

SOCIETY OF PETROLEUM ENGINEERS SECTION ANNUAL REPORT

RETURN THIS FORM TO THE SPE SECTIONS MANAGER NO LATER THAN 1 JUNE.

Please submit electronically as a Word document, if possible. If handwritten, please use black ink or type. Attach additional sheets if needed. Please limit total submission (report and attachments) to 100 pages or less. Please include only 1 example of newsletters, meeting minutes, etc. If necessary, you may state “additional documentation available upon request”.

Where applicable, please distinguish between the ongoing annual events or programs and those initiatives that were new or begun during the past section year.

Section Loas Angeles Basin Section Year April 1, 2005 to March 31, 2006, inclusive
(month)(year) (month)(year)

1. Technical Dissemination

1.1 List all regular meetings of the section, meeting topics, attendance and sponsors (if any)

Date	Name of Speaker (Note if Distinguished Lecturer)	Company/Affiliation of Speaker	Title/Topic of Speech	Sponsors	Attendance
4/12/05	Dr. George Stosur (DL)	Consultant	The growing demand for heavy oil and natural gas and related global warming issues	LASPE	26
5/10/05	Mike Utt	Consultant	The offshore industry – middle aged, but still learning	LASPE	13
6/14/05	Dr. George Chilingar	University of Southern California	Global warming – should the USA sign the Kyoto Protocol?	LASPE	16
9/14/05	Thomas A. Blasingame (DL)	Texas A&M University	Performance-Based Reservoir Characterization – State-of-the-Technology	LASPE	34
10/11/05	Dr. John Grace	Earth Science Associates	The Future Supply of Oil From Russia	LASPE	26
11/8/05	Barry Evans and Tom Walker	Evans, Frey and Walker	California and world crude pricing	LASPE	47
12/13/05	Dr. Steve K. Cheung (DL)	Chevron Energy Technology Company	The Latest in Ways to Improve Asset Value Through Better Water Management	LASPE	38

1/10/06	Mark Shemaria and Ivan Tether	Tidelands Oil Production Company	Air issues for E&P Operators in the South Coast Basin	LASPE	33
2/1/06	Dr. AbdulJaleel Al-Khalifa	Saudi Aramco	Multiplying the Potential of People, Technology and Resources	LASPE	47
2/7/06	Gerrit Nitters (DL)	Shell International	Well Stimulation – A New Challenge	LASPE	23
3/14/06	Bob Visser	Belmar Engineering and Management Services	Prestige Tanker Oil Recovery Project	LASPE	21

1.2 Did an SPE officer (SPE President, Past President, President-Elect, or Treasurer) visit during the section year?

Date of Visit	Name	SPE Office Held	Attendance
2/1/06	Dr. AbdulJaleel Al-Khalifa	2007 President Elect	47
9/14/05	Behrooz Fattahi	Western Regional Director	10

1.3 List all study-group meetings, with attendance numbers, of the section.

Date	Title/Topic of Speech	Name or Speaker (Note if Speaker is Distinguished Lecturer)	Attendance

1.4 List all short courses, seminars, and workshops, with attendance numbers, sponsored by the section.

Date	Title/Short Description of Activity	Funds Raised	No. of Participants
6/3/05	Basic Concepts of Hydraulic Fracturing Presented a one day (8 hour) class on hydraulic fracturing. Covered introduction, fracture growth and physics, candidate selection and design, fracture pressure analysis. Presented by Dr. Leen Weijers of Pinnacle.	Lost \$1228.70	12
11/18/2005	Remedial Workover Treatments Presented a one day (8 hour) class on remedial workover treatments and problem well analysis. Covered well performance analysis, problem well analysis, workover treatments, enhanced oil recovery techniques. Presented by Anil Mathur of Schlumberger.	\$1928	22

1.5 List all technical conferences, exhibitions and symposia, with attendance numbers, sponsored by the section.

1.6 List ways your section shares technology with other sections, the Society and other industry groups.

2. Section Operations

2.1 Officers – List current officers.

Note that LASPE’s program year runs from October 1st through September 30th. Thus, two administrations cover the reporting period. Both administrations are reported below, starting with the current administration.

SPE Office Held	Name	Beginning-Term (month/day/year)	End-Term (month/day/year)
Current Administration			
Chairperson	Patrick Shuler	October 1, 2005	September 30, 2006
Jr. Past Chairperson	Raj Upadhyay	October 1, 2005	September 30, 2006
Sr. Past Chairperson, Secretary	Rick Finken	October 1, 2005	September 30, 2006
Vice Chairperson,	Rod Kane	October 1, 2005	September 30, 2006,

Director through 2006			
Director through 2006	Rich Keller	October 1, 2005	September 30, 2006
Director through 2007	Scott McGurk	October 1, 2005	September 30, 2006
Director through 2007	Allan Spivak	October 1, 2005	September 30, 2006
Director through 2008	Anthony Taglieri	October 1, 2005	September 30, 2006
Director through 2008	Rudy Weibel	October 1, 2005	September 30, 2006
Treasurer	Vivian Bust	October 1, 2005	September 30, 2006
Prior Administration			
Chairperson	Raj Upadhyay	October 1, 2004	September 30, 2005
Jr. Past Chairperson, Secretary	Richard Finken	October 1, 2004	September 30, 2005
Sr. Past Chairperson	Mike Bruno	October 1, 2004	September 30, 2005
Vice Chairperson, Director through 2005	John Yu	October 1, 2004	September 30, 2005
Director through 2005	Pat Shuler	October 1, 2004	September 30, 2005
Director through 2006	Rod Kane	October 1, 2004	September 30, 2005
Director through 2006	Rich Keller	October 1, 2004	September 30, 2005
Director through 2007	Scott McGurk	October 1, 2004	September 30, 2005
Director through 2007	Allan Spivak	October 1, 2004	September 30, 2005
Treasurer	Vivian Bust	October 1, 2004	September 30, 2005

Attach list of incoming officers (Form can be found in Chapter 20 of the Section Operations Officers Manual.)

*See Attachment 1.

2.2 List all board meetings of the section.

Date	Number of Board Members Present	Items Discussed
4/12/05	6 board members / 13 board chairpersons plus guests	The Board approved Scott Hara as fill-in the Board position open as a result of John Yu's move to Bakersfield and that Pat Shuler replace John as Vice Chairperson. LASPE webmaster, Larry Gilpin was approved to take over as newsletter editor. Scott McGurk, Continuing Education, outlined his planning for a one-day short course by Pinnacle Technologies entitled "Basic Concepts of Hydraulic Technologies." Scott Hara reported that student activities at the recent Western Regional Meeting in Irvine went very well and that the students were very appreciative of planning done on their behalf. Dan Dudak asked for volunteer judges for three upcoming Science Fairs in April and May: the Los Angeles County Fair, the Orange County Fair and the California State Science Fair.
5/10/05	7/8	Scott McGurk reported his Continuing Education plans for a one-day class titled "Basic Concepts of Hydraulic Fracturing" scheduled on June 3, 2005 at the Petroleum Club. Mark Shemaria reported that the 2005 Charity Golf Tournament has been filled with 72 foursomes. Vivian Bust advised that the PayPal system is in place for use at the Golf Tournament and for Frac Course sign-ups. Rod Kane reported 15 scholarship applications this year, including four from member high school graduating seniors. In miscellaneous business, the progress on the section annual report was reviewed, as was LASPE's participation in the California State Science Fair judging and the new Young Professional Liaison position.
6/14/05	4/7	Scott McGurk reported that the fracture design class was held successfully per schedule on June 2 at the Long Beach Petroleum Club, attracting 13 attendees. Mark Shemaria advised the Golf Tournament net surplus for this year will exceed that of 2004. The Annual Report was sent to SPE headquarters on May 27. LASPE participated in judging the Los Angeles County, Orange County and State of California Science Fairs successfully held in April and May. LASPE provided cash awards to excellent projects pertinent to the oil industry. The Board will have two open slots for next year (starting October 1). Ed Santiago reported on some of the community outreach projects for this year such as the Easter Egg Hunt.
7/26/05	6/12	Funds approved to sponsor 6 USC and CSULB students to attend the 2005 ATCE in Dallas, \$2,500 in donations to four local charities supported by the Golf Tournament Committee, \$3,750 to fund the FSEA program at Mable Paine Elementary School, \$1,280 for LASPE website improvements, \$300 to support a 3rd grade Science Fair and Career Day program at the International Elementary School in Long Beach, \$1,228 to cover the deficit incurred due to no shows at the June Continuing Education Frac. The board also approved nomination of Tony Taglieri (Oxy) and Rudy Weibel (SoCal Gas) for Board positions.
9/14/05	4/10	The Treasurer's report highlighted the Golf Tournament's net surplus of over \$31,000. The Board's

		<p>nominations for Chairperson and open board positions have been approved as provided for in the by-laws. and the new slate of Chairs and Co-Chairs will be published in the newsletter and on the website. Behrooz Fattahi, Western Regional Director, addressed the Board with an update of SPE International's plans and goals for the future of our Society. Other business items reviewed included:</p> <ul style="list-style-type: none"> • Reporting that \$11,000 in scholarships will be awarded to High School and University students. • The 2006 Charity Golf Tournament planning has begun. • The website upgrades will include a calendar of upcoming events. • Possible funding of three LB Poly High Geology field trips during 2005-06.
10/11/05	7/9	<p>The new Chairperson, Pat Shuler, chaired the meeting. A total of \$11,000 in scholarships will be awarded to 13 university and four high school students. Contributions of \$1,000 from Nancy Davis and \$2,000 from BreitBurn Energy result in a net contribution of \$8,000 from LASPE. Scott McGurk is putting together a Continuing Education workshop on well remedial work targeted for presentation before the end of the year. In "Other Business," Ed Mayer was recognized as a recipient of SPE's highest honor, Honorary Member. Ed will receive his award at the 2006 ATCE from President Eve Sprunt. Also under "Other Business," it was noted that the Petroleum Club has raised rates. This will result in an increase in Forum registration costs from \$15 to \$20. The increase will be deferred until the January 2006 meeting. Prior to the Forum Program, four \$1,000 scholarships were presented to the parents of Shane Liles, David Rushing, Theresa Carlson and Andrew Bolling. BreitBurn Energy matched LASPE budgeted awards of \$500 each.</p>
11/8/05	7/10	<p>The Board approved a balanced budget for the 2005 – 06 fiscal year. Significant items include increases in Continuing Education, Community Outreach and Scholarship funding. The largest single source of funding will be the Charity Golf Tournament, scheduled for May 19, 2006. The Board endorsed the nominations of Sam Sarem for Western Regional Director (2006 – 09) and the nomination of current Western Regional Director, Behrooz Fattahi for the position of VP, Finance of SPE. Scott McGurk reported a Continuing Education workshop on well remedial work is scheduled for November 18, 2005 at the Petroleum Club.</p>
12/13/05	6/9	<p>LASPE plans nominations of its outstanding members for several of the SPE national recognition awards. Scott McGurk reported a successful remedial workover Continuing Education Class on November 18, 2005 at the Petroleum Club. There were 25 attendees. Additional courses are being planned for 2006. Rod Kane will soon be sending out 2006 scholarship application information to LASPE members by email. LASPE plans to support attendance of Student Chapter members at USC and CSULB at the 2006 Western Regional Meeting in Anchorage. Prior to the Forum Program, Pat Shuler honored three of LASPE's newest additions to the SPE Legion of Honor.</p>
1/10/06	7/13	<p>2007 SPE President Elect Abdul Jaleel Al-Khalifa will meet with the LASPE membership on February 1, 2006 at a special Forum meeting. A flyer will be forwarded to the membership. This is a special meeting and the regular Forum meeting on February 7, 2006 will be held featuring Gerrit Nitters, a Distinguished Lecturer speaking well stimulation. Rod Kane advised the website is up to date as to scholarship</p>

		applications and procedures. Mark Shemaria reported the Golf Tournament planning is on track. More volunteers are always welcome. Pat Shuler advised that the 2007 WRM will be combined with the 2007 ATCE and that SPE would like as much assistance from LASPE as possible. SPE indicated that LASPE is free to participate in the 2007 AAPG meeting in Long Beach, but on our own without any official SPE sanction. Prior to the Forum Program, Rod Kane honored Clyde Barton, former SPE President and LASPE's newest addition to the SPE Legion of Honor. This year, a total of 13 LASPE members were inducted into the SPE Legion of Honor.
2/1/06	5/9	The Board approved recommended nominations for the Western Region Technical Excellence Award and SPE's John Franklin Carl awards. Rod Kane advised the website is up to date as to scholarship applications and procedures. Scott McGurk reported he is considering three topics for the next short course: Understanding Southern California Turbidites, Petrophysics of Shaly Sands and The Value of Reservoir Modeling. The 2007 Annual Technical Conference and Exhibition will be held in Anaheim in the Fall. Mark Shemaria is planning to hold a golf tournament in conjunction with the ATCE as an additional fundraiser for LASPE.
3/14/06	6/10	One college and three high school scholarship applications have been received to date. Members with graduating HS students are urged to apply for scholarships. The application form and requirements are on www.LASPE.org . A one-day course covering turbidite and shaly sand interpretation to be given by Schlumberger is planned and will be scheduled as soon as possible. A waterflood analysis plot workshop by Dr. Iraj Ershaghi is being considered in conjunction with the June 13, 2006 Forum. The Western Region Student Paper Contest will be held on April 29th at Stanford University. The LASPE Board approved a \$1,000 donation to help cover costs. The LASPE Board also increased its support of the Long Beach Science Fair from \$500 to \$1,000 to help cover the shortfall resulting from the loss of a major sponsor. Grainer Petroleum, in Signal Hill, has agreed to hold a membership and Community Outreach BBQ sometime after the Golf Tournament – probably in June.

3. Financial

3.1 Include copy of section financial statement at end of the section year. (ATTACHED AT END OF REPORT)

3.2 List the section's sources of income and list of sponsors (if any).

Golf tournament net surplus,
Corporate contributions,
Scholarship reimbursements from SPEI,
Membership dues reimbursements from SPEI,
Interest on checking accounts,
Investment Earnings (Puritan Mutual Fund, Spartan Funds, California Muni Money Market, Fidelity 30-month fixed rate CD)

- 3.3 Does the section require payment at the time a reservation is made for section meeting? _____ No _____
- 3.4 Does the section bill persons who make reservations for a meeting but do not attend? _____ No _____
- 3.5 Does the section have section dues? (Do not include charges for section luncheon/dinner meetings.) _____ No _____

4. Communication Within the Section

- 4.1 Enclose a copy of one monthly section newsletter or meeting notice with an average preparation and distribution per unit cost and total cost.

The monthly newsletter is emailed to section members using SPEI's LA Basin roster updated whenever possible. There is no cost accounted to email the newsletter. Twenty-nine members responded to a member survey in October 2004 for those with no known e-mail address. Sixteen requested stamp mailing, one asked for fax receipt, six provided an email address and six asked to be removed from LASPE's mailing list. LASPE's cost of stamp mailing is \$.40 each covering stamps and mailing labels. Employers provide envelopes.

One of the newsletters from the LASPE Section is included with the Annual report as a typical example.

- 4.2 In what way does the section distribute its newsletter:

LASPE contacts its members by 1) postal hardcopy, 2) email, 3) fax and website download

Meeting announcements and reminders are emailed to members. All announcements are posted on our webpage. The webpage is kept up to date at an annual budgeted cost of \$1,000 per year.

- 4.3 Does the section have a website? Yes If so, please list the website's address www.laspe.org

Yes, we have a very active web site where that has frequent updates. Address www.laspe.org

4.4 List other methods your section uses to communicate with its membership (e.g., email, the internet, broadcast faxing, etc.) and describe how they are used.

See 4.2 above. Members are contacted for monthly meetings, Continuing Education and any time there is a special event (such as AbdulJaleel Al-Khalifa's visit on February 1, 2006).

5. Communication and Participation Outside the Section

5.1 Describe your relationships with other professional societies (national or international) which are active in petroleum engineering or related areas. Describe any joint activities and initiatives (ongoing and new).

LASPE has a continuing relationship with SPEE, AAPG and other professional technical societies in the Los Angeles area. LASPE is a member of the LA and Orange County Engineering Councils (OCEC). Notices of sister society meetings and events are routinely published in our newsletter, on request.

Plans are being developed to work with AAPG in 2007 when they have their annual meeting in Long Beach. Discussions are underway between LASPE and the local chapter of AAPG so that SPE members may receive discount registration and that our Section will receive some credit for those SPE members who do register. This is also an opportunity for SPE members to provide presentations of interest to our membership and have potential interest for AAPG members.

5.1.1 Do you see ways to change your relationships with other societies to improve the benefits to members? Can SPE assist in any way?

As a participating Section in the Intersociety Collaboration Initiative, LASPE recommended SPEI assistance in developing a framework for cooperation with sister societies at the executive level. Grass roots cooperation is already under way.

5.2 List ways the section encourages its members to participate in SPE committees and subcommittees at the Society level and the SPE activities such as the Membership Workshop and the Section Officers Workshop.

There are calls for volunteers in newsletters and personal contact and invitation. Special recognition goes to Sam Sarem and Ed Mayer as the nominations Committee.

6. Membership Development

6.1 Which, if any, major industry employers (include approximate number of SPE members if known) moved in or out of the section during each of the last 3 years? None moved out. Warren Resources, an independent producer, moved in with a development program in the West Wilmington Field in February 2005.

6.2 List methods the section uses to encourage member participation in the section and its activities.

Membership applications are available at meetings and events.

The Membership Chairperson has obtained a list of delinquent members. A letter of invitation has been forwarded requesting their continued membership. Personal calls were made to follow-up the invitation letter.

SPE recruitment ads are routinely posted in our newsletter.

6.3 List activities related to recruitment, retainment, and/or reinstatement of members.

6.4 Describe how the section recognizes membership recruitment efforts.

6.5 List and describe efforts by the section to engage and organize young professionals and emerging leaders.

The Section has created a new position for younger members and appointed someone to head up that effort.

6.6 List and describe efforts by the section to liaise with industry employers.

The Section has several representatives from industry who hold Borad positions or head significant committees. They are the main resource to link the SPE to local industry.

7. Student Activities

7.1 List all activities sponsored by the section that were attended by members of a student chapter. Include section meetings, study-group meetings, field trips, regional meetings, short courses, SPE Annual Technical Conference and Exhibition, Offshore Technology Conference, etc., with attendance numbers.

Date	Meeting	Location	Student Chapter	No. of SPE Student Members Attending
4/12/05	Monthly Forum	Long Beach, CA	CSULB	1
9/14/05	Monthly Forum	Long Beach, CA	USC and CSULB	9
7/26/05	Board Appreciation Meeting	Long Beach, CA	USC and CSULB	7
10/11/05	Monthly Forum	Long Beach, CA	USC and CSULB	5
12/13/05	Monthly Forum	Long Beach, CA	USC and CSULB	6
1/10/06	Monthly Forum	Long Beach, CA	CSULB	2
2/1/06	Monthly Forum and Visit by SPE Pres.	Long Beach, CA	USC and CSULB	2
				Note: Students attend as guests and are not charged for luncheon meeting

7.2 Discuss participation of the section in student paper contest and other student chapter activities.

The Section supported a significant effort for student activities at the 2005 Western Regional meeting; This occurred at the end of March 2005, and hence was reported in last annual report.

The Section supported the Student Paper Contest for 2006 held at Stanford held in April 2006 (this falls into the next year).

LASPE continues to help students from USC and CSULB with travel expenses to attend the 2005 ATCE.

7.3 List all activities sponsored by the section to educate students/instructors/counselors on the profession/industry. (Indicate at what level activities are directed; i.e., elementary, secondary, or senior high school; teachers; or counselors.)

COMET Program:

Each year, LASPE is a major contributor to a one-week introduction to the oil industry for high school students and teachers. The program is held at the University of Southern California in late June. It is coordinated and taught by LASPE members. The program is called COMET (California Oil Mentoring and Entrepreneurial Training) and has been given annually since 1997.

Support of OCEC & LACES by LA SPE During 2005-2006 reported by Sam Sarem

LASPE supports the Orange County Engineering Council (OCEC) and the Los Angeles Council of Engineers and Scientists (LACES) which are umbrella organization having many technical societies as members allowing a true multidisciplinary treatment of engineering activities. Besides, both MESA (High School and University Mathematics and Science Achievement for Underprivileged Children) and Future Scientists and Engineers of America, FSEA, are supported by OCEC. Furthermore, OCEC and LACES engage in Intern and Mentoring programs.

Included in the activities that LASPE participated are two awards Banquets during the National Engineers Week in February and Industry Tours arranged by OCEC. After receiving lectures by the LA Basin Section Chair and immediate past Chair, and seeing the CD made by the SPE Career Guidance Committee called Quest, the FSEA fourth and fifth grade students at an elementary school that is sitting on top of the Yorba Linda Oil Field, the site of the first successful steam drive process, were asked to write an essay about what they learned. Their essays about the Petroleum Industry were so interesting that SPE decided to post the top three essays on the SPE Web site.

7.4 List all activities sponsored by the section that were attended by elementary, secondary, or senior high school students, with attendance numbers.

Examples are FSEA, COMET (18 students), and Easter Egg Hunt.

8. Scholarship

List all scholarship activities of the section and the percent of the section's budget distributed as scholarships.

Recipient	School	Section Contribution and Percent of Section Budget Distributed as Scholarships	How Funded (e.g., interest bearing account, technical meeting, social activity, general fund)
<u>Graduate Students:</u>			
Viet Quoc Hong	USC	\$500	general fund
Nelia Jafoodi	USC	\$500	general fund
Reza Rastegar Mogadam	USC	\$1,000	general fund
Abdullan Orangi	USC	\$500	general fund
Mohammad Zayyan	USC	\$500	general fund
Ghazi D Alqahtani	USC	\$500	general fund
Golnaz Alipour Kivi	USC	\$500	general fund
Sved Ehsan Tajer	USC	\$500	general fund
Uduak-Joe Ntuk	CSULB	\$500	general fund
<u>Undergraduates:</u>			
Kelly McLachlan	USC	\$500	general fund
George Romero	CSULB	\$500	general fund
Cliff Swanson	Carleton College	\$500	general fund
<u>Graduating HS Students</u>			
Shane Liles	CSULB	\$1,000	general fund

David Rushing	Orange Coast	\$1,000	general fund
Theresa Carlson	SD State	\$1,000	general fund
Andrew Bolling	Berkeley	\$1,000	general fund
Other		\$1,000	

The total scholarship amount of \$12,000 represents about 16% of the total Section expenses

9. Awards

List any SPE national, regional, or section awards, nominations and similar, distinguished recognition from other organizations received by section members.

Title of Award	Nominee	Recipient (yes or no)
Regional Service Award	Raj Upadhyay	Yes, at 2006 WRM
Honorary Membership Award	Ed Mayer	Yes, at 2006 ATCE
John Franklin Carl Award	Richard J Stegemeier	Pending, nominate January 2006
Distinguished Member	Dr. George Chilingarian	Pending, nominate March 2003
Drilling and Completion Award	George Boyadjieff	Pending
Lester C Uren Award	Dr. Yannis Yortsos	Pending
Distinguished Service Award	Sam Sarem	Pending, nomination 2005
Distinguished Service Award	Harry Krebs	Pending, nomination 2005
Distinguished Achievement for Petroleum Engineering Faculty	Dr. Yanis Yortos	Pending
Reservoir Dynamics and Description Award	Dr. Iraj Ershaghi	Pending, nominate January 2006

10. Community Outreach

List all activities sponsored by the section in which members participated that enhanced the image of the petroleum industry or the petroleum engineering profession. Include local community activities. Activities include, but are not limited to, presentations concerning the petroleum industry, energy education, charitable causes, and community action projects.

Each year, LASPE is a major contributor to a one-week introduction to the oil industry for 18 high school students and teachers. The program is held at the University of Southern California in late June. It is coordinated and taught by LASPE members. The program is called COMET (California Oil Mentoring and Entrepreneurial Training) and has been given annually since 1997.

- Sponsorship of and participation in FSEA (Future Scientists and Engineers of America) after school clubs for elementary school students.
- Sponsorship of and participation in COMET: a one-week summer program at USC to educate high school seniors about the energy industry.
- Sponsorship of and participation in teacher tours of oil production facilities
- International Elementary School (Long Beach) annual Easter Egg Hunt.
- Participation in 8th Annual Long Beach Elementary School “Read-In.”
- Members served as judges in the Long Beach City, Orange County, Los Angeles County and California State Science Fairs. Financial support of science related projects and cash awards to outstanding projects relevant to the oil industry.

Total Outreach funding for 2005 – 2006 was nearly \$13,000.

11. Other Activities

Complete the table for any other activities sponsored by the section, such as social events or activities not mentioned elsewhere in this report.

Date	Brief Description of Activity	Income	Expenses	Profit	Number of Participants

12. Goals

Outline goals established at beginning of year and report progress in meeting both long- and short-term goals.

Long-Term Goals:

1. Strengthen the Section's continuing education program. Strive to offer at least three short courses per year.
2. Maintain a 90% membership renewal rate. If indeed high oil prices hold, there may be an opportunity to even expand membership eventually.
3. Look for creative ways to get members—especially younger ones—actively involved in Section activities.
4. Maintain active liaison with other engineering and earth science societies.
5. Maintain active golf tournament fundraiser.

Short-Term Goals:

1. Improve member attendance at technology transfer functions. New programs are in the works, which should improve attendance.
2. Attract new faces for board and chair positions. Our nominations chairperson is actively recruiting potential members.
3. Survey members to determine what additional program(s) they expect from the Section.

13. Constraints

List unusual constraints of the section in (1) membership development, (2) technical/educational activities, (3) scholarship activities, and/or (4) financial activities.

- 1) Membership development is constrained by declining LA Basin activity as compared to other oil producing areas.
- 2) On the other hand, the very high oil price puts a strain on practicing engineers and related employees to have the free time to volunteer for SPE activities. Per the point below, the local area is dominated by smaller oil companies who have a strong focus on the bottom line and are not able or willing to encourage employees to detract from work duties to volunteer to help SPE.
- 3) Other than Occidental, there are no major oil operators in the LA Basin. Consequently, local SPE members working for independents will only attend meetings with specific topics of interest. Attendance at Forums contains a large contingent of consulting engineers.
- 4) Scholarship activities are somewhat constrained by the lack of a Petroleum Engineering Bachelors program at local universities (University of Southern California and California State University at Long Beach), but both schools encourage investigation into petroleum careers. USC has a masters and doctorate programs in Petroleum Engineering.
- 5) There are currently no financial constraints.

14. The President's Award for Section Excellence is given to up to six outstanding sections each year based on the activities of the sections identified in the Annual Report. Why should your section be considered for the President's Award for Section Excellence? (If this question is answered, this annual report will serve as an application for the award.) See award rules, attached. If a qualification category does not apply to your section, you may attach an additional page that provides details about why that category should not be used in considering your section for the award. When detailing the reasons why your section should be selected for this award, emphasize those programs, events or circumstances that were new or changed during this past year.

The Los Angeles Basin Section is worthy of consideration for this award because of its continuing commitment to the goals of SPE in the face of declining membership.

1. During the reporting year, we worked to improve and expand our technology transfer program and increased our community outreach program. Improvements in the program were rewarded by an increase in attendance versus last year.
2. We furthered our continuing education program. A survey was conducted to prioritize topics of interest to members. As a result, our first short course, Basic Concepts of Hydraulic Fracturing, was held on June 3, 2005 and was very successful.
3. We are constantly looking for ways to improve our scholarship program to get bright students interested in the petroleum industry. Funds spent for scholarships and community outreach totaled approximately \$20,000. This was the large majority of our 2005-2006 expense budget.
4. Los Angeles Basin members have been active in supporting SPE and have been honored with several Regional Service Awards over the past few years. In particular, our past chairman, Raj Upadhyay received the Regional Service during the 2006 WRM at the Anchorage meeting.
5. The Los Angeles Basin Section continues to be an important part of SPEI and continues to find innovative solutions to issues affecting all domestic US Sections.

Date May 30, 2006

Section Chairperson: Patrick J. Shuler

Email: pjshuler@peer.caltech.edu

Submit report to:

SPE Sections

Society of Petroleum Engineers, Inc.

Mailing address: P.O. Box 833836, Richardson, TX 75083-3836, U.S.A.

Delivery address: 222 Palisades Creek Drive, Richardson, TX 75080, U.S.A.

Facsimile: +1.972.952.9435 Email: sections@spe.org

Photo Pages:



A major activity for the LA Basin Section is to host speakers on various technical topics at our monthly luncheon forums. It is also an opportunity to hear from the SPE leadership. In February we hosted the SPE President-elect for 2007, Jaleel Al-Khaifa. Dr. Al-Khalifa reviewed the history of the oil industry and the impact of technology, plus his talk "The People Imperative" also reviewed the importance of personal development in the future of our industry.

Dr. Al-Khalifa is shown here after his talk with Ghazi Al-Qahtani, President of Pi Epsilon Tau at USC. And in the background, Dexter Yuen of Union Bank of California chats with Alex Reid of State Lands.



Our Section also had the honor of having two Distinguished Lectures at monthly meetings. Both presentations were well received because of the quality of the talks and these topics were of high interest to our membership. Below we show:



Steve Cheung from Chevron who presented "Better Water Management"



Geritt Nitters from Shell International. His presentation was entitled "Challenges in Well Stimulation"



Student support by scholarships and other activities is the most important outreach activity for our Section. This also consumes the bulk of our charitable expenses. Besides awarding scholarships to several students at local universities who are in petroleum engineering or a related technical field, we offer scholarships to qualified high school seniors of our local membership. Scholarships were presented to the parents of Shane Liles, David Rushing, Theresa Carlson and Andrew Bolling that included funding by LASPE and also was matched by BreitBurn Energy (many thanks). Scholarship certificates are being displayed by proud parents; Carlson, Rushing and Liles.



At the Mabel Paine Elementary School in Yorba Linda the SPE LA Basin Section continues to sponsor a FSEA (Future Scientist and Engineers of America) program for some 25 students. Sam Sarem (see photo) has been the guiding force behind this program. This year Sam also enlisted the current and former Section Chairs to provide lectures about oil and



One of the fun activities we sponsor every year is a Easter Egg Hunt at Long Beach's International Elementary School. A special thanks goes to Ed Santiago for coordinating this effort.

The golf tournament held every year in May is the major fund raising activity for the LASPE and has been successful for many years. We congratulate Mark Shemaria and the large number of volunteers shown at the right for another great effort this year.



It is also gratifying that we are able to recognize members in our Section who have received awards this past year.



There were 13 Legion of Honor (50 years of SPE membership!) Three are shown above: Carl Vogeogelsang, Robert Miller, and Ben Baylis.



Ed Mayer has received an Honorary Membership this year. He will accept the award at 2006 ATCE.



Raj Upadhyay (right) is shown receiving an award of appreciation from LASPE for his service as LASPE Chair in 2004 – 2005. Pat Shuler, the current LASPE Chair is shown on the left. Raj received the Western Regional Service Award at the WRM in Anchorage on May 9.