701
915/683-5303
- Frawley, David
FPCO Oil & Gas, Inc.
717 - 17th Street
13th Floor
Denver, Colorado 80202
303/297-2636
- Garb, Forrest A.
Forrest A. Garb & Assoc.
2973 Sunbeck Circle
Dallas, Texas 75234
214/247-7639
- Godsey, Dwayne E.
Petromark Resources
7170 So. Braden
Suite 200
Tulsa, Oklahoma 74136
918/492-8659
- * Grindal, J. Curtis
American Exploration Company
2100 RepublicBank Center
700 Louisiana
Houston, Texas 77002
713/237-0800
- Haley, John D.
Haley Eng. Inc.
5601 South Broadway
Suite 400
Littleton, Colorado
303/795-8578
- Hartsock, James H.
Gruy Petroleum
909 Fannin, Suite 1090
Houston, Texas 77010
713/658-0040
- **Haston, Fred M., Jr.
Seneca Resources
333 Clay Street, Suite 4150
Houston, Texas 77002
713/658-0191
- Hughes, James Douglas
4202 Farhills
Austin, Texas 78731
512/474-2424
- *Jeffreys, E. Geoffrey
P. O. Box 66227
Mobile, Alabama 36660
205/479-4400
- Kornfeld, Joseph A.
Kornfeld International
President & General Manager
Oil Capital Building
Suite 216
Tulsa, Oklahoma 74103
918/496-9500
- **Kurth, Paul
J. P. Morgan Investment
1100 Milam, Suite 2000
Houston, Texas 77002
713/655-0171
- Leach, W. H. Jr.
President
Oilsearch Corporation
7801 Academy Blvd, N.E.
Bldg. 2, Suite 201
Albuquerque, New Mexico 87109
505/822-8424
- McElroy, Paul D.
Monterrey Development, Inc.
RepublicBank Tower
28th Floor
Dallas, Texas 75201
214/651-1631
- Mefford, Jr. Nace F.
Harcor Energy
9401 Wilshire Blvd., Suite 570
Beverly Hills, California 90212
213/859-8284
- Mehlberg, Thomas F.
Trust Co. of the West
400 So. Hope St.
Los Angeles, CA. 90071
213/683-8402
- Moredock, S. K. Jr.
Terra Resources, Inc.
5 Greenway Plaza East
Suite 300
Houston, Texas 77046
713/960-1040
- Morrow, Sam D., Jr.
Retired
2303 Elmgate
Houston, Texas 77080
713/467-4368
- Ogletree, James O.
1331 Lamar, Suite 1459
Houston, Texas 77010
713/739-8332
- *Phillips, R. Curtis
2803 Pounds
Tyler, Texas 75701
214/595-1966
- Ross, John B.
H. J. Gruy & Associates
909 Fannin, Suite 1090
Houston, Texas 77010
713/658-0040

** Telephone # change only

* New Member

NEW LOCATIONS - Continued

*Scanlon, Felix C.
3030 Bernadette Lane
Houston, Texas 77043
713/462-8048

*Schafer, Robert P.
2001 Bryan Tower, #3820
Dallas, Texas 75201
214/754-8010

Sere', Jared Darby
Bellwether Exploration Co.
1300 Main, Suite 1520
Houston, Texas 77002
713/650-1246

Sims, Henry L.
7726 Fairdale
Houston, Texas 77063
713/782-6555

Staires, Donald H.
Staires and Associates
P. O. Box 86
Avant, Oklahoma 74001
918/263-3622

**Stinson, Donald
Arnjac Corporation
1213 Garfield
Laramie, Wyoming 82070
307/745-7404

Stiernberg, R. Cam
First Interstate Bk. of Texas
Energy/Natural Resources
P. O. Box 3326
Houston, Texas 77253
713/226-1855

Wassell, Emmett E.
11207 Carstairs
Houston, Texas 77070
713/376-3627

Wood, J. W., Jr.
H. J. Gruy & Associates
222 W. Las Colinas Blvd.
Suite 2100
Irving, Texas 75039
214/402-4244

Wright, John D.
Questa Engineering
1019 8th Street
Golden, Colorado 80401
303/277-1629

1988 COMMITTEE & TASK FORCE CHAIRMEN

COMMITTEE

Grievance
Qualifications
Membership
Strategic Planning
Evaluation Parameters Survey
Publication
Public Affairs
Publicity Director (Speakers Bureau)
Engineer Registration Representative
Evaluation Report Task Force
Local Bylaws Task Force
Reserve Definition & Guideline Task Force
Continuing Education Task Force
SPEE Historian

CHAIRMAN

Gerald Sherrod
Buddy Sipes
Fred Haston
Charles Milner
Charles Brittan
Cam Stiernberg
Sam Singer
David Knepper
Edwin Barsachs
Open
Gordon Biescar
Barry Van Sandt
Tom Stevens
Herb Poyner

ANNOUNCEMENTS

The "Review of Parameters Used in Property Evaluation" will be completed by mid-May and will be distributed only to those members that request it. If you wish to receive a copy, please contact B. K. Starbuck (713) 651-1639.

!!!! ANNUAL MEETING !!!! Keystone, Colorado - June 12-14, 1988!!!!
- Send in your reservations -

MINUTES OF 1988 SPEE BOARD MEETING
HELD ON 28 JANUARY 1988
PETROLEUM CLUB, HOUSTON

The meeting was called to order by Scott Hickman, 1987 President, at 10:15 AM.
In attendance were:

Scott Hickman, 1987 President
Bob Moses, 1987 Vice President
Chap Cronquist, 1987 Secretary-Treasurer
Amiel David, Director
Vaughn Scanland, Director
Bob Cochran, Incoming Director
Larry Martin, Incoming Director
Charles Massey, Incoming Director
Gordon Biescar, 1988 Chairman, Houston Chapter
B.K. Starbuck, Executive Secretary

After corrections, the minutes of the Board of Directors meeting held at Lake Tahoe on 3 May 1987 were approved.

Scott Hickman re-emphasized that the SPEE board meeting is open to members and extended an invitation to local section chairmen and committee chairmen to attend.

Vaughn Scanland volunteered to handle publicity for the newly elected board members and officers of the Society.

Scott Hickman recognized the service of those board members whose terms of office expired, with special recognition for Charles Milners Chairmanship of the Strategic Planning Committee.

Chap Cronquist reported that as of 19 January 1988 the checking account balance of the Society was \$31,160.09. This balance does not include funds held by the local chapters and funds held by the Vance Fund. Outstanding liabilities include approximately \$6000 for printing the new membership directory, for which a bill had not been received at meeting time. Outstanding dues are approximately \$4230. (56 members @ \$60 plus 29 members @ \$30). It was agreed that an interim letter would be sent to delinquent members before a final notice was sent by registered mail. Bob Moses will prepare the letter.

Scott Hickman reported on the following achievements during his term of office:

1. SPEE efforts on revised definitions for oil and gas which were promulgated by the SPE in the May 1987 JPT were "adequately" recognized by the SPE, thanks to then president Bud Rietman.
2. SPEE By Law changes approved at the Lake Tahoe general meeting were approved by the members by mail ballot and will appear in the new membership directory.
3. Committee restructuring, began during the year, will be completed during 1988.

4. Items incomplete include:

- a. Engagement letter
- b. Evaluation report format
- c. Reserve definitions guidelines
- d. Governance of local chapters, including handling of funds, etc

5. "Major problems" include:

- a. Need for better continuity
- b. Need to "exploit" annual meetings and other functions and activities to increase qualified membership
- c. Need to promote "professionalism" among younger engineers

Committee reports were as follows:

1. Public Affairs - Please refer to written report submitted by Sam Singer, Attachment "A". Larry Martin commented on his efforts to get legislative action that would allow professionals to obtain mechanics liens for unpaid bills. He will contact Barry Van Sandt to see if the American Appraisers Association might get involved in this activity.
2. Grievance - Written report submitted. (Attachment "B"). It was noted by one of the Directors present (earlier in the meeting) that an SPEE member in Dallas had been indicted for misappropriation of funds. The Board did not take formal action on this report.
3. Qualifications - Written report submitted. (Attachment "C"). No Board comment.
4. Publication - Written report submitted. (Attachment "D"). No Board comment.

Task Force and other special reports were as follows:

1. Evaluation Report - Written report submitted. (Attachment "E"). No Board comment.
2. Survey of Parameters Used in Property Evaluation - Written report submitted. (Attachment "F"). No Board comment.
3. Employment Opportunities - Written report submitted. (Attachment "G"). No Board comment.
4. SPEE Representative to SPE Engineering Registration Committee - Written report submitted. (Attachment "H"). No Board Comment.

5. SPEE Brochure - Draft submitted. (Attachment "I"). Board members agreed to review and submit comments to Vaughn Scanland.

Local Chapter reports were as follows:

1. Houston Chapter - Gordon Riescar, 1988 Chairman, reported the Chapter meets monthly and that there are from 40 to 60 members at each meeting. They have a speaker each month, but getting good speakers continues to be a problem. The Chapter is "solvent," having approximately \$1500 cash on hand. The Chapter helps sponsor the Science and Engineering Fair and is involved in the Houston science museum. Gordon characterized the Chapter activities as "low level," but effective.
2. Dallas Chapter - Chap Cronquist, immediate past Chairman, reported that the Dallas Chapter meets monthly and has from 10 to 20 members at each meeting. They have a speaker each month. The Chapter is "solvent." J.W. Wood, Jr. is the 1988 Chairman. Bob Cochran commented on the continuing need to get good speakers for local Chapter meetings and suggested exchanging references.
3. Tulsa and Denver Chapters - No report, but believed to be active.

The following items of old business were handled:

1. New membership directory - covers are drying and directory should be ready for mailout next week. In the interim, Board members received "work" copies. The estimated cost of \$6000 (please see Treasurer's report) includes binding only 500 of the 700 copies printed. Larry Martin volunteered to provide labor and equipment to bind the remaining 200 copies. Amiel David noted that company affiliation is not shown for many members. B.K. commented that if affiliation is not reported it can't be included. She also noted that new pictures will be needed for the next directory, as the ones on hand are worn out from handling.

Scott Hickman, for the Executive Committee, recommended that free distribution of the directory be made to SPEE members, bank engineers, major accounting firms, and major law firms in the southwest. (Bob Moses has the distribution list, which will be made available to members on request to avoid duplicate mailouts) Otherwise, copies would be sold for \$20 each.

2. It was reported that the Harold Vance Fund had \$25,356. (\$16,718 in CD's and \$8638 in new money market investments) It was also reported that the charter was being reviewed because, as structured, there may be a problem, with the IRS. After some discussion it was the sense of the board that the SPEE will consider assisting the Vance Fund, should they need financial or other assistance to resolve the apparent difficulty.
3. Scott Hickman, for the Executive Committee, recommended that the Speaker's Bureau be handled by the Publicity Director (David Knepper), with outlines and proposed slides, etc., being reviewed by the Executive Committee before "release." After some discussion, it was noted that the Speaker's Bureau would not preclude individual members (other than the Speaker's Bureau) from giving talks on the SPEE if requested to do so.

4. Chap Cronquist reported that the Annual Meeting will be held in Keystone, Colorado from 12 thru 14 June 1988, aside from the IPAA meeting, in keeping with member preference, i.e., a recent poll conducted by the Strategic Planning Committee. A mailout to members is planned for early March, with a registration form and announcing program, etc. In the interim, however, Vaughn Scanland will have notices placed in industry publications, and all board members are encouraged to spread the word.
5. After being properly moved and seconded, "Hank" Gruy was unanimously elected a Life Member of the Society, in accordance with Article IV Section 3 of the Society By Laws.
6. After considerable discussion, after being properly moved and seconded, the following resolutions were voted by the Board:
 - a. The Executive Committee would be authorized to invite non-members to attend the Annual Meeting, with the Society paying registration and other meeting fees and hotel bill for the invitee and one guest, with the invitee being responsible for transportation costs to and from the meeting.
 - b. The Executive Committee would be authorized to invite SPE Board Members, SPE Junior Members, and SPEE membership applicants to attend the Annual Meeting at SPEE member price.
7. The current committee organization is reflected by Attachment "J".
8. Scot Hickman, for the Executive Committee, restated Society policy: No member is authorized to contact legislative bodies on behalf of the SPEE without prior authorization from the Executive Committee.

The following items of new business were handled:

1. Scott Hickman conveyed the contents of a letter from Aaron Cawley: Clark Gillespie currently is incapacitated as a result of a severe heart attack and his resignation from the board was submitted. After some discussion, it was the sense of the Board that Clark's resignation be accepted with regret and that he be thanked for his past service to the Society. Later in the meeting, upon being properly moved and seconded, the Board unanimously passed a resolution of appreciation for Clarks' service:

Resolved, that the Board of Directors of the Society of Petroleum Evaluation Engineers accepts with regret Clark Gillespie's resignation from the Board and expresses deep appreciation for his service to the Board, with the prayer he soon will recover from his incapacity.

After being properly moved and seconded, Tom Mehlberg (Trust Company of the West) was unanimously elected to serve the remainder of Clark's term, with the provision he not be precluded from being nominated for election to serve a full term if so considered at a later date.

2. After being properly moved and seconded, Bob Moses was unanimously elected to serve a one year term as Director at Large, as provided in the Society By Laws, Article VII, Section 7.
3. After being properly moved and seconded, Bob Moses was unanimously elected President of the Society for 1988.
4. After being properly moved and seconded, Chap Cronquist was unanimously elected Vice President of the Society for 1988.
5. After being properly moved and seconded, Vaughn Scanland was unanimously elected Secretary-Treasurer of the Society for 1988.
6. Bob Moses appointed Gordon Biescar to Chair a Task Force to develop recommended By Laws for governance of local chapters. In subsequent discussion it was noted that SPEE members in cities where there are not enough members to form a local chapter are, nevertheless, encouraged to hold meetings to advance Society objectives.
7. The following other items were noted briefly by Bob:
 - a. Barry Van Sandt has agreed to continue as Chairman of the Reserve Definitions Guidelines Task Force.
 - b. Tom Stevens has agreed to look into what other societies are doing on continuing education and certification. He will report at the Annual Meeting in June.
 - c. The position of "Historian" is still open. Ray Brack was suggested as a possible candidate.
 - d. With reference to Clark Gillespie, consideration will be given to amending the By Laws to allow the Executive Committee to waive dues for members who become incapacitated and are unable to work.

There being no further business before the Board, the meeting was adjourned at 2:45 PM.

Attest,


Chapman Cronquist
Secretary-Treasurer, 1987