



May 1997

SPEE Newsletter

President's Letter

I sincerely hope that all of you have made your reservations for the SPEE Annual Meeting, June 7-10 in Williamsburg, Virginia. A review of the programmed papers and the entertainment options clearly demonstrate that Skip Wiggins and his committee have done a tremendous amount of work in behalf of the membership. I am once again looking forward to a few days of learning and socializing with the best technical group of industry people I know.

Our industry is certainly a dynamic one. A lot happens between Annual Conventions. This year, for example, there are the new reserve definitions approved by the Society of Petroleum Engineers and the World Petroleum Congress for us all to discuss. Your Society has been in good communication with the SPE committee in charge of the development of the new definitions and has provided the committee with a summary of the concerns voiced during the SPEE Board of Directors meetings. Brian Ausburn and your SPEE Definitions Committee have prepared (in a very timely fashion) an update to the Monograph 1 which incorporates the revised definitions. The eventual evolution of a set of detailed guidelines for the application of probabilistic reserve estimates to appraisals and evaluations will certainly require the thinking and input of the best minds in our society and industry, if it can even be done. There are also some "hot topics" such as coal bed methane and co-generation evaluations for the SPEE members involved in appraising investments.

Another subject the SPEE must eventually face is the fact that more and more foreign investment opportunities are being considered by our membership. While the Society is growing domestically, and is now adding a California chapter, our attitude in the past has been not to consider expanding into international status beyond our chapter in Canada. Part of the reservation about expansion has been the requirement of registration, because some countries do not offer registration. A separate class of membership has been suggested for such applicants, and if our Society is to maintain a quality control presence internationally, perhaps we should consider this as one of several options. With the continued growth of international investment opportunities, there does seem to be a need to revisit our past conclusions.

Again, I am looking forward to visiting with you in Williamsburg. If there are any topics of discussion or if I can be of any service to you, please let me know.

Forrest

Economic Parameters Survey

By now all of you should have received your questionnaire for the 1997 Economic Parameters Survey. The same questionnaire asks your preference for Annual Meeting locations, and your opinions on the new SPE reserve definition. This year's questionnaire was designed to be quicker and easier to complete in order to encourage more members to participate. Many people interested in our industry look to this survey for guidance because they recognize SPEE members as experts in oil and gas evaluation. Yet, the guidance they receive is limited unless all our members participate. Please take a minute to find your questionnaire, select at least a few questions to answer, mark your responses, and return the questionnaire to B.K. Buongiorno. We really need your help to ensure that we have enough responses for the parameters survey, for planning Annual Meetings, and for working with the SPE. As always, all of your responses are confidential.

Andy Merryman

W A N T E D

BREAKFAST SPONSORS 1997 SPEE ANNUAL MEETING

Any individual or firm interested in sponsoring Member breakfasts at the Annual Meeting in Williamsburg on Monday, June 9th and/or Tuesday, June 10th should contact Skip Wiggins (504) 581-6527.

Sponsoring firms and/or individuals will be recognized at the Annual Meeting for their contribution.

Chapter News

CALGARY

The Calgary Chapter currently has 16 members, with 7 applications awaiting SPEE membership committee approval. With our growing membership and evaluation issues that must be addressed, we have increased our meetings to 10 per year. They are currently scheduled for the third Tuesday of every month, excluding July and August. Every second meeting will be a formal luncheon gathering with a guest speaker and the alternate meetings will be used to address evaluation issues amongst the membership.

The last quarterly meeting was held on February 18, 1997 at the Calgary Petroleum Club, with Ms. Mavis Legg, Financial Analyst with the Alberta Securities Commission as guest speaker. The topic of discussion was the philosophy of the Alberta Securities Commission regarding independent reserves evaluations, with particular reference to the constant price case, stating that the selection of prices to be used in the constant price case was at the discretion of the independent consultant. The meeting was attended by 17 members and guests.

The Calgary Chapter membership is presently developing a policy with regards to constant prices and costs to be used for public disclosures and also for ceiling tests. We are planning to develop a policy manual to record our views on particular evaluation issues.

The SPEE recently sponsored an Insight seminar in Calgary. Mr. Glenn Robinson presented an introduction to the SPEE, and Mr. David Tutt, the membership coordinator, provided attendees with general information and pamphlets. Several application forms were distributed during the two-day seminar.

DALLAS

The Dallas/Fort Worth Chapter continues to grow! We would like to welcome new members Blair Garrett, Bill Edwards, Ed Butler, Gavin Garrett, Dee Patterson, Philip Crouse, and Eric Hyman. Total membership now stands at 51.

Luncheon meetings are held bimonthly from September through May at City Place just north of downtown Dallas. Our final meeting this Spring will be Thursday, May 15. Don't miss this meeting! We will be electing new officers to serve for the next 12 months. Of course, we will also have an interesting guest speaker.

We look forward to seeing everyone in Williamsburg!

DENVER

The Denver Chapter held its quarterly meeting April 10th. Allen Rheem, Vice President, Wells Fargo Bank, spoke to the section. Mr. Rheem discussed the commercial bank's view of production loans for independent producers, the criteria involved in arranging loans and the bank's desire to cultivate and maintain long term relationships with its independent clients. Following his presentation, the floor was opened for questions and discussion. This was the Denver Chapter's first meeting at its new site, the Hershner Room - One Norwest Center. Despite the inclement weather, 30 members and guests were in attendance. One member made it all the way through the snow from Laramie, Wyoming.

A straw poll of the attendees indicated about 25% of the members present plan to attend the National Convention in Williamsburg, Virginia, June 7-10. Other meetings are scheduled for July 10 and October 8.

NEW ORLEANS

The New Orleans Chapter has enjoyed another successful year. The average attendance of our monthly meetings has been about 15 persons. As a rule, 50% of those attending are nonmembers. We attribute this participation of nonmembers to our excellent speakers. Speakers this year include Steve Maley with Badger Oil, David Meaux with the IRS, Terraine Wilson of Exxon and past National Director of COPAS, Carl Granger of Schlumberger, Allen Green of Texaco and Fawzi Guehria with Petroleum Experts. We certainly appreciate the efforts of these people most of whom traveled to New Orleans at no expense to the New Orleans Chapter. Our March meeting was held jointly with SIPES and the May meeting will be a joint meeting with the local API chapter.

Our chairman, Rick Miller, was transferred to Houston as Onshore Production Manger for CNG Producing at year end. We wish Rick our best with his new position and thank him for his support and leadership of the New Orleans Chapter throughout our short history.

We are already planning for the 1997-98 year. We plan to have speakers at only five meetings with open or round table discussion at the other meetings. We are also considering making the Christmas meeting a social only. Our slate of officers for the upcoming year is W. Denton Copeland of S. A. Holditch & Associates - Chairman, Tim Brookover, Atwater Consultants - Vice Chairman, and James A. Glanzer of Crescent Technology - Secretary/Treasurer.

Welcome New Members

GARY R. CHRISTOPHER
Kaiser-Francis Oil Company
P. O. Box 21468
Tulsa, Oklahoma 74121
(918) 491-4576

PHILIP C. CROUSE
Philip C. Crouse & Associates
400 N. St. Paul, Suite 440
Dallas, Texas 75201
(214) 220-9091

MILTON R. FRY
Memorial Exploration Company
17 S. Briar Hollow Lane, Suite 200
Houston, Texas 77027
(713) 961-0732

STEPHEN E. HEITZMAN
Consultant
3106 Holly Court
Missouri City, Texas 77459
(281) 622-3311

ERIC J. HYMAN
4429 North Central Expressway
Dallas, Texas 75205
(214) 559-2996

JAMES JERRY JAMES
James Engineering, Inc.
231 Third Street
Marietta, Ohio 45750
(614) 373-9521

WILLIAM A. JENTSCH, JR.
P. O. Box 27571
Houston, Texas 77227-7571
(713) 802-2007

L. WAYNE LITTLEFIELD
504 Fair Foundation Building
Tyler, Texas 75702
(903) 533-0479

LARRY A. THARP
Compass Bank
24 Greenway Plaza, Suite 1401
Houston, Texas 77046
(713) 968-8280

DOUGLAS W. YORK
St. Mary Land & Exploration Company
1776 Lincoln Street
Denver, Colorado 80203
(303) 930-9431

Membership Applicants

The following member applicant has 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
GREGORY ALLYN AVRA
H. J. Gruy and Associates, Inc.
1200 Smith, Suite 3040
Houston, Texas 77002

Sponsor
H. J. Gruy
Marilyn Wilson
James Hartsock

Visit SPEE's Home Page on
the Internet:
www.gnofn.org/spee

Questions or comments
concerning the Home Page
should be addressed to the
following SPEE Internet
Committee members:

Richard Banks
Russell Bertholf
Gordon Biescar
Walter Dowdle
Ken Hays
John Lohrenz
Gary Swindell, Chairman
Gene Wiggins



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PETROLEUM COURSES

5601 SOUTH BROADWAY, SUITE 360
LITTLETON, COLORADO 80121

John D. Haley, P.E.
President

Phone: 303-795-8578
FAX: 303-795-5058

1997 SPEE ANNUAL MEETING at WILLIAMSBURG, VIRGINIA

"Energy Outlook: What's Next?"

In the words of Patrick Henry, "I know of no way of judging the future but by the past." Come join us and step into the past, as well as the future! You should have already received the Annual Meeting registration material. If you haven't, please contact B.K. Buongiorno.

- WHERE** Williamsburg, Virginia
- WHEN** June 7-10, 1997 (Saturday-Tuesday)
- HOTEL** The Williamsburg Hospitality House (757) 229-4020 fax (757) 229-9557
Reservation Line (U.S. & Canada) (800) 932-9192
\$99.00/single; \$110.00/double for SPEE members. **Mention Group #6085**
- AIRPORTS** Newport News/Williamsburg (18 miles) - small planes only
Norfolk (47 miles)
Richmond (42 miles) Washington Dulles (204 miles)
Baltimore Washington (210 miles) Washington National (170 miles)
- AIRFARE** Delta Air Lines is our official air carrier (they do not service Newport News)
Discounted travel is good Wednesday, June 4th through Sunday, June 15th with a 5% discount off the lowest published fares (which usually requires a Saturday night stayover) or a 10% discount off full coach fares. Call (800) 241-6760 and refer to File Number: XE174
FYI Inquire about an "instant purchase" ticket available in some markets. These fares can be better than a 21-, 14- or 7-day advance purchase and are still eligible for our discount. However, they will not hold a reservation; you must purchase immediately.
- GROUND TRANSPORTATION** Limosines, taxis, and rental cars are available at the various airports
- TENTATIVE SPEAKERS**
- | | |
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| Roy Willis, Senior V.P. | I.P.A.A. |
| Patricia Godley, Asst. Sec., Fossil Energy | Department of Energy |
| Art Carlson, Managing Director | Trust Co. of the West |
| Charles P. McPherson, Sr. Energy Advisor | World Bank |
| Alan Baker, Former CEO | Halliburton |
| D. Nathan Meehan, Senior Scientist | Union Pacific Energy Resources |
| Dan Tearpock, President | Subsurface Consultants & Associates, Inc. |
- SHORT COURSE** James A. Murtha - Topic: "Probabilistic Software Tools and Their Application in the Evaluation of Petroleum Properties"
- TENTATIVE ACTIVITIES**
- | | |
|----------------|--|
| Sat. all day | Tour of Jamestown Settlement and Yorktown |
| Mon. morning | Spouse activity - Floral Arranging Colonial Style |
| Mon. afternoon | Walking Tour of Colonial Williamsburg |
| Mon. afternoon | Williamsburg Winery Tour |
| Mon. afternoon | Sailing in the Historic Chesapeake Bay |
| Mon. afternoon | Historical Air Tour of Colonial Virginia & Hampton Roads |
| Mon. afternoon | Golf on the National Golf Course in Williamsburg |
| Mon. afternoon | Tennis on the Campus of William and Mary College |
| Mon. afternoon | Children's activity - Day at Busch Gardens |
| Mon. night | Evening at Evelynton Plantation |
| Mon. night | Children's activity - Walking Ghost Tour in Williamsburg |
- WEATHER** 84°F. High; 62°F. Low
- CHILDCARE** Babysitters are available through the hotel with advance notice.
- FOR FURTHER INFORMATION** Call Skip Wiggins, Annual Meeting Chairman, or Ms. Terry Sulli at (504) 581-6527

