



March 1998

SPEE Newsletter

President's Letter

I wish to take this opportunity to thank the membership, the Board of Directors and the Executive Committee for the privilege of serving as the 1998 President of SPEE. It has been extremely gratifying to work with the many Committee Members and Chairmen, Chapter Officers and Board Members who unselfishly contribute their time and effort to SPEE. I look forward to the challenges and opportunities which lie ahead for our Society this year.

I want to take the opportunity to thank 1997 President Forrest Garb for his efforts in guiding our Society and his vision as to the future for SPEE. I look forward to working with Forrest as we continue to identify the goals and objectives for SPEE in the coming years.

New Officers

Officers elected at the January 26, 1998 Board of Directors' meeting held in Houston were President **Gene (Skip) Wiggins**, Vice President **Andy Merryman** and Secretary/Treasurer **Richard Miller**. The three new Board of Directors members elected at the end of 1997 are **Brian Ausburn**, **J.D. Hughes** and **Harry Gaston**. **Forrest Garb** becomes the fourth member of the Executive Committee as immediate Past President

The Society now has 499 members which is an increase of 22 (4.6 percent) over last year at this time. At present, 48 percent of the membership is over the age of 55 with a mean average age of 56 years. This percentage is projected to increase to 61 percent by the year 2003 assuming no growth in membership. It is noted that only six percent of the membership is from the Banker/Financial sector of the industry which appears to be small in light of the objectives of our Society.

Membership Drive

In an effort to address the membership growth problem, the Board of Directors at the January 26th meeting elected to institute a membership drive. SPEE members can now receive free dues for one year for every two new members which they recruit into the Society. In addition, an Ad Hoc Membership Committee has been formed which will explore the options available to the Society to expand membership to the International community as well as to those individuals who are active in property evaluation work but are not registered engineers. Other efforts to increase membership include the proposed formation of a Fort Worth Chapter.

At the Board of Directors' meeting, **Andy Merryman** presented a report on the financial status of the Society

which indicated a cash balance at the end of 1997 of \$41,408. Total revenues for 1997 were \$80,212 versus total expenses of \$83,348. Reported revenue did not include \$4,710 received in 1997 for 1998 dues. The Annual Meeting in Williamsburg realized a small profit of \$503.

Annual Meeting in June - Monterey, California

Plans are currently underway by **Andy Merryman** and his committee for the 1998 Annual Meeting to be held June 7 through 9th in Monterey, California. More information concerning the Annual Meeting in Monterey is contained in this newsletter. The La Mansion del Rio Hotel in San Antonio has been chosen as the site for the 1999 Annual Meeting which will be held June 6 through 8th. In addition, the Vancouver/Whistler area of British Columbia has been chosen as the site for the 2000 Annual Meeting. Special thanks to **Richard and Carol Lillie Miller** for their efforts as the Annual Meeting Advanced Planning Committee.

Honors/Appointments

At the Board meeting, **T. Scott Hickman** was elected Honorary Life Member. This honor is reserved for "outstanding achievement in the profession of petroleum property evaluation and/or significant and exceptional service to the Society." The award will be formally presented at the Annual Meeting this summer in Monterey.

Jim Haag has accepted appointment as chairman of the all-important SPEE Qualifications Committee. Much thanks goes to **Vaughn Scanland** for his outstanding job as Qualifications Committee Chairman over the past several years.

Monographs

I am pleased to announce that the second edition of Monograph I is nearing completion and should be printed and available to SPE for sale to the public by the SPEE Annual Meeting date in June. **Brian Ausburn** as Chairman of the Reserve Definitions Committee is to be commended for the tremendous effort which he and his committee have put forth in completing this project. **Russ Long**, Chairman of the Fair Market Value Committee, has indicated his intention to complete the Fair Market Value Monograph by year end. Both of these publications represent major contributions by SPEE to the science of petroleum evaluation engineering.

Continued on page 4

ANNUAL MEETING - June 6-9 - Monterey, California - Make your reservations NOW!

**SPEE Officers, Board of Directors
1998**

Officers

President Gene B. (Skip) Wiggins, III
 Vice President Andrew A. Merryman
 Secretary/Treasurer Richard J. Miller
 Past President Forrest A. Garb

Directors

William D. Anderson
 Brian E. Ausburn
 Harry J. Gaston
 James D. (J.D.) Hughes
 Kerry A. Pollard
 J. Glenn Robinson
 John Thibeaux

Committee Chairmen

Evaluation Parameters Survey Kerry A. Pollard
 Fair Market Value D. Russell Long
 Gas Imbalance Richard B. Banks
 Grievance John N. Black
 Internet Gary Swindell
 Inter-Profession Sam Singer
 Membership Charles R. Vanorsdale
 Newsletter Manager Jon E. "Rick" Riseden
 Past Presidents Council Arlen Edgar
 Qualifications James W. Haag
 Reserve Definitions Brian Ausburn

Individual Appointments

Annual Meeting Advanced Planning Richard J. Miller
 Chapter Coordinator J. D. Hughes
 1997 Directory Raymond Garcia
 Production Tax Summary Charles G. Massey
 Professional and Public Affairs James F. Eisterhold
 Publicity Director M. Fred DUEWALL
 Historian Herbert Poyner
 Liaison Representative on SPE
 Oil & Gas Reserves Committee Chapman Cronquist
 AD HOC - Foreign Meeting Paul Clevenger
 Investigation Committee Dave Tutt

Chapter Officers - 1998

CALGARY

Glenn Robinson, Chairman
 Robert Odd, Vice Chairman
 Mike Brusset, Secretary-Treasurer
 David Tutt, Past Chairman and Membership Coordinator
 (3rd Tuesday of each month excluding July and August)

CALIFORNIA

Chairman, Richard Miller
 Vice Chairman, Mike Starzer
 Secretary/Treasurer, Barry Evans

CENTRAL TEXAS

S. Tim Smith, Chairman
 Richard A. Johnston, Vice Chairman
 Wayman T. Gore, Jr., Co-Membership-Austin
 Paul Clevenger, Co-Membership-San Antonio
 Michael Horne, Secretary-Treasurer
 (Quarterly - Austin Country Club)

DALLAS

Fred DUEWALL, Chairman
 Bob Ravnaas, Vice Chairman
 Robert Blair, Secretary-Treasurer
 Mark Doering, Membership Chairman
 (Bimonthly-September through May - CityPlace)

DENVER

Larry Nelms, Chairman
 Steve Gilbert, Vice Chairman (Program)
 Nanette Shulz, Secretary/Treasurer
 Rene G. Daigre, Jr., Membership Chairman
 (2nd Wednesday of first month of each quarter - Hershner Room - One Norwest Center)

HOUSTON

Marilyn Wilson, Chairman
 Fred Goldsberry, Vice Chairman
 Dan Olds, Secretary-Treasurer
 Kevin McNichols, Program Chairman
 (1st Wednesday of each month - Petroleum Club)

MIDLAND

Cathy Norwood, Chairman
 Dean Eiland, Vice Chairman
 Mike Black, Secretary-Treasurer
 Bill Huck, Membership Chairman
 (Bimonthly)

NEW ORLEANS

W. Denton Copeland, Chairman
 Tim Brookover, Vice Chairman
 James A. Glanzer, Secretary/Treasurer
 (1st Wednesday of each month)

OKLAHOMA CITY

Max Holloway, Chairman
 Fred Ferris, Vice Chairman (Program)
 Brian Powley, Vice Chairman (Membership)
 Bruce Heath, Secretary/Treasurer
 (Every other odd numbered month)

TULSA

Sharon Voskuhl, Chairman
 Richard Banks, Vice Chairman/Programs
 Donald Staires, Vice Chairman/Membership
 Robin LeBleu, Secretary-Treasurer
 (1st Tuesday of each month - Petroleum Club)



SPEE

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The SPEE Newsletter is a quarterly publication of the Society of Professional Evaluation Engineers. News items, correspondence, address changes and advertising inquiries should be directed to SPEE headquarters in Houston, Texas.

Chapter News

CALGARY

Interest in the SPEE in Calgary area continues to grow. There are a total of 23 active members, with four applicants pending approval. The chapter has 10 meetings a year, with the format of the meetings alternating between formal luncheons, with guest speakers, and membership luncheons, to discuss evaluation issues.

In November the guest speaker was Roger Butler, President of Gravdrain Inc. and Professor Emeritus at The University of Calgary. His topic was "Recent Thoughts on Horizontal Wells." In December there was a business meeting at which the major discussion was Constant Prices and Costs and Review of CIM Reserve Definition Committee's "Reserves Questionnaire" by Harry Jung. In January, Dennis J. Hoffman, Partner, Price Waterhouse, will discuss "Impact on Reserves Report on Financial Reporting."

CENTRAL TEXAS

The Central Texas Chapter meets approximately quarterly. Due to the demographic makeup of the membership, the chapter strives to meet at least once each year in San Antonio. Meetings in Austin are held at the Austin Country Club and meetings in San Antonio are held at the San Antonio Petroleum Club. The chapter currently has 24 members.

Two meetings have been held since June 1997. The first was held July 25th and featured Russ Long who reviewed the panel discussion held in Williamsburg regarding the new reserve definitions adopted by SPE and the WPC. The meeting was followed by a golf outing. The second meeting was held December 4th with Glenn Harrison leading a roundtable discussion on the current trends in energy lending.

DENVER

The Denver Chapter's first meeting of 1998 was held on January 14th. Richard Banks, president of Scientific Computer Applications, Inc. made a presentation entitled "Is There a Standard Economic Format in Your Future?"

Currently, the Denver Chapter membership stands at 40 members, 2 junior members, and several applications pending membership.

HOUSTON

The Houston Chapter has nine monthly luncheons at the Petroleum Club of Houston, with approximately 50 in attendance. 90% are regular members and about 10% guests. The current membership stands at 176. The 1998 officers are as follows:

Chairman Marilyn Wilson
Vice Chairman - Fred Goldsberry
Secretary/Treasurer - Dan Olds
Program Chairman - Kevin McNichol

The November 5 meeting had Doug Boone as the speaker. He discussed "Basic Economics - Where are the Pitfalls?"

On December 3, local member Fred Goldsberry discussed "How Long is Long Enough? (Pressure buildup analysis)."

On January 8, Joe Warren presented a talk on "A Simple Model for Predicting the Performance of a Complex Producing Field."

NEW ORLEANS

The New Orleans Chapter enjoyed another successful year in 1997. The average attendance at the monthly meetings was about 12 persons. The Chapter has continued to format the meetings between technical presentations and panel discussions. Speakers in the second half of 1997 included Ron Youngblood of Schlumberger, Francesca Beamont of PD/Dwights, and Chris Hopkins from S. A. Holditch & Associates. Topics were "New Technology for Formation Evaluation," "PI/Dwights Database," and "Advanced Statistical Production Data Analysis." There was a Christmas social held in lieu of a formal December meeting.

OKLAHOMA CITY

The Chapter continues to meet the second Thursday of every odd-numbered month. The meetings are held during the lunch hour at the Petroleum Club in downtown Oklahoma City. The November meeting's presentation was given by Max Holloway and was titled "Producer's Prospective of Day Trading Spot Market Gas." This talk centered on daily and monthly pricing trends and their influence on base loading versus day trading. It involved a lot of audience participation as they were able to make "trading" decisions and then get immediate feedback.

Ken Olive with the Oil and Gas Asset Clearinghouse presented "Market Value and Recent Trends of Properties Sold at Auctions." His presentation was good and is recommended to other chapters.

TULSA

On November 4th Branch Russell discussed "The Syntroleum Process: Harvesting Stranded Natural Gas." The December 7 meeting had The Holiday Munch and Crunch with Jana Love. And on January 6th, Richard Banks presented the program "Is There a Standard Economic Format In Your Future?"

The new officers for 1998 are:

Chairman - Sharon Voskuhl
Vice Chairman (Program) - Richard Banks
Vice Chairman (Membership) - Donald Staires
Secretary/Treasurer - Robin LeBleu

IN MEMORIAM

Felix C. Scanlon
Houston, Texas
November 13, 1997

President's Letter

Continued from page 1

Efforts are ongoing within SPEE to continue to constructively influence reserve definition issues with the SPE and the World Petroleum Congress (WPC). These efforts are led by **Chap Cronquist**, SPEE Liaison with the SPE Reserve Definitions Committee and **Brian Ausburn**, Chairman of the SPEE Reserve Definitions Committee. Areas within the new definitions (approved March 1997) which continue to cause concern to SPEE relate to multiple definitions of the term proved (i.e., "reasonable certainty" versus 90 percent confidence level) and the fact that the new definitions do not prescribe the aggregation level to which the 90 percent confidence level is to be applied. SPEE will continue to actively work with SPE and the WPC in an effort to resolve the definition issues discussed above and looks forward to contributing to a set of worldwide definitions which are suitable for our industry's requirements.

At the Board of Directors' meeting, a proposal was made concerning SPEE-sponsorship of a proposed evaluation software symposium. Anyone interested in serving on a committee to support this effort should let me know.

There is insufficient room in this newsletter column to recognize the efforts of all members who actively contribute to our Society. However, in closing, I would like to give special thanks on behalf of the Society to the tireless efforts of **Russ Long** (1997 Past President), **J.D. Hughes** (Chapter Coordinator), **Ray Garcia** (1997 Membership Directory Chairman), **Arlen Edgar** and the **Council of Past Presidents** and **B.K. Buongiorno**. We are a better Society due to the efforts of these individuals.

I hope everyone can plan to be in Monterey in June for what promises to be a most memorable Annual Meeting!

Gene (Skip) Wiggins

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February 16, 1998

To my friends of SPEE:

There are a few times in a person's life when he feels that he has received more than he has given in a relationship. My association with our Society is one of those times for me. I have indeed been privileged to work with the Board of Directors, which changed in personnel each year, but never in dedication. I have sincerely enjoyed the somewhat heady feeling of being the President, and have a deep appreciation of having been allowed by my peers to assume this office.

My only regret is that my term in the administration of our Society came during a time when responsibilities to care for aged and ailing parents hampered my availability to serve. I regret that I did not accomplish many of the things targeted. I hope that as "Past President" I can continue toward the original goals in several areas.

At the expense of bruising the feelings of some, I hope we can find a way for making the Society more accessible to international evaluation engineers.

I look forward to continuing the efforts to publish the Monograph 1 on definitions and the developing Monograph 2 on Fair-Market-Values.

But most of all, I look forward to many pleasant occasions to break bread and bend an elbow with the finest group of professional people on the planet earth.

Yours very truly,

Forrest A. Garb, Past President

Membership Applicants

The following member applicants have been approved by the Qualifications Committee. The bylaws require that names be presented to the membership for at least 30 days as a pre-membership requirement. Any member with an objection should address the objection to the Executive Committee (see bylaws regarding other important details) since the application has already passed through the Qualifications Committee.

Applicant	Sponsor	Applicant	Sponsor
TIMOTHY JAY BROCK Brock Engineering 763 Wolverine Road Mason, Michigan 48854-9304	Les Nemeth Robert Odd John Warner	CHARLES E. NELSON Sarita Energy Resources, Ltd. P. O. Box 273127 Houston, Texas 77277	C. L. Brittan Dan Olds Rick Riseden
STEVEN WAYNE DAVIS Pluspetrol International 5599 San Felipe, Suite 1000 Houston, Texas 77056	Brian Ausburn Walter Dowdle John Hunter	KENNETH M. PETRIE LaRoche Petroleum Consultants 4600 Greenville, Suite 160 Dallas, Texas 75206	William Anderson Mark Doering Michael Flanigan
DAVID COMPTON ELLIOTT Gedsgil Consulting Ltd. 6407 Laurentian Way S.W. Calgary, Alberta T3E 5N2 Canada	Noel Cleland Glenn Robinson Dave Tutt	DARRELL LEE PIERCE PanEnergy Corp. 5400 Westheimer Court Houston, Texas 77056	Larry Barnett Robert Hubbell Robert Mannon
LETHA C. LENCIONI Enron Oil and Gas Company 1625 Broadway, Suite 1300 Denver, Colorado 80202	Norman Adams Nanette Schulz Barry Van Sandt	ELIZABETH P. RICHARDS EBCO U.S.A., Inc. P. O. Box 22177 Oklahoma City, Oklahoma 73123	Richard Brown Curtis Phillips David Yard

WANTED!!! NEWSLETTER ARTICLES

There is always space available for articles you wish to contribute to this quarterly newsletter. Contact Newsletter Manager Rick Riseden 713-781-1537

Free 1999 Membership Dues

Just recruit 2 new members anytime during 1998!

The Houston chapter has started presenting leather map weights imprinted with the SPEE logo as speaker gifts. If you are interested in acquiring these for your chapter, please give B.K. a call at 713-651-1639 for cost information, etc.

SPEE P.O. Box Discontinued

We will no longer be using the P.O. Box in Houston. Please address mail to 811 Dallas St., Suite 1416, Houston, TX 77002 address

Correction To Parameters Survey

I recently discovered an error in the Sixteenth Annual Parameters Survey dated June 1997. The table of Summary Data on page two should be corrected to show the following P50 values for Acquisition Adjustment Factors. Please make these corrections in your copy of the survey.

Acquisition Adjustment Factor	P50
Proved Shut-in	85%
Proved Undeveloped	60%
Probable Producing	25%
Probable Behind Pi	25%
Probable Undeveloped	20%

No other errors have been found.

Andy Merryman

Annual Meeting Monterey, California June 7-9



For more than 300 years the Monterey Peninsula has enchanted all who experience it from creative giants like John Steinbeck, Henry Miller, Robert Louis Stevenson, and Ansel Adams, to movie stars like Doris Day and Clint Eastwood. You too can share the experience at our annual meeting beginning on June 6. The Monterey Marriott will be our headquarters for a short course on Sunday afternoon and technical sessions on Monday and Tuesday mornings. Other time slots will be filled with specially planned activities including a Sunday evening welcome reception and a Monday night dinner (coat and tie for men) both of which will be at the Marriott Hotel. Many thanks to Richard Miller for his work with our Monterey event planner to get these plans together.

The Sunday short course to be taught by Steve Holditch will address the uses of 3D seismic for reserve evaluation. We are all interested in this topic, and this presentation by an engineer (one of our members) should provide information we can use in our own evaluation efforts.

Bernie Brauer has put together a stellar agenda of top-notch speakers and expanded last year's popular panel discussion to include case studies as well as valuation concepts. We expect a lively interaction between the panel and the audience that you won't want to miss. So, sign up as soon as the registration packet arrives. The Marriott Monterey Hotel will hold our block of rooms until May 15. Those who have not made their reservations by then will not be guaranteed a room at our special discount price of \$145 for singles and doubles.

Mark your calendar for the Monterey Marriott on June 6, 7, 8, and 9. Then be looking for the registration packet to arrive in late March, and don't forget to pack sweaters and walking shoes. See you in Monterey!

The Houston Chapter of the Society of Independent Professional Earth Scientists (SIPES) announces a continuing education seminar: "Independents and Consultants, How Advances in 3-D Can Benefit You."

Date and Time: Wednesday, March 25, 1998, 8:00 a.m. to 5:00 p.m.

Location: The Shell Auditorium, conveniently located downtown on the tunnel system beneath the lobby of One Shell Plaza.

Cost:

Pre-registration:	\$55.00 for non-SIPES members
	\$35.00 for SIPES members
On-site registration:	\$75.00 for non-SIPES members
	\$50.00 for SIPES members

To Register: Send your name, address, telephone number and check to:
Houston Chapter of SIPES
811 Dallas, Suite 1416
Houston, Texas 77002

Questions: Call B.K. Buongiorno at 713-651-1639

Topics:

Terms of the Deal	Laws and Regulations
Acquisition and Design	Pitfalls
Processing	Coherence
Velocity Anomalies	Attribute Analysis

SPEE

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