The History of SIPES — Part One
by Marc D. Maddox, #2777, Midland, Texas

This is Part One of a two-part series covering the History of SIPES. Part Two will be included in the June 2020 issue of the SIPES Quarterly.

SIPES was formed by a group of Houston independents in 1963 as a venue to network with non-affiliated earth scientists with common cause and who face common challenges in business. This article will trace the origins, intent of the founders, purpose and history of the organization and how it has evolved through the ensuing 56 years.

An esteemed earth scientist once voiced his opinion that all oilfields are found in the minds of men. I will expound on that thought by saying oil is found in the minds of curious earth scientists and risk takers of all sexes. So, it was with the Society of Independent Professional Earth Scientists. It was the vision of one Carlton Speed, an independent geologist in Houston, Texas.

Carlton Speed was born in Corsicana in 1903, the son of an early-day independent oil producer. He graduated from Texas A&M University in 1926 and attended the University of Chicago for two years as a graduate student in geology. From 1929 to 1931 he was employed as a geologist for the Gypsy Oil Company. He resigned that position to make his first attempt as an independent geologist. Failing in that endeavor, he took a position at J.B. Stoddard Company in Dallas, Texas. His second attempt at independence began in 1936. This time it “took,” and he began a highly successful career as an (Continued on Page 19)

Perpetual headlines concerning oil and gas exploration can be found mainly on two fronts: governmental agencies, and the psychology of supply and demand. Governmental concerns are shown in headlines containing permitting issues, to ban or not to ban fracking, changes in laws and the regulatory environment, legal challenges to pipelines, duplicative permit requirements, to flare or not to flare, and of course, on the environmental side, the sage grouse war. On the supply and demand side, headlines usually take one of two forms: fears of a shortage, and fears of a glut. It depends on in which direction the money is hedged by the entity granting the interview or writing the predictions. It is often possible to see both headlines in the (Continued on Page 7)
The following report was prepared by Vice President of National Energy Gregg S. Alletag, #3484. The views and opinions expressed are those of the author. Some of the information presented is in the public domain and is available from a variety of sources; other references were selected by the author, and are noted in his report.

A "Shake-up" in the Netherlands Energy Industry

Earthquakes are affecting a 350-square-mile area in the Netherlands, where windmills once powered homes and farms. Many of the 585,000 residents are regretting the riches lying beneath their feet. The Groningen Field was discovered in 1959 by ExxonMobil and Royal Dutch Shell, and is still operated by a joint venture of these two industry giants. Development of the Groningen Field has made the Netherlands a regional petroleum power. Starting in the 1960s, the gas was a source of domestically produced and relatively clean fuel that brought modern comforts like central heating to the Netherlands and northwest Europe. It helped wean the country from coal, while adding hundreds of billions of euros to the national economy.

Earthquake temblors expose flaws in gas extraction. Decades of extraction have reduced pressure on the gas bearing rock below the surface, causing them to contract. This subsurface contraction has led the ground to sink by a foot, resulting in earthquakes. More than 1,000 tremors have been recorded since the mid-1980s, and while most of these tremors are small, about 100 have been a magnitude of 2.0 or greater, causing thousands of structures to be damaged. Earthquakes are reported to occur in different forms: sometimes furniture shakes and moves, sometimes there is a roar like rolling thunder, and sometimes the flat Dutch countryside ripples like a sea wave. The Director of the National Coordinator for Groningen estimated as many as 23,000 buildings will need safety inspections. Of 200 homes inspected near the center of the earthquake zone, 80% require demolition.

The slow-motion disaster is forcing the Dutch government to curtail gas production, with profound consequences for the economy. To calm the seismic activity, gas flow has been throttled back by two-thirds, beginning in 2013. The government said it aimed to halt all production by mid-2022, leaving an estimated 17 years of additional production shut-in. Throttling back production appears to be damping earthquakes, but danger persists. However, nobody knows how long earthquakes could continue after shutdown.

The consequences of closing the Groningen Field will be increased imports from Russia. Dutch, U.S. and European policymakers want to have a certain insurance premium against too much Russian gas, which comes in the form of backing a liquefied natural gas terminal in northern Germany, which plans to accept exports from the United States. (referenced article by S. Reed at New York Times)

(Continued)
Are fossils minerals?

The discovery of two fossilized dinosaur skeletons intertwined in what looks like a final death match, could make a central Montana ranching couple rich beyond their wildest dreams. Or, they may have to share the wealth.

It all comes down to how the state Supreme Court answers a seemingly simple question: are fossils minerals? The Montana justices heard arguments on Thursday but did not rule right away.

The outcome is key to a federal case over ownership of the "dueling dinosaurs," worth more than $5 million, and distribution of millions of dollars in proceeds from the sale of other fossils unearthed from clay and sandstone in a fossil-rich area of central Montana.

While someone can own what's on top of a piece of land, others can own material like oil, gas and coal that's found below the surface. In property sales, an owner can keep some or all of those below-surface mineral rights.

Mary Ann and Lige Murray own the surface rights and one-third of the mineral rights on the ranch near the tiny town of Jordan, while brothers Jerry and Robert Severson own two-thirds of the mineral rights after a 2005 property sale. Neither side expected to find fossils on the property, and they're not mentioned in the contract, court documents show.

A few months later, amateur paleontologist Clayton Phipps discovered a 22-foot-long (7-meter-long) carnivorous theropod and a 28-foot-long (9-meter-long) plant-eating ceratopsian believed to have died 66 million years ago. Imprints of the dinosaurs' skin were found in the sediment.

When the Murrays went to sell the "dueling dinosaurs" for what they hoped would be at least $6 million, potential buyers wanted assurances that they owned the fossils. The Murrays sought a court ruling. Both sides have seen rulings in their favor, as the case has made its way through four courts since 2013.

A U.S. judge in Montana ruled in 2016 that fossils were not included in the ordinary definition of a mineral, because not all fossils with the same mineral composition are considered valuable. The judge said the value was based on things like the completeness of the specimen, the species of dinosaur and how well it is preserved.

The Seversons appealed. A panel of the 9th U.S. Circuit Court of Appeals ruled 2-1 last year that the dinosaur fossils were minerals, both scientifically, and under mineral rights laws.

The Murrays asked for a full panel of the appeals court to hear the case. The judges agreed, but first asked the Montana Supreme Court to rule whether fossils are considered part of a property's mineral estate under state law. Eric Wolff, an attorney for the Seversons, argued Thursday that the fossils in this case are composed of minerals and are valuable, and are therefore part of the mineral estate. His clients would then be part owners of the fossil finds, which include a nearly complete Tyrannosaurus rex that was sold to a Dutch museum in 2014 for what a justice and Wolff suggested was about $15 million. That value couldn't be independently confirmed.

"What a mineral right is, is a lottery ticket under the ground," Wolff said. "I give you the property, and I say, 'If there's valuable rocks under there, I am retaining my interest in it.'" He asked the justices for a narrow ruling based on just the fossils in this case, not a decision on all fossilized dinosaur bones, some of which aren't valuable. "What you want us to answer is to say, 'Some are, some aren't?'" asked Justice James Shea, wondering how it would be practical for courts to decide ownership on a case-by-case basis.

Harlan Krogh, an attorney for the Seversons, urged the justices to answer the question the 9th Circuit posed: whether Montana law says dinosaur fossils constitute minerals when someone is retaining the mineral rights to a property. "Montana has never recognized dinosaur fossils as a mineral" like it has oil, coal or gold, he said, adding that fossils are not mined, processed, milled or smelted.

State law was silent on the issue until earlier this year, when lawmakers unanimously passed a measure that says dinosaur fossils are part of the surface estate unless there's a contract saying otherwise. "The citizens have spoken about the answer to that question," Krogh said. However, the new law also says it cannot be a factor in any cases already in court. (referenced article by Amy B. Hanson, AP)

Oil CEOs at World Economic Forum debate tougher CO2 cuts

The bosses of some of the world’s biggest oil companies discussed adopting much more ambitious carbon targets at a closed-door meeting in Davos, a sign of how much pressure they’re under from activists and investors to address climate change. The meeting, part of a World Economic Forum dominated by climate issues, included a debate on widening the industry’s target to include reductions in emissions from the fuels they sell, not just the greenhouse gases produced by their own operations, people familiar with the matter said on Wednesday.

(Continued)
The talks between the chief executive officers of companies including Royal Dutch Shell Plc, Chevron Corp., total SA, Saudi Aramco, Equinor ASA and BP Plc, showed broad agreement on the need to move toward this broader definition, known as Scope 3, the people said, asking not to be named because the session was closed to the press. The executives didn’t make any final decisions.

Shell declined to comment. Media representatives for Chevron, Total, Aramco and BP weren’t immediately able to respond to request for comment. Equinor confirmed that its CEO Eldar Saetre attended the meeting.

Targeting Scope 3 emissions would be a big shift for an industry that produces the bulk of the world’s planet-warming emissions, once that could eventually require them to sell far less oil and gas. The simple fact that the industry’s top executives were considering it underscored how climate concerns suddenly came into focus in Davos this year.

For the first time, environmental risks occupied the WEF’s top five long-term concerns. Business leaders from BlackRock, Inc. CEO Larry Fink, to Allianz SE boss Oliver Baete, used their platform at the event to focus on sustainable investment. The two highest-profile attendees at the forum, President Donald Trump and climate activist Greta Thunberg, made headlines as they staked out opposing positions on the issue.

Several companies have already pledged reductions in Scope 1 and 2 greenhouse gases, which come directly from pumping and refining hydrocarbons. Yet these account for less than 10% of total emissions from the life cycle of oil and gas, so preventing a damaging increase in global temperatures requires action that goes much further.

The executives debated a document produced by the World Economic Forum on “neutralizing emissions at the pump,” a reference to the gasoline and diesel sold to customers. There’s an urgent need to shift the industry’s target from oil production to emissions from end users, said one person.

Among major energy groups, only Shell, Total, and Madrid-based Repsol SA, have publicly announced that they are either targeting or monitoring Scope 3 emissions.

The Spanish company made the boldest move, promising net-zero emissions in 2050 by diverting investment into wind and solar power. Shell has taken more modest steps, pledging to offset the greenhouse gases produced by fuel sold to drivers on their loyalty-card programs in the U.K. and Netherlands. (referenced article by Javier Blas; Bloomberg)

**Oklahoma Shaking a lot less**

**State experiences fewer earthquakes, but still not near historic seismic average**

Earthquakes at a magnitude of 3.0 and greater have dropped for the fourth straight year in Oklahoma. There were 62 such quakes in 2019, down from 203 a year ago, and down from the peak of 903 in 2015, according to Oklahoma Geological survey data. The state’s only 4.0 quake this year was a 4.5 in May near Medford, which tied for the state’s 13th largest ever.

Oklahoma hasn’t been below 100 for 3.0 quakes in a year since prior to 2013, which until 2019, also was the last time the state experienced a single 4.0 in a year. The most 4.0s in a year was 27 in 2015.

However, the state’s quake hazards remain elevated, with the seismicity rate well above the historical average of two or three 3.0s a year. The last time that average hit was in 2008 with two.

The U.S. Geological Survey’s updated long-term hazard model published in late November, placed Oklahoma at a 4% to 19% of a slight or greater damaging earthquake in 100 years. The scientist used a methodology to exclude induced seismicity, writing that its rapid changes in short time spans wasn’t appropriate for far future projections.

Scientists point to deep wastewater disposal wells as the catalyst for Oklahoma’s unprecedented manmade earthquakes. A 15,000-square-mile area in central and western Oklahoma is under restrictions designed to curtail disposal into the deepest wells to limit induced seismicity.

Four of the state’s five largest quakes have happened in the past decade, including a 5.7 near Prague in 2011. A state appeals court in November affirmed a district court’s decision to certify a class action lawsuit against oil and gas companies.

There are petitions in state district courts seeking class action status for the 5.8 and 5.0 quakes in 2016 near Pawnee and Cushing, respectively. (referenced article by Corey Jones; Tulsa World)
SIPES NEW MEMBERS

In order to accelerate the approval process for new members, the SIPES Board of Directors has decided on a new process for final approval. A list of applicants approved by the board will now be emailed monthly to all SIPES members. (This list will also be available on the SIPES website). Any member in possession of information which might possibly disqualify an applicant is asked to submit this information to the current secretary of the society within thirty days of (the date email is sent and list is published on the website). To be considered, this information should be in writing and bear the writer’s name. If this information is received within thirty days of the above date, the SIPES Board of Directors must reconsider its previous approval of the applicant. The board’s action, after consideration of such new information, shall be final.

Once the 30-day period is complete, they will be considered a new member and will be included in a list to be published in the next SIPES Quarterly.

SIPES 2020 Convention Tours & Events

Tuesday, June 2

Trolley Historical Tour

Enchanted Rock Tour

Cooking School Demonstration

Wednesday, June 3

Bamberger Ranch Tour

Art Gallery Tour

Wine & Cheese Tasting

SIPES Foundation 2020 Scholarship Applications are Now Available on the SIPES Website

Applications are accepted each year from currently-enrolled, upper-division or graduate students majoring in any earth science, geophysics or petroleum engineering who have an overall grade point average of 3.5 or higher and are U.S. Citizens.

Applications are due before June 15, 2020 and awards will be made after August 15, 2020.

See www.sipes.org for the application form.
Promoter – $2,500
Charles A. Lundberg III — Dallas, TX
Thomas A. Smith — Austin, TX

Oil Finder – $1,200
William C. Burkett — Midland, TX
Ralph J. Daigle — The Woodlands, TX
Marc D. Maddox — Midland, TX
Patrick A. Nye — Corpus Christi, TX
Barry J. Rava — Houston, TX
D. Craig Smith — Midland, TX

Driller – $750
Michael N. Austin — Westminster, CO
Walter S. Light, Jr. — Houston, TX

Prospector – $500
Avinash C. Ahuja — Corpus Christi, TX
Craig F. Anderson — Houston, TX
Ernest Angelo, Jr. — Midland, TX
James K. Applegate — Denver, CO
Dawn S. Bissell — Corpus Christi, TX
Wilbur C. Bradley — Wichita, KS
Bruce M. Brady III — Midland, TX
Paul W. Britt — Houston, TX
Lanny O. Butner — Wichita, KS
Dan Earl Duggan — Fort Worth, TX
James P. Evans III — Franklin, LA
Thomas E. Ewing — San Antonio, TX
James A. Gibbs — Dallas, TX
Patrick J. F. Gratton — Dallas, TX
David G. Griffin — Midland, TX
Paul A. Hardwick — Houston, TX
Paul E. Haskins — Addison, TX
James H. Henderson — Dallas, TX
Gary C. Huber — Centennial, CO
Kenneth J. Huffman — Mandeville, LA
George S. Johnson — Amarillo, TX
John E. Kimberly — Midland, TX
Constance N. Knight — Golden, CO
Robert C. Leibrock — Fort Worth, TX
Sally J. Meader-Roberts — Midland, TX
John H. Newberry — Austin, TX
P. Austin Nye — Corpus Christi, TX
Michael A. Ostmann — Midland, TX
Arthur J. Fansue, Jr. — Arvada, CO
Christopher H. Reed — Tyler, TX
A. Scott Ritchie — Wichita, KS
James D. Robertson — Fort Worth, TX
R. David Shiels — Kaufman, TX
Daniel L. Smith — Houston, TX
Stephen M. Smith — Houston, TX
William M. Smith — Houston, TX
John R. Stephens — Dallas, TX
Gary L. Thompson — Centennial, CO
Michael R. Vasicek — Midland, TX
William G. Watson — Midland, TX
Robert E. Webster — Irving, TX
James C. West — Stamford, TX
Melanie K. Westergaard — Golden, CO
Robert M. Wynn, Jr. — Magnolia, TX

Roughneck – $250
Jeffrey L. Allen — Houston, TX
Gregg S. Alletag — Oklahoma City, OK
Randall L. Anderson — Midland, TX
Robert W. Anderson — Houston, TX
William C. Bahlgren — Plano, TX
Fred H. Behnken — Midland, TX
William T. Brown, Jr. — Denver, CO
Wendell R. Creech — Midland, TX
David W. Cromwell — Midland, TX
Lawrence H. Davis — Oklahoma City, OK
Ralph C. Duchin — Tucson, AZ
Roger A. Freidline — Midland, TX
Willard R. Green — Midland, TX
William R. Guffey — Dallas, TX
James M. Hancock, Jr. — Meadows Place, TX
Scott G. Heape — Addison, TX
Albert R. Hensley — Rockwall, TX
John D. Kullman — Fredericksburg, TX
David F. Martineau — Dallas, TX
Wayne D. Miller — Midland, TX
Marvin A. Munchuth — Lafayette, LA
J. David Overton — Midland, TX
John M. Rakowski — Florissant, CO
David L. Read — Highlands Ranch, CO
Deborah K. Sacrey — Weimar, TX
Charles J. Swize — Pattison, TX
C. Al Taylor, Jr. — Reston, VA
James Travillo — Oxford, MS
Scott A. Wainwright — Metairie, LA
Clifford J. Williams — Mandeville, LA
Larry R. Wollschlager — Midland, TX

Investor – $100
Richard C. Blackwell — Midland, TX
Garnet W. Brock — Midland, TX
William M. Kazmann — Richardson, TX
H. Vaughan Watkins, Jr. — Madison, MS
John S. Yantosca — The Woodlands, TX

Scout – $50
Dwight E. Cassell — Austin, TX
Eduardo Gonzales — Carrollton, TX
Michael S. Johnson — Denver, CO
Robert E. Pledger — Houston, TX

SIPES 2020 Convention — SIPES Foundation Seminar

Petroleum in World War II: The Lifeblood of Modern Warfare
C. Paul Hilliard — Badger Oil, Lafayette, Louisiana

and

Energy 101
Jory A. Pacht, #3054 — Altair Resources, LLC, Sugar Land, Texas

Monday, June 1 — 3:00-5:00 p.m.
Fredericksburg, Texas at the Admiral Nimitz Gallery
same publication issue or at least on opposing days in the same publication. It makes it very confusing trying to make business decisions – especially as to the type of prospect to be sold to your investors or the prospect-type to be conjured up for your consulting gig.

And of course, there is death by our own device: particularly the avarice of taking money from equity firms resulting in the current onslaught of bankruptcies amongst horizontal ‘developers’ (I almost called them ‘explorers’); being intransient to changing market conditions; being unable or unwilling to adapt to or adopt newer technologies, to name but a few.

A side note to bankruptcies is the increased number of mergers where the sage, but illogical thinking holds that weak + weak = strong. The end result is a combination of disruptions in geological, geophysical, engineering, and land employment. The term disruption was chosen because every loss of a job is also an opportunity for a person to move elsewhere or to begin a new firm. Simply stated disruption = opportunity.

For those of us long in the self-employed category, this observation ought not to be news. If you have not been long in the self-employed or independent category take heart, this observation is as true as the sun rising in the east. It is how a person handles this disruption that is important. You should be very flexible and define your job as broadly as possible. Diligence and perseverance are required, and the ability to stretch your comfort zone in experiencing employment in perhaps a new basin or new city or both.

I, for one, am optimistic. The world’s population in 1980 was about 4.4 billion people, and today it is estimated to be 7.8 billion people – close to double. What a great index fossil this explosion will make! But seriously, what this means to me is that demand for oil, gas, and energy of all forms should be growing even if energy usage is becoming more efficient. The message is clear: that if we can find our niche, and move if we have to, we should be able to find work for some time to come.

The professional challenge is always to find new sources of investment dollars. The only advice here is to never relent on the search and leave no opportunity unsearched, but try to discover early on when you are headed down a dead-end.

Looking toward the future, let us turn our thoughts to the upcoming 2020 Convention. Fredericksburg, Texas was chosen as a grand experiment. The thought was an attempt to increase member participation in the annual convention by holding it in a venue that was both affordable and easily accessible by most members (sorry, not all). SIPES has a very diverse membership, ranging from pure consultants to small producers – one group has income regardless of work, the other has income only while actively engaged in consulting. If there is the typical participation in the convention, the entire hotel could be filled with only SIPES members! Register early – there is an overflow hotel available just across the street.

The convention title and theme: “2020 Vision for Independents: Core Beliefs” is to attempt to showcase different ways that our membership earns a living, and to highlight some interesting technologies. Some of the topics that are planned to be discussed include – oil and gas in World War II, understanding energy (both will be Foundation seminar lectures), volatiles from cuttings, fluorescence, wind energy, selling a prospect in a mature area, using natural fractures to advantage, mineral exploration, natural gas markets, finance, archeology/paleontology, local history, and of course, ethics. For an interesting experience, the field trip, to be led by a SIPES member, will end in Luckenbach, Texas – bring your stringed instrument for a great time.

Just remember, according to the U.S. Energy Information Administration, the United States consumed more energy than ever! The U.S. consumption was 20.5 million barrels per day in 2018, an increase of over 500,000 b/d from 2017. Coal is in decline and ‘renewable’ is on the uptick. Even if oil and gas lose market share in energy, hydrocarbons are still used by almost 8 billion people to make clothing – someday we may even find it outrageous that it was once used as a fuel – but I don’t think that day will be in my lifetime.

Hope to see you in Fredericksburg!

Barry J. Rava
COVID-19 announcement from SIPES National Board of Directors Executive Committee

SIPES, as of March 13, 2020, is moving forward with our Annual Convention on June 1-4 in Fredericksburg, Texas. It is important for us to meet to renew friendships, review the state of the art of independent earth scientists and to learn new techniques and to further our understanding of ethics. We have a series of great presentations lined up for both the Foundation and SIPES National. Please register at your earliest opportunity.

SIPES leadership continues to closely monitor COVID-19 circumstances as they develop. At this time, it appears that the risk of contracting the virus is low, and as of today there are very few cases in Texas and no reported ‘in-community’ transfer. We value the health of the membership.

For the protection of all members, SIPES recommends that members follow the procedures recommended by the Centers for Disease Control.

If you are exhibiting symptoms, such as fever, cough or shortness of breath, or if you may have been exposed to the virus, or travelled to an area of a known outbreak, PLEASE CALL YOUR DOCTOR FIRST. The doctor will then determine if you need to be seen. Please protect your fellow SIPES members and stay home and do call your doctor.

Stay informed by visiting your doctor’s resource center that’s hopefully updated regularly or the websites of the Centers for Disease Control www.cdc.gov and/or the WHO (World Health Organization).

Most Americans, as of today, are at low risk for contracting coronavirus, please protect your health by vigorous hand washing for at least 20 seconds with soap and water, using hand sanitizer with at least 60% alcohol, and avoiding crowds or gatherings. Those with underlying, debilitating conditions can be more susceptible to any infection.

Some pro-active measures:

1. Practice proper handwashing - scrub for at least 20 seconds, including nails
2. Sanitize surfaces - in homes and workplaces
3. Avoid close contact with sick people or friends (as best as possible - use common sense)
4. Avoid eating undercooked meat
5. Don’t touch your face, which is a vulnerable area and portal of entry
6. Sneeze into your elbow to avoid spraying bacteria all over nearby surfaces
7. Reduce system-weakening stress by a proper balance of life: work, sleep and rest
8. Improve your immune system by eating nutrient-rich foods

If circumstances change, there will be another update concerning the Convention.

Wishing you and your family continued health – SIPES BOD Executive Committee

Barry J. Rava,

President
TECHNICAL PROGRAM

TUESDAY, JUNE 2

8:00-8:40 a.m. — C. Randy Bissell, #3547 — Headington Energy Partners, LLC, Corpus Christi, TX
"Wellsite Utilization of Diagnostic Fluorescence in Oil-Based-Mud Filtrate RFT Samples"

8:40-9:20 a.m. — Sam LeRoy — Earthview Associates, Houston, TX
and Yury Lyasch — JYL, LLC, Houston, TX
"Side-View' and 'FracSeis Passive' Seismic Imaging of Fracture Intensity and Hydrocarbon Saturation"

9:20-10:00 a.m. — Patrick A. Nye, #3105 — Nye Exploration & Production, Corpus Christi, TX
"What’s a Wind Deal??"

10:00-10:15 a.m. — Break

10:15-10:55 a.m. — Dwayne C. Purvis, #3470 — Dwayne Purvis, P.E., Fort Worth, TX
"New Dynamics of the Natural Gas Market"

10:55-11:35 a.m. — Barry J. Rava, #3198 — Icarus Oil and Gas, Inc., Houston, TX
"Subtle Structural Trap Prospects: Is There a Place for Them in the 21st Century?"

WEDNESDAY, JUNE 3

8:30-9:15 a.m. — Michael P. Smith — Advanced Hydrocarbon Stratigraphy, Tulsa, OK
"AHS Rock Volatiles, Cuttings and Core Well Logs"

9:15-10:00 a.m. — Gary C. Huber, #3134 — Rangeland E&P, LLC, Centennial, CO
"Developing Mineral Prospects for the Independent"

10:00-10:15 a.m. — Break

10:15-11:00 a.m. — Sam McNeil — River Capital Partners, Charlotte, NC
"Is My Project Suitable for Private Capital?"

11:00 a.m.-12:00 p.m. — John E. Jordan, Jr. — Jordan Consulting, Houston, TX
Ethics Course — "Grey Areas: Interactive Application of Business Ethics in the Geoscience Profession"

Speakers and schedule are subject to change. Please see www.sipes.org for updates.
HOUSTON

The October luncheon meeting speaker was Jory A. Pacht, #3054. Dr. Pacht began his career at ARCO in the exploration research department in 1980, where he used seismic and wireline data to develop a 3D reservoir analysis program that was credited with adding booked reserves to ARCO. He left ARCO and started numerous companies - Seis-Strat, EnergyQuest Resources, EnergyQuest II, Altair Resources LLC, and Pintail Oil and Gas, where they acquired and developed oil and gas fields in both conventional and unconventional assets and sold these companies for millions of dollars. Dr. Pacht was president or CEO of these organizations, and has recently started a new company, Strandline Resources, LLC, which has assembled a team, is leasing acreage and raising money to conduct unconventional exploitation of conventional Gulf Coast reservoirs.

Dr. Pacht’s talk is called “Energy 101.” Jory says it seems that every day there is a new article in the news that states that we must immediately migrate from fossil fuels to wind and solar for energy production or face dire consequences. Various politicians are calling for a carbon-free U.S. in 30, 20 and now 15 years. But is this realistic? Can we accomplish this without devastating our economy? And if we do, will the rest of the world, including economic competitors like China, follow suit? Are Americans ready to accept the greatly increased economic and land use costs that come with a switch to renewable sources of energy? In countries that are desperately poor, is it moral to insist that they forgo the benefits of cheap energy that we enjoy? These are all questions that are not being asked in our present political climate.

Many influential people have stated that we can switch from fossil fuels to renewable energy sources in a very short time without any real negative consequences. Reality is somewhat more complex. Jory discussed how choices regarding energy types affect economies in developed, developing and undeveloped countries. He further discussed the practicality and likelihood of both the U.S. and the world moving from fossil fuels to renewable sources in a short time window.

Anthropogenic global warming is an inconvenient truth. But so are the huge benefits that every country in the world has enjoyed, and is enjoying, as a function of cheap fossil fuel energy. Managing global CO₂ will therefore require serious market-based solutions that may be different for different countries. Political invective and predictions of imminent doom are counter-productive and only create political division.

In November, the luncheon speaker was Deborah K. Sacrey, #1271. Deborah is a geologist/geophysicist with 43 years of oil and gas exploration experience in the Texas and Louisiana Gulf Coast and Mid-Continent areas of the US. She received her degree in geology from the University of Oklahoma in 1976, and immediately started working for Gulf Oil in their Oklahoma City offices.

She started her own company, Auburn Energy, in 1990, and built her first geophysical workstation using Kingdom software in 1996. She helped SMT/IHS for 18 years in developing and testing the Kingdom Software. She specializes in 2D and 3D interpretation for clients in the U.S. and internationally. For the past nine years she has been part of a team to study and bring the power of multi-attribute neural analysis of seismic data to the geoscience public, guided by Dr. Tom Smith, founder of SMT. She has become an expert in the use of Paradise software and has over five discoveries for clients using multi-attribute neural analysis.

Deborah has been very active in the geological community, holding numerous positions including past president of SIPES National, past president of the Division of Professional Affairs of AAPG, past treasurer of AAPG, and past president of the Houston Geological Society.

Deborah says that the process of statistically analyzing multiple seismic attributes using a SOM (Self-Organized Map) algorithm has been around for several decades. However, advances in computing power, coupled with the many new attributes developed in the last 20 years, has made this type of analysis extremely powerful. In the past, SOM has been used on only one attribute at a time and using the seismic wavelet as the basis for the neural analysis. The approach in this presentation is using SOM on multiple seismic attributes at one time, and in a sample-based, not wavelet, format. Multi-attribute machine learning, like self-organizing maps (SOM, which is an unsupervised learning process), not only uses numerous seismic attributes, but in doing so, often reveals details in the data not previously identified. The reason for this improved interpretation process is that SOM analyzes data at each data sample on each trace from each attribute used in the process. The result of this sample-based statistical analysis is that one can interpret thin-bed resolution well below conventional wavelet tuning. This in turn, helps with very accurate reservoir prediction when tying to existing production or in the estimation of new reserves in exploration plays.

The key to the presentation is showing examples of problems in the everyday interpretation of data which can be solved by the neural analysis (classification) of multiple seismic attributes. These problems could be reservoir delineation, exploration and exploitation for new reserves, interpretation of complicated stratigraphic sequences, or basic interpretation when the data is less than optimal.

This presentation highlighted several workflows, showing how SOM can be used for exploration and estimation of reserves when trying to review the economic justification of pursuing acreage. One workflow is in an unconventional setting in the Mid-Continent and shows the ability of multi-attribute neural analysis to find “sweet spots” in an area, tie the analysis to well production, and follow up with reserve estimation from known productive wells. Additionally, comparisons to mud logs and conventional e-log curves will be shown.

(Continued)
The speaker for the December luncheon was John S. Yantosca, #2698, the Houston Chapter 2019 Technical Program Chairman, who talked about energy absorption. John received a B.S. in astronomy/physics with minors in geology and math from the University of Massachusetts at Amherst in 1973. He received his Master’s in geophysics from SUNY at Stony Brook in 1975.

John began his career as a geophysicist with the U.S. Naval Oceanographic Office at Bay St. Louis, Mississippi, where he was responsible for collecting gravity data at sea. He received a commendation from the navy commandant for solving a problem, real time, at sea on the maiden voyage of a new top-secret gravity meter from Bell Aerospace. The scientists there had the wrong sign in the equation for computing gravity on a moving vessel. John found the problem and rewrote the computer code and solved the issue. John was then pegged for a life at sea instead of the non-traveling analysis group, so he decided to make a change and begin his oil and gas career with Shell in 1978. Over the next forty plus years, John has worked for several oil companies, both full-time and consulting, from majors to small independents and has been responsible for the drilling of about 500 wells, generating over two billion dollars in profits for his companies and clients. He has been a beta tester for SMT Kingdom, Hampton-Russell various software suites, as well as an instructor in seismic interpretation packages on SMT, Landmark and Geoquest at North Harris Geoscience Center. John currently is the president and owner of JSY Energy Solutions where he generates prospects and offers high-end, post-stack geophysical services.

John Yantosca says that prospect risk factors come in four categories: source, reservoir, trap migration, and seal and confinement. There are several geophysical attributes that geoscientists use to help define prospects and reduce risk. Energy absorption is one such attribute, and when properly calibrated, can significantly aid in finding commercial hydrocarbons. By itself, energy absorption is NOT a direct hydrocarbon indicator, or DHI, but it is a good porosity identifier. When coupled with good structural interpretation, commercial success rates over 70% are possible. John uses several examples and techniques that were shown from south Texas and Louisiana to illustrate ways energy absorption can be utilized to avoid dry holes and obtain economic success.

Steve Smith
Secretary

DENVER

The Denver Chapter had a full slate of speakers for the fall luncheons. The October meeting heard a presentation by Ed Coalson titled “X Marks the Spot: Enigmatic Oil-producing Trends in the Bartlesville Sandstone of Kansas.” The talk stems from work he shared with Bill Pearson, Jim Rogers, and Mark Longman.

Regional and local detailed mapping of hundreds of wells in the Bartlesville Sandstone of eastern Kansas helps to explain how two sandstone trends of the same apparent geologic age can appear to cross each other in map view. The cause appears to be the influence of basement structure on depositional trends. This study also shows how arduously employing “big data” can still fail to answer geologic questions definitively.

Ed Coalson currently provides consulting geological and petrophysical studies for oil and gas operators, mainly in the Rocky Mountain and Midcontinent regions through his company Coyote Oil & Gas Company, LLC, Conifer, Colorado. He holds geology degrees from the Colorado School of Mines, Long Beach State College, and the University of Wyoming. He worked for Amoco Production Company, Davis Oil Company, and Bass Enterprises Production Company, among other companies.

Michael Holmes was the featured speaker for the November luncheon, with his talk “A Method to Compare Estimates of Rate/Time Performance Derived from Petrophysical Analysis with Actual Production to Define Likely Drainage Areas and Recovery Efficiencies.” Grant Zimbrick (Dolan Integration Group) developed a rate/time model based on ultimate oil produced well-by-well for a number of Permian Basin wells. This same model was applied to Tensleep wells in Wyoming and yielded excellent results.

Estimated reserves are calculated from basic petrophysical analysis, assuming reasonable drainage area and recovery efficiency. A theoretical rate/time curve based on the Zimbrick model is then calculated and compared with actual production from the same well. Adjustments to drainage area and/or recovery efficiency are made to achieve connection with actual production. Examples from four Tensleep wells were presented. The results give insight into drainage area and recovery efficiency, as well as the potential for production coming from intervals that have not been perforated. The Zimbrick model proved very useful, but will probably need

(Continued)
adjustments for other producing reservoirs.

Michael is president of Digital Formation, Inc., and has been involved in oil and gas exploration activities for 59 years. He started his career with British Petroleum working in England, Libya, East Africa, and the North Sea, and then joined Shell Canada, working the west coast offshore Canadian Basin. He was with Marathon Oil Company, research division, and Berry Wiggins, UK. He has been involved in all aspects of exploration and exploitation activities worldwide, with particular emphasis on petrophysics. In 1994, with his two sons as partners, he formed Digital Formation, Inc., a consulting and software development company. Dr. Holmes has B.S. and Ph.D. degrees in geology from the University of London, and an M.S. in petroleum engineering from the Colorado School of Mines.

The Denver Chapter brought 2019 to a close with its annual Christmas party held at the Pinehurst County Club. The event was well attended and was a great way to kick off the holiday season.

Jerry Cuzella
Secretary

WICHITA

The Wichita Chapter held two meetings in the fall season. Both meetings involved presentations by local attorneys, and both talks involved matters of lease law in Kansas. On November 7, Will Wohlford of Morris, Laing, Evans, Brock & Kennedy, Chtd., explained and clarified a recent Kansas Supreme Court Ruling. In its opinion in Jason Oil, LLC v. Littler, the Kansas Supreme Court validated the familiar mineral conveyances taking the form of “Grantor to Grantee, Grantor reserving the minerals for so long as minerals are produced, thereafter the minerals transfer to Grantee.” The Court rejected challenges to these conveyances under the common law Rule Against Perpetuities, challenges that, if successful, would have caused state-wide upheaval in the ownership of thousands of acres of minerals in Kansas. This presentation discussed the Jason Oil opinion, the arguments presented, the rationale of the Court, and the impacts on mineral title in Kansas.

Mr. Wohlford is a trial lawyer practicing in the areas of civil litigation, complex commercial litigation, oil and gas and other energy-related litigation, eminent domain and real estate litigation, antitrust and labor and employment law. He represents clients both in the federal and state district courts in Kansas, as well as in other states.

The meeting was attended by 21 participants who apparently understood this complex legal topic and asked a lot of salient questions from the speaker.

Tom Pronold
Chairman

Will Wohlford speaking at the November meeting.

SIPES 2020 Convention — Fredericksburg, Texas
Post-Convention Field Trip — Thursday, June 4

Tour of Canyon Lake Gorge, Enchanted Rock and Luckenbach
led by Jim Jameson & R. David Shiels, #3171
Don't miss it!
CHAPTER NEWS CONTINUED

SAN ANTONIO

Scott Pollard, #3332, spoke in October on review of oil and gas permitting, drilling and completion activity since January 1, 2019 in Texas RRC Districts 1-4. There was a review of statistics, but emphasis was on what is new and different in completion techniques, development trends and production. In other words, Eagleford sure, but what else is going on?

Scott Pollard is an experienced and accomplished geologist, with years of experience and the ability to adapt and succeed in the ever-changing industry of oil and gas. He has vast knowledge of building cross sections, structural, isopach maps, and is well-versed multiple play concepts. Mr. Pollard has been a scouting and consulting geologist specializing as a contract scout for Gulf Coast, East Texas, North Louisiana and Permian Basin regions focused on horizontal activity since 1992. Prior to that he worked for Clayton W. Williams, Jr. Inc. and Ratex Resources, Inc. Mr. Pollard attended the University of Oklahoma, Norman, Oklahoma and received a B.S. in geology and a B.B.A. in petroleum land management.

In November, Ed Haire, consultant geophysicist for ION E&P Advisors in Houston, provided a presentation on the Gulf of Mexico as seen on selected mega regional seismic lines across the entire basin. Selected 2D depth migrated lines across the entire basin were reviewed along with 3D extensions to the onshore Southeast Basin in Southern Mexico. Regional horizons tied to key wells using synthetics and check shots were loop tied and interpreted across the entire basin using tops provided by a variety of sources. The GBDS Consortia well tops provided the main framework with additional data from Paleo Data, the BOEM, CNH and numerous published reports and databases. Producing trends across the basin seen in their regional context allow exploration using a regional perspective. A 3D velocity cube created over the entire basin and used for the depth migration insures good ties at line intersections.

Ed Haire is a consulting geophysicist who has consulted full time for ION E&P Advisors for the last 10 years. His work with ION has involved regional interpretation of ION’s GOM offshore and onshore 2D and 3D multi-client programs in the US and Mexico and working with the processing group on these programs to ensure the integration of well control in both processing and implied by production behaviors. This discussion explored the identification and implications of characteristic behaviors observed in GOR and decline trends using public data, as well as the root cause in geology.

There was no December meeting.

George Friesen
Secretary

(Continued on Page 16)
**CHAPTER NEWS CONTINUED**

**IN MEMORIAM**

We regret to note the passing of the following members:

- **Donald I. Andrews, #1717** of Metairie, Louisiana who died on November 22, 2019 
- **Terry V. Bills, Jr., #171** of Lafayette, Louisiana who died on April 15, 2019
- **Jon F. Cobb, #683** of Dallas, Texas who died on December 7, 2019
- **M.G. Peter Crain, #1448** of Midland, Texas who died on December 11, 2019
- **Edward F. Haye, #3066** of Houston, Texas who died on August 13, 2019
- **William E. LaRoche, #836** of Dallas, Texas who died on November 11, 2019
- **R. Leo Newport, #3390** of Dallas, Texas who died on November 20, 2019
- **Richard W. Thompson, Jr., #780** of Plano, Texas who died on July 14, 2019

**FORT WORTH**

The Fort Worth Chapter kicked off the 4th quarter with our October luncheon meeting and featured speaker Michael Smith. Michael’s talk was entitled “PDC Cuttings: The WWW (Well Wide Web) and their New Search Engine: VAS. Evaluating Oil and Gas Prospects, Reservoir Quality and Petroleum Systems Via Gentle: Collection; Extraction; and Cryo Mass Spec Analyses of PDC Cuttings. Or: 35 Years of Analyzing Cuttings, and Still Willing to Talk About It.”

The miniscule oft-overlooked, oft-disrespected, and oft-discarded PDC cutting, the Rodney Dangerfield of the oil patch, is a powerhouse of information just waiting to tell its stories of reservoir quality and of the oil and gas held within, or not… These incredible, tiny bits of rock hold much of the information we seek, much like web pages on the Internet. And exactly like the World Wide Web, a search engine is needed to seek out the information to find the answers from the cuttings’ Well Wide Web to questions such as: “Where is the Oil/Gas?”, “How Much Oil/Gas?”, “Is the Oil/Gas Any Good?”, “Can I Produce the Oil/Gas?”, “Has My Reservoir Already Been Drained?”, and “Am I Going to Make Money?”

The analysis of volatiles from drill cuttings is breakthrough technology with its ability to determine present day fluid characteristics. The Volatiles Analysis Service (VAS) invented by Advanced Hydrocarbon Stratigraphy, Inc. (AHS), and distributed by Baker Hughes, a GE company, provides a high value log with no additional logging time that can identify the landing zone and characterize the lateral to enable optimized completion strategies to get the most value out of conventional and unconventional play assets. We present the analysis done in vertical wells and horizontal drilling in several basins. Much of the presentation showed details of their intensive work in the STACK play in Oklahoma.

Major oil migration pathways in the STACK are shown to occur on faults. Reservoir rocks adjacent to faults that are oil migration pathways are charged. Reservoirs at a significant distance to the fault migration pathways are not charged. Oil and gas, including Helium, migrate predominantly into reservoir rocks in the hanging wall above the fault plane. Basinal brines migrating with oil and containing organic acids migrate predominantly into the foot wall below the fault plane. The migration of oil and gas into the fault adjacent reservoirs preserves reservoir quality. Basinal brine and organic acid migration encourage the formation of tight rocks with poor reservoir qualities in the foot wall of these faults. On the source rock side, Woodford Shale near faults is shown to be depleted in oil and gas that has escaped along the faults.

PDC cuttings are typically sub-millimeter in diameter. PDC cuttings that contain larger amounts of oil and gas are formed from extremely tight rocks that are thought not to significantly add to production. Good quality oil-charged reservoirs have cuttings that have lost most of the oil and gas. The oil and gas in cuttings from good-quality charged reservoirs are lost during the drilling process, transport in the mud system usually 1.5 to 2 miles or more, washed and dried and the analyzed.

The new volatiles analysis technology delivers the occurrence and composition of oil and gas in the cuttings, as well as mechanical strength, permeability, total water, proximity to pay, and location of potential pay zones, fractures and faults.

The measurement of volatiles from drill cuttings is a gentle extraction and (Continued)
analyses technology that utilizes all the volatiles in a cuttings sample. The VAS technology is not focused on Fluid Inclusions, like the author’s previous inventions including Fluid Inclusion Stratigraphy (FIS), but analyzes all extractable volatiles in a sample, unlike FIS and other existing technologies in the marketplace.

PDC cuttings samples are analyzed using a Cryo Trap Mass Spectrometer (CT/MS) system invented and built at AHS, with patents approved. Volatiles are extracted from each individual sample at two distinct pressures, frozen onto liquid nitrogen (LN2) traps, and analyzed by allowing the frozen volatiles to sublime and enter the mass spectrometer according to their sublimation points under high vacuum. This provides a measure of compound separation and quantification like that obtained in Gas Chromatography Mass Spectrometer (GC/MS) systems. However, unlike GC/MS, this unique CT/MS system is non-selective. All volatile compounds that can be extracted and frozen are analyzed.

As an advantage to operational workflows, the measurement’s turnaround time is very short, allowing the results to be considered in frac and stage design on laterals; and in picking landing sites from pilot holes, or from curve data in heal-down laterals. Cores and Mud can also be rapidly analyzed.

Michael received his B.A. in geology from Rutgers College in 1977, and his Ph.D. in geology and geophysics from the University of Hawaii in 1981. He was a research associate at the University of Tulsa from 1981-84, a research scientist at AMOCO Research from 1984-94, and worked at AMOCO Exploration in London from 1993-94. Michael founded AHS in 1994, sold AHS to ExxonMobil in 1999, and became an upstream research consultant for ExxonMobil from 1999-2009. Michael “refounded” AHS in 2010. He has 35 years of research and development in fluid inclusions volatiles, mud volatiles and rock pore volatiles as well as 30 patents, U.S. and foreign.

Our chapter held a one-day symposium on October 30, entitled "Successful Independents: Tools for the Modern Explorationist," aimed at enlightening SIPES members, other independents, and those considering becoming an independent oil man. The symposium was held at the new Martin University Center on the campus of Texas Wesleyan University. Approximately 90 people were in attendance, including several SIPES members from the Dallas and Oklahoma City chapters, as well as several geology majors from TCU. The talks were focused on gaining critical insights on how to start and grow a successful business as a prospect generator, investor or consultant in the upstream energy sector. Nine independent professionals shared case histories, personal stories and lessons learned from their careers in the oil and gas industry. The luncheon address was delivered by Pete Rose of Rose and Associates and was entitled "Rose’s Rules for the Oil Business and Life."

Our featured speaker for the November luncheon meeting was Marc Maddox, #2777. Marc’s talk was entitled “The History of SIPES – How SIPES Came to Be and Where We Are Today.” (See the lead article in this issue).

Marc grew up in an oil family and thus lived a transient early life, living in Casper, Denver, Wichita, Shreveport, and back to Denver, where the family settled after his father declared independence. After graduation from Lakewood High School, an adventurous spirit led him to attend college at Hardin-Simmons University (HSU), in Abilene, Texas, where he received a B.S. in geology from what he considered to be more of a vocational school for petroleum geologists, with a heavy influence toward the independent career path. Upon graduation from HSU in December 1979, Marc found employment with Pennzoil Company in the then-booming city of Midland, Texas. In December of 1986, the price of crude oil dropped to $10 per barrel, and Marc was involuntarily graduated from the University of Pennzoil with an advanced degree in oilfield economics. It was at this point that he embarked on a career of consulting, as a geologist for Pennzoil and several other clients – mainly chasing rigs, but also putting together a few drilling deals. A few years later Marc partnered with his father in Maddox Oil Properties, Inc., where he continues as president. He first joined SIPES in 2000 and has served on the Midland Chapter Board in all capacities, on the convention committees in 2003 and 2013, and on the national board of directors from 2007-13, where he served in several positions including national president in 2011-12. Marc also served as vice president of the SIPES Foundation, and chairman of the scholarship committee in 2009-10.

Our featured speaker for the December Luncheon meeting was Larry Lake. Larry’s talk was entitled “Lessons for Gas Enhanced Oil Recovery (EOR): Fifty Years from CO2 to Ethane, to Storage and Beyond.” The first CO2 used for the enhanced recovery of crude oil was injected at large-scale into reservoirs in the early 1960s. Since that time, over 100 projects have been established in the U.S., many of which are now very mature with more than a half-century of (Continued)
experience in this type of oil recovery as well as the behavior of other type of gas agents. The long-term operation of many commercial EOR projects affords opportunities to calibrate the behavior of CO2 storage projects in saline aquifers. Many of these observations translate to other types of solvents, such as ethane, as well as the use of gas solvents in unconventional reservoirs. The main thrust of Mike’s presentation was to enumerate the lessons learned from gas enhanced oil recovery; however, the presentation covered several possible lessons for extension and expansion of the basic process.

Larry W. Lake is a professor in the Department of Petroleum and Geosystems Engineering at The University of Texas at Austin where he holds the Shahid and Sharon Ullah Chair. He holds B.S.E and Ph.D. degrees in chemical engineering from Arizona State University and Rice University, respectively. Dr. Lake is the author or co-author of more than 100 technical papers, four textbooks and the editor of three bound volumes.

Jim West
Secretary

(San Antonio Continued)

interpretation. Additional project areas at ION have included onshore Venezuela and offshore Nigeria. He received his bachelor’s degree in geology from Texas A&M and has forty-seven years of industry experience with Seiscom Delta, Michigan Wisconsin Pipeline, Conoco, Union Texas, Monsanto Oil & Gas, BHP Petroleum, and INEXS.

In December, the SIPES San Antonio Chapter participated in the San Antonio Oil and Gas Industry Party. The attendees enjoyed a dance band, holiday buffet, and libations.

Doug McGookey
Secretary

(San Antonio Continued)
LAFAYETTE

Our October meeting is traditionally a “picnic in the park.” This year was no different. We had a good crowd show up at the pavilion we reserve at Girard Park to enjoy each other’s company and delicious barbeque from Dwight’s restaurant. We had to move our usual meeting time (second Wednesday of the month) up a week because of the annual music festival “Festival Acadiens et Creoles” which takes over the park on the second weekend of October. This makes things a little warm for us since summer temperatures are still hanging on. No hill for steppers like our experienced oil and gas professionals who are used to sitting in the “hot seat” of drilling prospects hoping for the best and preparing for the worst when that log comes in.

Our November meeting drew a large crowd because Tim Rynott, of Ridge Resources, was in town to give a talk entitled “New Exploration Techniques in Low Relief, Mature Conventional Oil Fields: A Case Study from Central Louisiana.” Mr. Rynott is a long-time local geologist that went off to Colorado to seek his fortune starting out in Denver with Forest Oil, and ending up in Durango working for Red Willow, before starting his own company. He continues to explore and stay active with South Louisiana projects, concentrating on the Cockfield/Wilcox trends of Beauregard Parish and the Frio Trend of St. Landry Parish. Many thanks to Bill Guidry and Key Operating and Exploration Company for sponsoring about a half dozen University of Louisiana geology students for our luncheon.

Our annual Christmas Party was held at the Petroleum Club in December with the usual crowd, as well as other SIPES members and their significant others, showing up for Christmas cheer and a great meal. This is the third year that we had the Wayne Burns Blues Band as live music entertainment. When long-time member Pete Klentos, #597, got up to sing the old Hank Williams classic “Jambalaya,” the crowd got rocking and packed the dance floor! Laissez lais bon temps rouler!

There are two things of special note to mention. One is that the SIPES National webmaster and former University of Louisiana geology professor, Dr. James Willis, was named the GeoGulf 2020 General Chairman (70th GCAGS/GCSSEPM annual convention) that will be held here in Lafayette on September 30th through October 2nd. Joining him will be local geologist and former SIPES Lafayette Chapter Chairman Travis Helms, who is the current GCAGS President. With those two leading the way it ought to be a great convention and we hope to see many of you there!

Special recognition went to long-time SIPES member Jack P. Martin, #246, who turned 100 years young this past October. He was the Lafayette Chapter Chairman in 1971 through 1973. He has also served on the SIPES National Board of Directors as Secretary (1974) and Vice President (1975) and continues to be a big supporter of SIPES, and still actively comes to the monthly meetings.

We honored Mr. Jack at our Christmas Party by giving him the first ever Lafayette Chapter of SIPES Centenarian Award, and that he be given all honor and glory that comes with this esteemed award. One of the benefits of this award is that any recipient will be exempt from paying chapter dues for the rest of his life. Mr. Jack is still looking good!

King Munson
Chairman
CORPUS CHRISTI

Dr. Chris Zahm, a research scientist at the Bureau of Economic Geology at the University of Texas at Austin was our October speaker. His research for the past twelve years has focused on the development of fractures in carbonate systems to understand the impact of fractures on subsurface reservoir production.

The Austin Chalk is a revitalized unconventional play in Texas and Louisiana, and necessitates a reexamination of key factors important to exploration and development, especially the impact of natural fractures on development strategies. Characterization of lithofacies and mechanical properties in well logs, cores, and outcrop analogs provide essential input for the construction of fracture models. Using calibrated outcrop models can highlight the challenges that natural fractures create for hydraulic stimulation and subsurface production. Chris documented how the BEG is utilizing its vast core collection, aided by regional well log correlation, and limited outcrop exposure, to assist with relevant and timely research on the Austin Chalk as it pertains to south Texas and Louisiana.

Due to the holidays, the Corpus Christi Chapter does not have technical meetings in November and December. We did have our annual Christmas Party on December 5. About sixteen members and guests enjoyed a wonderful evening of friendship and conversation.

Dawn Bissell
Chair

DALLAS

Our October speaker was Lowell Waite, who is a lecturer in the Department of Geosciences at the University of Texas at Dallas, as well as co-director of the Permian Basin Research Lab. Lowell has recently retired from a 38-year career in the oil and gas industry, having worked for Mobil Oil and Pioneer Natural Resources. At UT Dallas, he provides education on petroleum systems to better prepare students for industry employment.

Lowell’s talk centered on the Wolfcamp and Spraberry formations that together form a 4,000+ foot thick package of strata that records the history of basin fill during the late Pennsylvanian to early Permian time. To facilitate the development of these massive unconventional resources, this interval has been informally subdivided into a number of lithostratigraphic-based operational units that include, from oldest to youngest, the Wolfcamp D, C, B, and A, Dean, Lower Leonard Shale, Jo Mill, and the Lower, Middle, and Upper Spraberry.

Each of these operational units is geologically unique, resulting from differing influences of tectonic, climatic, sedimentologic, oceanographic, and biological factors. Each unit is tied to particular periods of lowstands and highstands of sea level that reflect the Late Pennsylvanian icehouse and transition to early Permian greenhouse conditions. Recognition of these details in seismic, logs, and cores helps geologists and engineers during the drilling, targeting, completion, and development phases of these important unconventional resources.

In December, the Dallas Chapter hosted our annual Christmas Party at the Dallas Petroleum Club. It was a spirited gathering and our members enjoyed terrific food, drink, and music.

2019 was a fun and successful year with many events to bring our membership together. Special thanks to my fellow board members Neil Barman, John Stephens, Carole Popa, and Carol Shiels for their service this year.

Michael Adams
Chairman

Dawn Bissell
Chair
independent geologist. From 1936 to his death on January 17, 1970, with a brief interruption during WWII, he was engaged as an independent.

In the late 1930s Speed saw the need for a professional organization that would specifically address the needs of independent businessmen and women who were educated in science and who worked in the field of earth science. Speed recognized that unqualified persons, and sometimes unethical ones, were attracting investors into petroleum and mining ventures in a manner that often reflected unfavorably on the activities of legitimate independents.

His solution to these professional and ethical problems was to form a society of qualified, ethical, independent earth scientists. As he broached the idea with industry peers, he met resistance on the grounds that there were already in existence one or more established national societies in every branch of the earth sciences. They said that another society would serve no useful purpose and would encroach on the programs of already-established organizations.

Speed had a different kind of organization in mind. His idea was to form a professional organization that specifically addressed the challenges of the professional earth scientist who, as an independent, had the need to share not only scientific, but the various legal and business issues that face an individual running a business. The organization he had in mind would also function to certify the ethics of its membership to the profession and public at large.

Speed also realized that practicing earth scientists affiliated with a university, government agency or corporation have a shield against long range economic challenges. That person has colleagues within his organization with whom he or she can discuss his work on a day to day basis. In short, affiliated earth scientists receive professional and economic support by virtue of their affiliation.

Carlton Speed visualized that an organization of independent earth scientists would, in some measure at least, compensate for the advantages one loses when they turn away from the shelter of a strong organization to become an entrepreneur and “go it alone.”

Speed was right, but failed at that time to persuade his fellow scientists that a society of independents would not compete with the other societies and would instead address itself to the situations unique to the challenges of operating as an independent.

With the advent of World War II, Speed went to Washington as Chief of Exploration in the Production Division of the Petroleum Administration for War. After the war, he returned to Texas to resume his career as an independent petroleum geologist.

In the post-war period the number of independent earth scientists increased rapidly, a situation which inspired Speed to renew efforts to organize a society for independents. His post-war efforts ultimately resulted in the formation of the Society of Independent Professional Earth Scientists.

The Articles of Incorporation of the Society were drafted and signed by nine earth scientists in Houston, Texas, and the Charter was granted on February 27, 1963. The nine founding members were:

- Carlton D. Speed, Jr., #1
- Robert M. Beatty, #2
- Hershal C. Ferguson, #3
- Kenneth L. Gow, #4
- Jack O. Colle, #5
- A.H. Wadsworth, Jr., #6
- Charles H. Sample, #7
- Felix A Vogel, Jr., #8
- Sam M. Penn, #9

These nine signers of the Articles of Incorporation became members of the first board. They met in March of 1963 and elected the first officers of the society. Founding member and original board member, Hershal Ferguson, died on December 7, 1963, and Michel T. Halbouty, #33, was elected to fill the unexpired portion of Ferguson’s term.

Carlton Speed then compiled a list of independent earth scientists who, he thought, might be qualified for membership in the new organization. He prepared a letter and sent it out to these individuals in which he stated his reasons for forming the Society of Independent Professional Earth Scientists, the aims of the Society, and the qualifications for membership. This letter was mailed in April 1963, soon after the charter was granted.

In his letter, Speed stated the goal of the Society was to become a national and perhaps international society. He stated the purpose of the Society as “being of special interest to consultants…because it proposes to develop high ethical standards, similar to those of the medical and legal professions.” Speed addressed the issue of state licensing, but questioned the wisdom of such licensing, instead contemplating, in effect, the licensing of members of the Society by means of a replica of the Society’s seal, which remains property of the Society.” Membership and use of the seal, he stated, “are to be granted only after a thorough investigation of professional qualifications and moral character.”

Speed’s announcement of the new organization included details of the problems which are peculiar to the independent, problems with which the affiliated scientist does not have to contend. Of emphasis was the need to protect the public from the unethical and unqualified practitioner. The new organization was formed to specifically address these issues. By July 16, 1963, he had convinced 86 qualified earth scientists to join the new society.

The intent of the founders and purpose of the organization was stated in the Charter as follows:

1. To provide an organization of earth scientists composed of consultants and independents that are certified by the governing body of the society as to professional competence and observance of professional and business ethics.

2. To make available to all interested persons a directory giving each member’s educational background,

(Continued)
details of professional experience, scientific specialties and other information necessary to evaluate his/her qualifications.

3. To protect the public by strict enforcement of the standards and practices set for in the Code of Ethics of the Society and by the maintenance of high educational and experiential requirements for membership in the society.

4. To provide advice and make recommendations to legislative bodies with regard to proposed legislation which pertains to the earth sciences, and to the professional practice of earth scientists.

5. To establish and maintain liaison and to offer services to industry, to federal, state and local governments, to civic organizations and to educational institutions.

6. To stimulate the interest of the public in the earth sciences by dissemination of scientific information and public discussion of related topics.

7. To publish and distribute scientific, business or legal papers which are considered helpful to members and other earth scientists and to make copies of such papers available at public libraries and institutions of higher learning.

8. To support programs for the preservation of primary sources of earth science information and to insure the availability of this material to all earth scientists.

9. To encourage the establishment of scholarships in the field of the earth scientists in educational institutions.

10. To improve the economic and professional status of independent earth scientists through active organization and communication among its members.

11. To cooperate with other organizations in the accomplishment of the above purposes.

All of the charter members of the first board were from Houston, and this led to some criticism that SIPES was a local organization. The thrust of early activities was to secure an effective base membership without compromising standards of scientific background and ethical conduct: a challenge that remains to this day!

Early efforts to expand membership beyond Houston were rewarded, and by April 1964, thirteen months after incorporation, the membership roll included scientists from fourteen states. Any question of this being a local organization was quickly dispelled.

After a slow start, the organization moved rapidly. The first annual meeting of SIPES was held at the Petroleum Club in Houston in May 1964. The first SIPES Newsletter was published the following month. A Code of Ethics was voted on by members, who approved it and a new constitution, which became effective in October 1964. The new constitution required that every member be governed by the Code of Ethics, which comprises a full page of SIPES twelve-page Constitution, Bylaws and Code of Ethics (available on the SIPES website). It is broken down into three sections:

**SIPES Code of Ethics**

- Relation of Member to the Public
- Relation of Members to Clients
- Relation of Members to Each Other

The new constitution also provided for the formation of local chapters. The procedure for chartering a local chapter was simple: five members of a local group could apply to the board of directors for a chapter, and upon favorable vote by a majority of the board, the chapter was brought into being. The first such chapter was in Houston, formed on June 2, 1964. The second chapter was formed in Midland, receiving authorization from the board in August 1964. Founding members of the Midland Chapter include C.D. DiGiambattista, George Gibson, #112, Barney McCasland, #92, William Schneider, #81, and Jack Elam, #124.

**SIPES Directory**

Another high priority of the first and second boards was to publish a directory that would contain reliable data on each member, information that would be of use to persons in need of the services of a consultant, or persons contemplating some sort of business arrangement with one of more earth scientists. This was quite a departure from the directories of (Continued)
the various scientific societies at the time, which generally contained little more than a list of names and addresses.

From inception, the SIPES Directory, and SIPES, were narrowly focused on practicing independent earth scientists. The original questionnaire called for information regarding academic training, summary of experience, field of specialization, scientific and engineering society affiliations, major publications, and other pertinent data covering a total of fourteen categories.

This directory became the model for all subsequent directories, as well as the model for the first directory issued by the Professional Division of AAPG. The first SIPES National Membership Directory was distributed in September 1965. It was sent to members, clients, lending institutions, oil and gas producers, universities, and government bodies. In addition to biographical data, the information listed for each member included fields of specialization and geographic area of practice – information that could be useful to those seeking a consultant. Updated directories were published approximately every three years through 2016. The directory is now only available online, exclusively to SIPES Members.

Various search options can be used to find members by city, specialization, geographic area of practice, geological area of expertise, and area of international proficiency by country and province. The SIPES Directory is a unique and very useful resource.

**SIPES Newsletters**

Another early effort of the Society was the publication of newsletters. The subjects were unusual in that they were geared toward the activities of the independent. This program was discontinued after the publication of eight newsletters.

The subjects of these eight newsletters are revealing of the intent of the founders and their focus on the activities and needs of the independent. Note the titles of these talks, a few of which are listed here:

- "Responsibilities of the Consultant and Engineer as an Expert Witness" by none other than Leon Jaworski, then President of the State Bar of Texas.
- "Mineral Interest as Compensation for Services"
- "What the Banker Requires in Making an Oil and Gas Loan"
- "Common Fallacies in Oil and Gas Reserve Estimates"
- "The Rights of the Overriding Royalty Owner"

These are subjects not generally discussed or covered by other professional society publications. It is clear from these titles that SIPES was meant to be a unique organization designed to address the needs of the independent businessman or woman who is a practitioner of earth science. Four additional newsletters were issued later. These were compilations of papers presented at the annual meetings. Beginning in 1987, the annual meetings were filmed, and videos were prepared for later access by members.

**SIPES Matures**

The second annual meeting of SIPES was held in Houston in April 1965, at the Houston Club. The third annual meeting was held in Midland in April 1966. The end of the third year marked a milestone in the history of SIPES. For the first time, none of "the nine," the signers of the Articles of Incorporation, was included in the Board of Directors.

After completion of the central or national structure of the society, the organizing of local chapters in strategic places was pursued. Chapters were organized in nine cities over the first 15 years. A listing of the early chapters and some of the founding chairmen are listed here:

- 1964 - Houston: James O. Lewis, Jr., #25
- 1964 - Midland: C.D. DiGiambattista (membership number unavailable)
- 1966 - Denver: Clark Millison, #95
- 1967 - Dallas: W.H. Cardwell, #194
- 1967 - Wichita: C.W. Smith, #90
- 1968 - Lafayette: Percy M. Lyons, #153
- 1969 - Oklahoma City: Bob Hancock, #18
- 1971 - New Orleans: Leslie W. Bowling, #297
- 1978 - Ark-La-Tex (Shreveport): Jerry Schwarzbach, #512

Other chapters followed:

- 1980 - Corpus Christi
- 1981 - San Antonio
- 1985 - Jackson, MS
- 1986 - Austin

Chapters share certain characteristics. They meet regularly, obtain speakers for nearly every meeting and chapter business sessions are kept brief!

From inception, both SIPES and the American Institute of Professional Geologists certified their members as to professional competence and ethical standards. Later, AAPG became...
involved in certification as well. It became apparent that there would be substantial advantages to the profession if a common denominator of qualifications and perhaps reciprocity could be established among the three organizations.

To accomplish this goal required revisions to the SIPES Constitution and Code of Ethics. These requirements were set out in the second revision of the constitution, which was unanimously adopted at the annual meeting in Wichita, Kansas in May 1969.

The expansion of services to SIPES Members and the public are significant. There have been many accomplishments, listed here are some of the more significant milestones:

**1982: SIPES Foundation was Incorporated**

On November 20, 1981, President Jerry Ingels, #524, appointed Bob Anderson, #336, to be chairman of a Foundation Committee with Fred Oliver, #580, as acting secretary. The Foundation Committee’s charge was the investigation and preparation of Articles of Incorporation for a SIPES Foundation. Based on the diligent work of this committee, President Jerry Ingels signed the Articles of Incorporation for the SIPES Foundation on February 10, 1982.

**1983: SIPES Foundation Awarded its First Scholarships**

Since that time, SIPES has awarded 251 scholarships to students attending 64 different colleges and universities. Last year we gave out six scholarships totaling $15,000. There are four separate funds that have been set up within the SIPES Foundation:
- Scholarship Endowment Fund
- Stephen E. Collins Memorial Scholarship Fund
- Edward A. McCullough Endowed Fund
- Marvolene Speed Bennett & Carleton D. Speed, Jr. Fund

On October 19, 1983, SIPES issued a position paper relating to modification of the 1974 COPAS Agreement – those modifications pertaining to onsite and offsite technical personnel charges. This letter was authored by Stewart Chuber, #221, who was treasurer at the time.

Thanks for reading Part One of this series. In the next edition of the Quarterly, Part Two will summarize SIPES history from 1984 to 2020.

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**SIPES Foundation 2020 No Hassle Raffle**

First Prize — $400  
Second Prize — $300  
Third Prize — $200

Don’t forget to return your payment and ticket stubs!

You do not need to be present to WIN

Drawing will be held at the SIPES Convention Awards Banquet on June 2, 2020 in Fredericksburg, Texas
### SIPES Foundation Donors — February 1, 2019 to February 1, 2020

<table>
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<tr>
<th>Contribution Range</th>
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<td>$400 - $499</td>
<td>Louis C. Bortz, Walter S. Light, Jr., Melanie K. Westergaard</td>
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The SIPES Foundation gratefully accepts all donations and acknowledges these contributions with a letter. Donations under $50 are not listed here. Please remember the SIPES Foundation in your estate plans.

MARCH 2020 23
2019-2020 SIPES Officers

President ....................................Barry J. Rava ................................................... Houston
Vice President ................................Dawn S. Bissell .............................................. Corpus Christi
Vice President of National Energy ..........Gregg S. Alletag ........................................ Oklahoma City
Secretary ....................................Wendell R. Creech ........................................ Midland
Treasurer ....................................John R. Stephens .............................................. Dallas

SIPES Directors

Jeffrey L. Allen...........................NAPE/2020 Convention ................................ Houston
Dan Earl Duggan............................Convention/Advertising ..................................... Fort Worth
J. L. Jones ................................Tech. Comm./Nominating .................................. San Antonio
John H. Newberry .........................Environmental/Nominating ................................ Austin
Thomas G. Pronold ......................Membership Growth/Chap. Participation .......... Wichita
Christopher H. Reed .....................Membership Growth/Prof. Ent. Mgmt. ............. Tyler
Neil D. Sharp ................................State Legis. Affairs/Constitution & Ethics ........ Denver
Carol M. Shiels ............................Headquarters ..................................................... Dallas
Michael R. Vasicek ......................Nominating Comm./Honors & Awards ............... Midland

SIPES Vision Statement

To be the pre-eminent organization for furthering the professional and business interests of independent practitioners of the earth sciences. In achieving this vision, emphasis will be placed on
(1) professional competence,
(2) professional business ethics, and
(3) presenting a favorable, credible and effective image of the Society.

Adopted by the SIPES Board of Directors
September 21, 1996