



## A Message from the Chair

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**NOW!!**

Dear Los Angeles Basin SPE Members,

Spring is officially here. As a reminder of colorful things to see this spring, please don't forget to attend the National AAPG convention April 1 through April 4 at the Long Beach Convention Center. The AAPG meeting is a good way to support our industry and learn something new at the same time.

**Scholarship season is upon us** now, so be sure to contact our Scholarship Chairperson and make an effort to nominate a deserving high school senior or college student. You can check out the details on the LA SPE Website, **but hurry because time is running out**. And with regards to our scholarship program, please remember that this is your last chance to participate in our annual SPE Golf Tournament fund-raiser in May.

Detailed plans and scheduling for the 2007 SPE Annual Technical Conference and Exhibit have already started in Anaheim. Although the ATCE is in November this year, The LA SPE (as the hosting section) must make arrangements to provide about 160 volunteers for various duties such as manning the technical sessions, escorting students on exhibit hall tours, and helping in the registration area. Also, I am looking for one special individual who would be willing to Chair the committee of volunteers for the registration area. Anyone interested in volunteering, should contact me via the SPE website as soon as possible.

I look forward to seeing everyone at our monthly SPE forum meeting and technical presentation at the Long Beach Petroleum Club on April 10.

Scott McGurk  
Los Angeles SPE Chairperson

**Reserves Management & Auditability – Critical Requirements  
in Today’s Oil & Gas Industry**

The April Monthly Petroleum Technology Forum meets Tuesday April 10, 2007 at the Long Beach Petroleum Club. SPE Distinguished Lecturer Tony Harrison of Santos Ltd. will present “Reserves Management & Auditability – Critical Requirements in Today’s Oil & Gas Industry.” A complete abstract and bio is provided below.

<u>Location:</u> Long Beach Petroleum Club 3636 Linden Avenue Long Beach, CA 90807	<u>Time:</u> Registration: 11:30 AM Buffet Lunch: 12:00 noon Presentation: 12:15-1:00 PM	<u>Cost:</u> \$20.00, students are our guests.
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**Abstract:**

In recent years, petroleum reserves and the technical and commercial support underlying them, have become a hot topic of discussion in the investment community and the media. Senior oil company executives, board members and investors alike have become sensitive to the requirements for reserves booking and reporting. Reserves, whether they be Proved, Probable or Possible, are just one part of an oil companies total portfolio that also includes exploration potential and sub-commercial resources. All of these need to be captured and tracked in order to maximize the total portfolio, and ensure accurate and auditable reserves and resource reporting.

The SPE/WPC/AAPG reserves and resource classification system provides an excellent framework for capturing and tracking the total resource. This, combined with a clearly defined reserves process linked into, and an integral part of, the engineering and geoscience workflow, will provide assurance to all stakeholders that reserves are under control. Discussion will focus on the need for a reserves system that captures the total resource portfolio, the critical decision points within that system (focal points for corporate governance) and a process that provides quality control and an audit trail to ensure reporting requirements are met.

**Biography:**

Tony Harrison has spent nearly 30 years in the oil and gas industry. Graduating in geology and biochemistry at Oxford in the United Kingdom, Tony spent a number of years traveling the world as a consultant geologist before settling down in Australia with Santos Ltd. In more than 20 years with Santos, Tony has enjoyed a number of technical and supervisory roles initially in the geoscience area and then in reservoir engineering. Tony has held his current position of Reserves Manager for around 5 years. In 2004 Tony became a member of the world-wide SPE Oil & Gas Reserves Committee. Tony is an accomplished speaker and in the last couple of years alone, has presented at international conferences in Paris, London, Houston, Tunis and Perth.

## Forum Report for March 2007

### Forum Report for March 13, 2007

Dr. David Lumley, founder of 4th Wave Imaging, Inc. presented an excellent discussion of the application of time-lapse “4D” seismic technology to improved monitoring of reservoir depletion.

Multiple examples were provided showing movement of gas-water and oil-water contacts of North Sea fields depleting over time. Also shown were areas of the fields that were unsupported by pressure maintenance and areas where sweep could clearly be seen. When it works, bypassed oil can be seen, the movement of injection fronts and flow across faults can be monitored and infill well locations can be identified.

Dr. Lumley has developed a combined compressibility contrast analysis that can be used to screen reservoir candidates. His rule of thumb is that an overall contrast of 5% or greater is needed for successful analysis.

Since detailed seismic imaging can show fluid saturations and contacts where there is good compressibility contrast in the reservoir fluids and in higher porosity (>15%) and softer rocks, it would seem that many of the reservoirs in the LA Basin could be good candidates for at least a “snapshot in time” analysis of saturations. Such a look would require repossessing of existing good quality seismic data and ideally comparing the new analysis with reservoir model results.

### Petroleum Technology Forum Update: Remaining 2006 – 07 Season Programs

Including this month’s discussion of the importance of systematically and accurately tracking developed, undeveloped and potential reserves by SPE Distinguished Lecturer Tony Harrison, there are three remaining opportunities to meet your friends and colleagues at lunch and keep up to date on a fresh topic important to our industry. Here is a synopsis of the remaining Forum programs:

April 10, 2007: SPE Distinguished Lecturer Tony Harrison of Santos Ltd. will present “Reserves Management & Auditability – Critical Requirements in Today’s Oil & Gas Industry.” For more details, see the flyer in this month’s newsletter.

May 8, 2007: Barry Evans, President of Evans, Frey and Walker and Tom Walker, Vice-President of Evans, Frey and Walker will present a two-part discussion of world and California crude pricing.

June 12, 2007: Mr. Jerry Anderson, Executive Director, Conservation Committee of California Oil and Gas Producers will speak to us about the role of the CCCOGP in Southern California’s oil producing operations and his views of the future directions of our local industry.

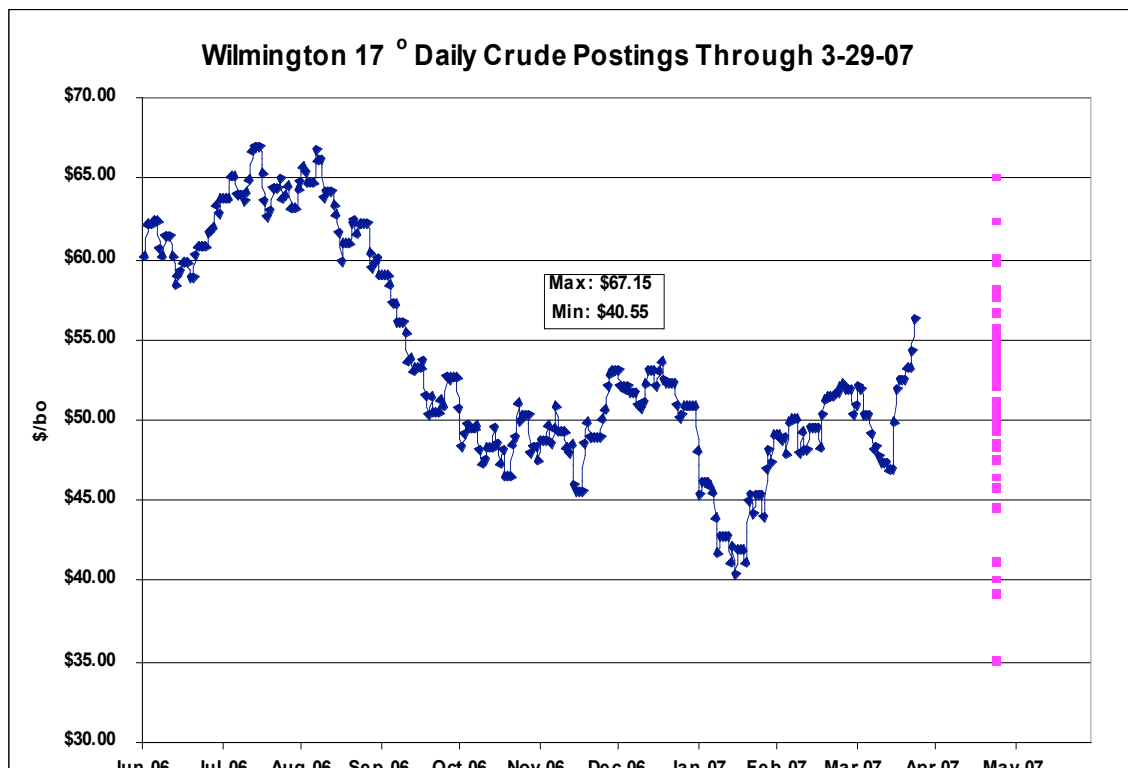
## LASPE Crude Price Challenge

### Crude Price Contest Update

Thanks to all who participated in the contest. The contest closed at 11:59 PM on Valentine's Day and the winners won't be known until the May 1, 2007 price for 17<sup>o</sup> Wilmington crude is posted. The graph below shows the range of prices forecast by entrants and the price as of March 29, 2007. Prices climbed from a low of \$40.15 on January 18, 2007 to \$56.40 after an early March free-fall. Who knows what will happen over the next 33 days? Winners will be announced at the May 8, 2007 Forum presentation of California and World Pricing by Barry Evans and Tom Walker.

There were a total of 46 entries. Crude price estimates ranged from a low of \$34.99/bbl to a high of \$65.00/bbl. The average estimate was \$51.51/bbl. Closest estimate wins with earliest submittal the tiebreaker, if necessary.

First prize is a \$25.00 Trader Joe gift certificate that grows to \$50.00 if the winner is present at the May 8<sup>th</sup> Forum and grows even further to \$75.00 if the winner can produce their receipt from the January 8<sup>th</sup> Petroleum Technology Forum. Second prize is also a \$25.00 Trader Joe gift certificate, but with no enhancements.



## 2007 – 2008 Scholarships Still Available

The Los Angeles Basin of the Society of Petroleum Engineers wants to remind you **that time is running out to apply for scholarships for the 2007/2008 school year**. Students who are classified as undergraduates and graduate students at the beginning of the 2007 fall semester may be eligible for these scholarships. There are four types of scholarships available through the section:

- **Mei Chang Memorial Scholarship:** \$500 awards are available for high school graduates entering college in the fall of their graduating year. This scholarship is a tribute to Ms. Mei Chang, a Sr. Research Scientist with Chevron. She is remembered for her steady contributions to LASPE and for tutoring science and math high school students. The awards are available to children, grandchildren and siblings of LASPE members.
- **Bruce Davis Memorial Scholarship:** \$1,000 award is available for a USC student pursuing graduate studies in petroleum related fields, chemical engineering and chemistry. Dr. Davis, a 26-year employee of Chevron, considered himself an experimental chemist and wished to encourage students with science backgrounds to pursue a future career in the Petroleum Industry.
- **Undergraduate Scholarships:** \$500 scholarships are available for undergraduate college students pursuing petroleum engineering or geology, chemical, civil, mechanical, environmental or related engineering curriculums.
- **Graduate Scholarships:** \$1,000 scholarships are available for college graduate students pursuing studies or conducting research in energy and petroleum related subjects.

In addition to the above scholarships available through the section, the SPE Foundation annually awards the Gus Archie Memorial Scholarship, a four-year, \$5,000 annual grant to the outstanding college freshman pursuing an undergraduate degree in petroleum engineering. If you or your students would like more information on these scholarships, as well as the guidelines and qualifications, please go to:

<http://www.laspe.org/scholarship/scholarship.html>

The deadline for the submittal of the application is April 5, 2007. Depending on the number of applicants an interview may be required. The students will be notified of the results after the next SPE Board meeting on April 10, 2007. If you have any questions about the scholarships contact:

Jack L. Smith  
SPE Scholarship Chairman  
c/o California State Lands Commission  
200 Oceangate, 12th Floor  
Long Beach, CA 90802-4331  
Tel: (562) 590-5270  
Email: [smithjl@slc.ca.gov](mailto:smithjl@slc.ca.gov)

## Minutes of LASPE Board Meeting – March 13, 2007

### Minutes of LASPE Board Meeting - March 13, 2007 - Long Beach Petroleum Club

The meeting was called to order at 10:10 a.m. A quorum was present.

#### 1. Attendees

Scott McGurk	Chairperson
Jack Smith	Director, 2009, Scholarships, Science Fairs
Rudy Weibel	Director, 2008
Mike Utt	Director, 2007
Scott Hara	Meetings, ATCE
Ed Santiago	Community Outreach
Jalal Torabzadeh	Membership
Pat Shuler	Secretary and Jr. Past Chairman

#### 2. Minutes of February 13, 2007 Board Meeting

The minutes of the previous meeting held on February 13, 2007 were approved.

#### 3. Treasurer's Report

The Treasurer's Report was not available, but some budget items were discussed. Our Section did receive \$4,310 as our share of the proceeds of the 2006 Western Regional Meeting. Also there are 2 recent donations for \$1,000 for student scholarships, including one from Pacific Energy Resources.

#### 4. ATCE 2007 in Anaheim

There was considerable discussion concerning planning for the logistics of the LASPE participation in the ATCE scheduled for November in Anaheim. In particular, the main contribution from our Section will be to provide over 100 volunteers to assist.

More specifically there are three committees:

Arrangements – 70 volunteers needed to assist in conducting the technical Sessions. Scott McGurk and Jalal Torabzadeh will co-chair.

High School Tour -- 25 volunteers to guide groups of students touring through the exhibit area. There may be an additional tour for university students. Scott Hara is chair, with some assistance from Rudy Weibel and Pat Shuler.

Registration – 35 volunteers to provide crowd control in registration area.  
A Chair is needed for this committee.

In addition, we can assist in manning the Western Region booth, plus coordinating tours of THUMS and also urban area production facilities.

#### 5. Other Business

The next Western Region Meeting will be 2008. Scott Hara and Vivian Bust are on the committee for this.

The Board approved \$1,500 towards supporting student participation in the upcoming student paper contest during the AAPG Annual Meeting in Long Beach.

There will be updates to the web site to allow people to apply for SPE scholarships. There will be a special e-mail notice and reminder in next newsletter to encourage applications for these funds.

#### 6. Adjournment -- The meeting was adjourned at 11:25 a.m.

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**www.LASPE.org**

**Annual Classic LA SPE Charity Golf Tournament**

May 18, 2007 at  
Los Serranos Country Club, Chino Hills

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Tidelands Oil Production Company  
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