

2005 Annual Report of the Society of Exploration Geophysicists

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Executive Committee Reports

Craig J. Beasley, president

It has been an extremely busy and exciting year to serve as president of SEG. By all measures, our society is thriving but is not without challenges. In this report, I will briefly address the state of our society and highlight some of the events of the year.

Traditional measures of the success of an organization involve the engagement of its members as well as financial health. In this regard, SEG's membership continues to increase, with total worldwide membership now numbering almost 23 000. Statistics show a continuing trend in membership toward a younger and more global makeup.

On the financial side, we ended our fiscal year in June with a strong balance sheet and a strong overall operating profit. The 2004 Annual Meeting in Denver attracted an attendance of more than 6400, which exceeded expectations and contributed to the strong financial results.

The SEG Foundation awarded more than \$250 000 in scholarships and funded other worthy projects such as field camps for geoscience students. The Foundation has expanded the Trustee Associates group and has a renewed focus on implementing a major-gifts campaign to significantly increase the corpus. We are doing well by these traditional measures, but of course SEG is much more than this.

The dominant feature on the SEG landscape this year is the celebration of our 75th anniversary. Preparation began last year in President Peter Duncan's term with the appointment of a special committee to plan for the occasion. A call was issued for sections and affiliated societies to hold events also. The response has been tremendous, with events being held throughout the year around the world. These are too numerous to detail here, but I thank all involved because I believe it is important to draw attention to the importance and success of our society and our profession.

Special articles are appearing in *THE LEADING EDGE* and *GEOPHYSICS*, and a special publication will be produced, along with a DVD containing historical material as well as a look to our future.

Besides the birthday celebrations, the committee has worked with the organizing committee for the 75th Annual Meeting to make it a major focus of the anniversary. We will look back on our past and ahead to our future in a time when the world's growing energy demands are squeezing supplies. Energy is again coming to the center of the world's political and social focus, and our 75th Annual Meeting will be our opportunity to showcase the important role we play in this

vital effort. Rarely have we seen such a confluence of positive events and circumstances at the juncture of our Annual Meeting. I know it will be a ringing success in terms of attendance and importance.

Because the buck stops here, it is more than nice to report increasing membership, strong finances, and an exciting anniversary, but the most important aspect of our society is serving our members. If we don't succeed at that, we will not report successes for very long. Communication is at the heart of serving our membership. We are challenged to communicate with our members around the world, and we are challenged to foster communication among members and to provide easy access to geoscience literature. We are meeting these challenges in a variety of ways.

The SEG Digital Library is now up and running, with complete search capabilities in *TLE*, *GEOPHYSICS*, Annual Meeting *Expanded Abstracts*, and Sheriff's *Encyclopedic Dictionary of Applied Geophysics*, providing all members with quick and easy access to these valuable resources.

The SEG Business Office has opened a new dedicated customer-service group. To foster free scientific communication among members, SEG has placed a new emphasis on the Forum Series of meetings. We have long held the D&P Forum, and this concept has been expanded to cover all areas of the geosciences. This year, we held two new very successful forums. The first focused on controlled-source EM in the United States, and the second, on land seismic, was held in Bahrain. I expect this format to continue and to be a key to aiding members in communicating around the world.

We are challenged to communicate with related professions represented by societies such as AAPG, SPE, and our sister societies such as EAGE and EEGS. We have had a successful year in this regard by jointly organizing meetings and by keeping in close contact with leaders. We have heard very clearly from our membership that integration of sciences and technologies is the way forward, and we have been in discussion for some time with the leaders of such organizations as to how best to accomplish these goals.

These discussions are producing results such as the International Petroleum Technology Conference, organized by SEG, SPE, AAPG, and EAGE, to be held in November in Qatar. The dialogs continue, and I expect more progress to be made. Moreover, SEG has had a very successful year in new affiliations. We have added sections in Oslo and in Bahrain and have concluded an agreement of affiliation with EEGS.

We are challenged to communicate around the world, because our members expect and deserve uniform service regardless of their locations. I mentioned the efforts to provide

the services through the Web, but it takes more than that. I have visited many sections and affiliated and associated societies in my year as president, and we have taken steps to carry our global efforts forward. The Global Affairs Committee acts as our eyes, ears, and conscience in this regard. We have acted on many of the committee's suggestions in the past, but we have some way to go in expanding these efforts.

Finally, I express my gratitude to the membership for giving me this opportunity to serve as president. It is a great responsibility and honor to be entrusted with the future of SEG. I also have had the privilege to serve with a remarkable group of people on the Executive Committee. They have worked hard and have produced impressive results. They have helped to explore new ways to communicate across the electoral boundaries imposed by our one-year terms. Looking back several years, efforts to create continuity in the leadership have increased every year, and we find that the more we do in this vein, the better. This year, we instituted an earlier orientation for the incoming Executive Committee, and I think the benefits have been clear.

I thank the Business Office staff members for their professional and untiring efforts. They are truly remarkable for the enthusiasm and zeal they bring to the job of making SEG a success. I also thank WesternGeco for supporting me in my year as president and for not giving me too much to do in my "day job." And finally, thanks to my family for enduring this year in which I had so much travel.

Terry K. Young, president-elect

It has been an honor to serve as SEG's president-elect during this past year. In this role, I have been involved in four primary activities: (1) participating as a member of the Executive Committee in handling the routine business of the society; (2) serving as liaison between the Executive Committee and the SEG Foundation board of directors; (3) traveling on behalf of the society as a representative for president Craig Beasley, when there were conflicts in his schedule; and (4) meeting with Craig and Executive Director Mary Fleming to discuss strategic issues that necessitate continuity from one Executive Committee to the next.

In my role as liaison between the SEG Executive Committee and the SEG Foundation board of directors, I came to better understand the important role the Foundation carries in furthering SEG's mission. I had the opportunity to compare the profitability of the investment activities of the two organizations, to participate in discussions about the Foundation's funding of "Projects of Merit," and to consider, in general, the financial structure connecting the two entities.

I was pleased to see the Foundation board of directors reexamine and reallocate its investments for greater return. I plan to be involved in an ad hoc committee consisting of members of the society and members of the Foundation board to establish a consistent methodology for prioritization of project funding against a backdrop of change from one Executive Committee to the next. The financial structure that connects

SEG and its foundation is something that deserves ongoing attention and perhaps improvement to strengthen the society's financial operating model. I wish to thank the Foundation board of directors, particularly Chairman Dick Baile, for dedication on behalf of the society and the profession.

In my travels on behalf of the society and Craig Beasley, I attended the 2005 Joint Assembly in New Orleans in May, which brought together members of the American Geophysical Union (AGU), the North American Benthological Society (NABS), the Solar Physics Division of the American Astronomical Society (SPD/AAS), and SEG. Lee Slater of Rutgers University did an outstanding job serving as SEG's representative on the organizing committee.

In attending the technical program I observed that in spite of our efforts to provide an SEG component in sessions on topics such as geomagnetism, seismology, etc., there was a tendency for SEG to be regarded as synonymous with the Near-Surface Geophysics Section. Indeed, this may be the area in which the joint activities to date between AGU and SEG enjoy the greatest synergy. Nonetheless, in my toast on behalf of SEG congratulating the newly elected fellows of the AGU, I observed that there was room for further synergy as both societies take greater interest in humanitarian impact as AGU members move toward greater use of "controlled-source" seismology while SEG members increase their use of passive seismic monitoring.

I also represented SEG at the American Association of Petroleum Geologists (AAPG) Annual Meeting in Calgary in June. I participated in a meeting of AAPG, SEG, and other sister societies — Geophysical Society of America (GSA), Society of Petroleum Evaluation Engineers (SPEE), American Institute of Professional Geologists (AIPG), and the Society of Petroleum Engineers (SPE) — concerning collaboration in public outreach. I discussed informally with AAPG President-elect Peter Rose the potential for increased joint activity between SEG and AAPG. This will undoubtedly be a strategic issue for SEG in regard not only to AAPG but also to other sister societies as we embrace the future.

Jerry M. Harris, first vice president

President Craig Beasley assigned me to serve as liaison with the Membership, Geoscience Center, Continuing Education, Distinguished Lecture, and Student Sections/Academic Liaison committees. In addition to these committees, a new committee and a new activity were initiated this year: (1) the SEG Foundation Projects Review Committee and (2) the study group on Certification of Reserves Evaluators (CRE). The Foundation Projects Committee was created to facilitate the awarding of SEG Foundation grants. The informal CRE study group was formed to provide technical advice to a joint AAPG/SPEE committee that is considering the controversial issue of industrywide certification of reserves evaluators. Each committee and group was led by an exceptional chairman who recruited and coordinated an active group of committee members.

During the past year, SEG membership grew to nearly 23 000, of which approximately 4000 were students. SEG eCommunities began to connect this worldwide membership in ways unimaginable just a decade ago and created new pathways for member-to-member communications and interaction. Student sections began to partner to share information, and the Geoscience Center formally took over management of K-12 outreach. The Geoscience Center had more than 17 305 visitors, most of whom were preteen public-school students.

SEG's commitment to education was never more evident than through the growth in continuing education; 50% more members attended in 2005 than in the previous year. The Distinguished Instructor Short Course continued as the flagship education offering, serving members around the world, with the cooperation of EAGE. Please read the separate committee reports for more details on these activities.

It has been a pleasure to participate in the growth of our society in the past year and to work with the Executive Committee, SEG staff, and numerous volunteers who served the society. SEG continues to globalize as the world of geophysics rapidly becomes smaller and more diverse. Growth in SEG membership and services outside North America continued to expand, and student membership around the world grew to an all-time high.

The continuing challenge for SEG will be to expand its services to a widely distributed membership and to encourage participation and integration of this diverse community into all aspects of the society, including leadership.

William C. Pearson

Second vice president

It has been an honor and a pleasure to serve as your second vice president in 2004-2005. The membership has continued to increase; the realization that our society is 75 years old has invigorated our membership. The Executive Committee has met in five cities and will meet in Houston before the 75th Annual Meeting in Houston in November. The traveling Executive Committee meetings have allowed the Executive Committee and appropriate staff members to interface with members in those cities, thus better serving the entire society. Face-to-face interchanges with members have provided important direction in how to serve North American members and how to better use the Internet to improve our contact and services with global members.

As second vice president, my responsibilities include liaison with the Gravity and Magnetics, Interpretation, Mining and Geothermal, Scholarship, and Technical Standards committees, which are making good progress. Progress is especially brisk in preparation for the 75th-anniversary celebration in November in Houston. Special events are planned for the Gravity and Magnetics membership at the Annual Meeting. The Scholarship Committee is planning a large gathering of student members with past recipients of SEG scholarships at the student reception.

Local SEG societies have conducted special events in recognition of the 75th anniversary. For instance, the Geophysical Society of Houston and Denver Geophysical Society (DGS) held events on March 11 — the exact anniversary of the founding of SEG in 1930. In Houston, Craig Beasley and many past presidents met at a luncheon at the University Club to commemorate the founding. On the same day in Denver, the DGS and Rocky Mountain Association of Geologists held their 11th annual 3D Seismic Symposium. Five past presidents of the society were honored, along with more than 30 of the DGS past presidents. Peter Duncan, 2003-2004 SEG president, was a featured speaker at the event.

SEG has been responsive to the global membership by helping members obtain necessary travel documents to attend important events such as the Annual Meeting. SEG Foundation has raised additional funds with the help of SEG matching funds. Matching funds have allowed the Scholarship Committee to award more scholarships to students at non-North American universities.

Again, thank you for the honor of electing me to serve as your second vice president. Until my term is finished, I will continue to work hard with the Executive Committee to better serve all of our members.

Klaas Koster, vice president

As liaison for the Global Affairs Committee, I pay particular attention to representing the interests of the other half of SEG's members — those who do not live in North America. You might think there is a real role to play here. After all, a cursory look at SEG might give one the impression that our society is dominated by North America.

Fortunately, that is only a half truth. It is a fact that our Business Office and all our professional staff members are in Tulsa. It is also true that most of the volunteers who run our committees today are North Americans. However, I found that all of these people, who together run our society, are well aware of the geographic distribution of our members.

Real efforts consistently are made to bring SEG events and membership benefits to members all over the globe. The Distinguished Instructor Short Course has been doing exactly that already for years, but I'll give a few more examples. This year, we also will see for the first time the distinguished lecturer "going global." An additional distinguished lecture, taught by Panos Kelamis, was approved. It will reach members who traditionally have not had easy access to distinguished lectures.

In addition, the new Forum Series is global from the start, with the first one to be held in North America and the second in the Middle East.

Another example is the list of projects that will be sponsored by SEG this year. Because of the high relevance of their proposals, half of this year's funds will sponsor research in countries such as Russia, Vietnam, and Romania.

Furthermore, many more universities were alerted this year to the SEG Foundation's scholarship program. There never

was a rule that scholarships should go to universities in North America, but most scholarships do end up there. The Business Office and the Global Affairs Committee are working on further facilitating and clarifying the procedures, and I am expecting to see a larger proportion of scholarships go outside North America this year. This is highly appropriate, because there are more student members in Africa alone than in all of North America, and we have student members on five continents.

Finally, to reenergize the Council, we are considering aligning the Council's districts with the regions of the Global Affairs Committee. That would ensure that we can make use of their existing contacts in the regions to effectively communicate on Council matters.

The Development and Production Forum was a financial and technical success. This proves that the D&P Forum is relevant as long as it manages to anticipate a hot topic. Furthermore, it is encouraging to see that next year's D&P Forum will be held in Brazil. This will open up attendance to a portion of our membership that traditionally would not have had easy access.

The newly formed Meetings Review and Planning Committee delivered a detailed set of guidelines and recommendations for targeting areas all over the globe with meetings in which SEG has a substantial financial stake. Now they also are going to develop a strategy for minor events so that SEG has a balanced global presence.

The OTC was again a great success and continues to be a significant source of income for the society. This is quite an achievement, especially because staff involvement with the OTC is minimal.

Preparation for the eGY is ongoing, and several areas for potential involvement by SEG have been identified. Certain planned SEG initiatives, for example, could be associated with eGY, such as the "seg.org" project, the Virtual Geoscience Center, K-12, historical archive, public education, the humanitarian applications of applied geophysics initiative, and the numerical modeling consortium initiative.

Susan Mastoris Peebler

Secretary-treasurer

This report shows that SEG is financially stable in the short term, because we had a profit last year, and we are projecting a modest profit in the coming year. However, we are at the start of a major transition as we begin to address the needs of our growing international membership and invest in new, strategic initiatives to expand educational capabilities such as seg.org's online education and programs to attract new geophysics students.

These new initiatives, along with maintenance of existing programs which are not supported by additional revenue, will require a fundamental shift in how SEG handles its finances in the next several years.

Results for 2004–2005. SEG ended the 2004–2005 fiscal year with a profit of \$455 339, down \$197 470 from the previous

year but significantly better than the projected loss of –\$359 885. This \$815 224 difference resulted primarily from three factors:

- 1) a well-managed SEG convention in Denver, which brought in a net profit of \$1 881 251 (\$333 471 more than budget)
- 2) the Cairo international joint SEG/EAGE meeting, whose preliminary estimates show an additional net profit of \$177 638 not included in the original budget
- 3) a gain on investments of \$188 893, which originally was budgeted at \$0.

Revenues for 2004–2005 were \$9 377 874, an increase of \$447 309 from 2003–2004. Major increases were attributed to a well-attended Denver convention, both for registration and Continuing Education courses. Last year's restructuring of membership dues was close to revenue neutral, because it only contributed \$9400 of additional membership revenue. However, expenses were also up by \$644 779 at \$8 922 535, and expenses increased in almost all areas.

A major decision was reached in March 2005 to invest in the future of SEG through initiatives aimed at expanding SEG's educational and scholarship programs. Both the Finance Committee and the Executive Committee approved a strategic \$1 million matching fund toward the SEG Foundation's Geoscientists for Tomorrow fund-raising campaign, which will be described in a forthcoming document. Although the amount matched this year was small at \$60 773, it will be more substantial in the coming years. The matching fund provides an SEG dollar match for every dollar raised by the SEG Foundation, up to \$1 million. Details on the matching-funds requirements will be included in the document.

Budget for 2005–2006. The 2005–2006 fiscal year is budgeted to have a modest profit of \$95 477 before any matching-fund contributions. This budget should be hailed as a true achievement from the SEG Business Office because the original estimate came in at –\$866 731. The bulk of next year's expenses are related to the 75th-anniversary celebration, which are one-time expenses which we hope will be offset by increased attendance at the Houston convention. Beyond those costs, the committee expenses are fairly even from this year to next. However, many expenses that were cut to create a balanced budget were related to expanding our much-needed international presence, expanding the seg.org online education, and alleviating the already overworked SEG staff.

Revenues are budgeted to be \$9 750 174, an increase of \$372 300 over 2004–2005. The largest revenue increase is expected to come from the 75th Annual Meeting in Houston, which is expected to bring in \$3 580 875 of revenue, \$429 765 more than the 2004 Denver convention. This is because of an estimated increase in attendance to 8404 registrants, as well as a slight increase in registration rates. Noticeably absent this fiscal year is a Level V international meeting such as we had in Cairo last year, which brought in more than \$200 000. As we work to diversify our income and reduce our dependence on revenues

from the U.S.-based Annual Meeting, these international meetings will become increasingly important sources of revenue.

Expenses are budgeted to be \$9 654 697, an increase of \$732 162 over last year, primarily resulting from one-time costs associated with the 75th-anniversary celebration. These include a special 75th anniversary publication, a commemorative DVD, a celebratory gala event, and general increases in food and beverages because of the expected increase in attendance. In addition, three new staff positions were added to critical areas. These include an additional graphics artist, a meetings planner needed for international forums and Levels IV and V meetings, and an editorial coordinator. Committee expenses also are projected to increase because of a more international Executive Committee, thus raising travel expenses.

Beyond the operational budget, we are allocating \$845 000 toward the matching-funds program if the remaining balance of our \$1 million pledge is indeed raised by the SEG Foundation campaign.

Looking ahead. Last year marked the official transition of SEG from a U.S.-based majority membership to an international-based majority. This trend has been evident for the last ten years and is expected to accelerate as geophysicists in the United States retire and young people in places such as China, India, Russia, Africa, and South America increasingly join SEG.

This creates a financial challenge because the ability to reach a diverse, scattered audience with publications and educational opportunities from the United States requires significantly higher travel expenses, shipping costs, and expenses associated with hosting international forums and meetings.

In addition, many new technologies — such as AVO/AVA, microseismic, 4D, and multicomponent, full-wave seismic — have the potential to unlock much of the world's future reserves, yet only a small percentage of our members are trained adequately in those technologies. Providing these training courses through the traditional channels is simply too costly and ineffective.

New, expanded Internet-based tools such as online education and Web-based lectures and communities are the obvious choices for reaching all members fairly and uniformly. Such methods also provide a forum for geophysicists worldwide to exchange ideas, whether they are in Beijing, Moscow, Denver, or Lagos. Costs to expand these capabilities were cut from this year's budget.

This, combined with international educational forums and meetings which target local interests, will address the needs of a global community and add financial security as dependence on the U.S.-based Annual Meeting shifts toward a more balanced source of income.

All of this points to a complete rethinking of SEG's financial structure. The increase in expenses associated with an expanded Internet offering and multiple international forums and meetings must be offset by an increase in revenue. SEG must take a hard look at difficult, unpopular decisions — such as increasing membership dues or charging for access to past digital publications — which are consistent with societies such

as SPE. In addition, bold decisions are inevitable, such as opening a series of international offices. These are the financial challenges which the incoming Executive Committee will face.

Gerard T. Schuster, editor

This report summarizes the major developments in GEOPHYSICS during the past year, my second and final year as SEG editor. Yonghe Sun, a senior geophysicist at Chevron Corporation, will be the editor in 2005–2007. I believe his oil-industry perspective, international outlook, and high-energy talents will serve GEOPHYSICS extremely well. He will be assisted by four assistant editors (Steve Arcone, José Carcione, Johan Robertsson, and Kees Wapenaar), more than 50 associate editors, and the staff of SEG's Publications Department.

To recognize the 75th anniversary of SEG, GEOPHYSICS published invited papers that provide a historical overview of some important developments in exploration geophysics.

January-February:

History, current status, and future of GEOPHYSICS, by *Dean Clark*

March-April:

Impact factors, citations, and GEOPHYSICS, by *Markku Peltoniemi*

May-June:

A brief history of seismic migration, by *J. Bee Bednar*

July-August:

The MIT Geophysical Analysis Group (GAG) from inception to 1954, by *Enders Robinson*

The MIT Geophysical Analysis Group (GAG), 1954 and beyond, by *Sven Treitel*

September-October:

Seismic attributes — A historical perspective, by *Satinder Chopra and Kurt Marfurt*

November-December:

Rock physics development in seismic exploration: A personal 50-year perspective, by *Michael S. King*

Acheron's rainbow: Free associations on 75 years of exploration geo-electromagnetics, by *Alan Tripp*

The historical development of the gravity method in exploration, by *Misac N. Nabighian, M. E. Ander, V. J. S. Grauch, R. O. Hansen, Thomas R. LaFebr, Y. Li, John W. Peirce, Jeff D. Phillips, and Michal E. Ruder*

The historical development of the magnetic method in exploration, by *Misac N. Nabighian, V. J. S. Grauch, R. O. Hansen, Thomas R. LaFebr, Y. Li, William C. Pearson, John W. Peirce, Jeff D. Phillips, and Michal E. Ruder*

75+ years of anisotropy in exploration and reservoir seismics: A historical review of concepts and methods, by *Klaus Helbig and Leon Thomsen*

In 2005, a new GEOPHYSICS offering was established — the column “Bright Spots” by Steve Hill that appears in THE LEADING EDGE every two months. This section contains snappy summaries of noteworthy papers published that month in GEOPHYSICS and is illustrated with relevant graphs and figures. Hill’s articles replace the one-page “GEOPHYSICS Summaries” in *TLE* with a much more attractive and informative review format, which is based partly on similar pieces that appear in the journals *Nature* or *Science*. We believe that the informal and graphical style of “Bright Spots” will bring GEOPHYSICS’ key results to a much wider SEG audience.

The new GEOPHYSICS Letters section, launched in January 2005, is intended to publish leading-edge research results within about eight months of submission. Articles are limited in length to four typeset pages so quick turnaround in the review and production cycles can be achieved. Johan Robertsson is in charge of this section. He oversees the lightning-quick handling of papers by six new associate editors: Andrey Bakulin, Joakim O. Blanch, Klaus Holliger, Edward Kragh, James E. Rickett, and Paul C. Sava. The first paper, submitted in January 2005, was published in July-August. We believe this section will attract important papers that otherwise would go to journals with more rapid turnaround times.

The first paper in another new section — Annual Meeting Selections — appeared in the July-August issue. This section was created to alleviate a growing problem — the paucity of papers submitted to GEOPHYSICS by scientists working in the industry. Gérard Herman, past editor of GEOPHYSICS, is this section’s associate editor and, in conjunction with the Technical Program Committee, he identified the top papers from last year’s Annual Meeting by industry authors. These papers, after being slightly modified to conform to GEOPHYSICS’ guidelines, also are published quickly. The best expanded abstracts from the 2005 Annual Meeting have been identified, and letters to the authors inviting resubmission to GEOPHYSICS will be sent soon.

The Geophysical Software and Algorithms section is making its debut in the September-October issue. Under the direction of Joe Dellinger, this section aims to capture elegant, well-documented algorithms of educational and research value to geophysicists and make them available to the wider community.

To strengthen the role of GEOPHYSICS as a leader in the publication of cutting-edge research, a special issue on interferometric seismic imaging will be published in the first quarter of 2006. Deyan Draganov, Kees Wapenaar, and Johan Robertsson are special editors of this issue that will bring together outstanding papers written by physicists, mathematicians, and geophysicists in this emerging area of important research.

Table 1 gives the final tally for papers submitted to GEOPHYSICS in 2004–2005. During 2004–2005, 299 papers were submitted, and the average number of days required to complete the first round of reviews has been reduced to 95 days, the lowest delay time on record for GEOPHYSICS. By comparison, 269 papers were submitted in 2003–2004. Another record low is the 158 days between acceptance and publication, which is likely due to the new rapid/convenient online submission capability. In addition, the impact factor of GEOPHYSICS

for 2004 was 1.087, the highest it has been since 1991. The impact factor is a measure of citations in 2004 in all journals to GEOPHYSICS articles published in 2002 and 2003. The hard work of the staff and editor these past two years is now paying off extremely well. All of these numbers suggest that GEOPHYSICS is moving in a direction that will improve its status as the world’s leading journal in exploration geophysics.

Because this is my last year as editor, I would like to offer some thoughts about the road ahead for GEOPHYSICS and research efforts in our community. Some of the most important developments in our geophysical community have emerged from other scientific “tribes” — e.g., deconvolution from the work of the mathematician Norbert Wiener; generalized Radon transform theory from applied mathematics; the scattering inverse formalism from quantum physicists; and the physics of wave propagation in rocks from Biot. This intertribal success suggests that we should continue to promote and accelerate our efforts to bring experts, theories, and ideas from other disciplines into exploration geophysics. How can GEOPHYSICS help? More special issues such as the upcoming one edited by Draganov, Wapenaar, and Robertsson. Not only is reverse time acoustics and interferometry an emerging area of importance but the editors are to be commended for inviting papers from worldwide authorities such as physicist Matthias Fink, mathematician George Papanicolaou, and acoustician Richard Weaver. I hope some leading researchers in other hot areas such as magnetotellurics, 3D VSP, rock physics, environmental geophysics, and MEMS technology will pester the new editor for their own special issues.

How can companies promote intertribal communication? I like what I am seeing from a certain VSP company in California that is partly donating its downhole three-component recording equipment for the NSF-USGS San Andreas VSP fault experiment. The earthquake community is quite excited over the 3D VSP data they are collecting in this world-class scientific experiment that will deepen our understanding of the San Andreas fault, and seismogenic faults in general. The two-way exchange of contacts, ideas, and science will benefit both communities, not to mention important advertising for the VSP community. There are now unprecedented opportunities for industry-earthquake seismology collaboration, such as the U.S. array and a similar European seismic array. Earthquake seismologists soon will be regularly applying wavefield imaging methods to earthquake data, and undoubtedly will be putting their own (and exploration friendly) slant on things. Shouldn’t large oil and service companies initiate and sponsor workshops that bring together earthquake seismologists and industry imaging experts to “sow the seeds” of our technology in the new fields of earthquake waveform imaging, and then benefit from the crop of new ideas that might emerge?

I also like what I see from a world-class seismic processing company, which pays a bonus to employees who publish papers in GEOPHYSICS or *Geophysical Prospecting*. We certainly need more incentives like this to enhance the personal satisfaction of employees, unfetter their research ideas, and bring more industry practices into daylight. I also like the inspired practice that some organizations subscribe to (and make easily available to employ-

ees) journals such as *Nature* and *Science*, and those of similar stature in other disciplines. This can help open up our minds and perhaps lead to the next “deconvolution-like” breakthrough.

Finally, intermingling the ideas of industry and academic scientists by funding prolonged sabbaticals at both industrial labs and universities is a practice that should be promoted and, in fact, accelerated. As Steve Hill succinctly pointed out several years ago, fundamental research is the seed corn for our industry, and GEOPHYSICS is one of our most important tools for the planting and nurturing of next year’s crop. May we have many fruitful and interesting harvests in the decades to come.

Total number of papers submitted for publication in GEOPHYSICS July 1, 2004–June 30, 2005: 299

**Table 1. Origin of papers submitted for publication in GEOPHYSICS by country
July 1, 2004–June 30, 2005**

USA	109
Canada	24
China	22
Norway	20
United Kingdom	12
Italy	10
Germany	9
India	9
Netherlands	9
Brazil	8
Saudi Arabia	7
France	6
Mexico	5
Sweden	5
Australia	4
Egypt	4
Israel	4
Iran (Islamic Republic)	3
Japan	3
Switzerland	3
Denmark	2
Greece	2
Hong Kong	2
Nigeria	2
Venezuela	2
Argentina	1
Austria	1
Bulgaria	1
Columbia	1
Czech Republic	1
Finland	1
Korea, Republic of	1
New Zealand	1
Portugal	1
Romania	1
Russian Federation	1
Slovakia (Slovak Republic)	1
Spain	1
Total	299

**Table 2. Origin of papers submitted for publication in GEOPHYSICS by employer
July 1, 2004–June 30, 2005**

Universities	178
Oil companies	37
Service companies and manufacturers	33
Research institutes	32
Governments	13
Consultants	4
Retired	2
Total	299

Table 3. Manuscript handling statistics

Year submitted July 1–June 30	Average number of days required for first review
1991–92	172
1992–93	157
1993–94	184
1994–95	182
1995–96	211
1996–97	186
1997–98	205
1998–99	214
1999–2000	212
2000–01	211
2001–02	178
2002–03	133
2003–04	141
2004–05*	95

* First reviews have not been returned for all papers.

Table 4. Manuscript handling statistics

Year published July 1–June 30	Average number of days between acceptance and publication
1991–92	176
1992–93	181
1993–94	178
1994–95	210
1995–96	N/A
1996–97	N/A
1997–98	180
1998–99	177
1999–2000	202
2000–01	208
2001–02	213
2002–03	195
2003–04	161
2004–05	158

Reports of the Standing Committee Chairmen

Advisory

Mike Bahorich, chairman

The Advisory Committee, which consists of the five most recent SEG past presidents, has met twice this year, once during the 2004 SEG Annual Meeting and again in conjunction with an Honors and Awards Committee meeting. The group also has provided comments and discussion during the year through e-mail and conference calls. The primary purpose of the committee is to provide advice and feedback to the SEG president and Executive Committee regarding issues of continuity, strategic planning, big-picture budgetary items, revenue generation, and institutional memory. The committee serves as a sounding board for the SEG president and also may address membership concerns.

Seventy-Fifth Annual Meeting

Keith Matthews, general chairman

The Society of Exploration Geophysicists International Exposition and 75th Annual Meeting will be held in Houston, Texas, this year. (This was the location of the 50th-anniversary convention, which many of you will remember.) The steering committee wishes to invite you to Houston, starting on November 6, to conclude this 75th-anniversary year of SEG.

The steering committee consists of Roy Clark, general vice chairman; David Monk, Technical Program chairman; Debera Fontenot, sponsorship chairman; Carmen Comis, exhibitors chairman; Ray Farrell, Applied Science chairman (he recently replaced Mike Fenton in this role); Ivan Simoes, International Showcase chairman; Kathi Hilberman and Lynn Schoenberger, Spouse Program cochairmen; Claire Bresnahan, arrangements chairman; in a position applicable only to this year, Lee Lawyer, 75th-anniversary chairman; and Keith Matthews, general chairman. The 75th steering committee has been meeting nearly every month since January 2004 and appreciates the help from the Tulsa Business Office staff, notably Jim Lawnick, Steve Emery, Kristi Smith, Amy Watson, and Canaan Rice.

The steering committee approached its responsibilities somewhat differently than for the 2004 Annual Meeting in Denver, in that we decided that every aspect of the convention needed to be looked at for improvement. Of course, many aspects of the convention are outside the scope of the steering committee and are arranged by other SEG committees. The first thing we did was to attend the Exhibitors Committee

meeting at the 2004 SEG Annual Meeting in Denver. Monk, Clark, and I made ourselves available to the companies that pay most of the costs of the exhibition. Needless to say, this has been accomplished, and more information will be available on this later. In this meeting, after I had completed my speech, Dave Monk spoke to the exhibitors and explained that his goals were to get as many delegates as possible to attend presentation of the papers, but a combined effort on his team's part to have excellent papers and a great exhibit hall with everything else Houston can offer will be beneficial to all of us in creating a huge demand and thus a large attendance.

As a committee, we have been charged with developing an outstanding 75th-anniversary celebration to mark this memorable occasion. Starting with the exhibit hall, the convention will have a very unique look. The larger exhibitors have agreed to locate their booths on the outside and corners of the hall, thus creating a mall concept. No large main aisle will exist this year, although two others are on the ends. This concept has been used by other industries but never by anyone in the oil business. Our objective of this change is to encourage better traffic flow throughout the entire convention floor. We hope this concept will encourage many of the smaller companies to exhibit this year and take advantage of this unique opportunity. Other areas will include a large museum exhibit plus a return of displays of some heavy equipment used for acquiring seismic data. To date, we have had little success in persuading any company to have its vibrators, air boats, or drilling rigs on the exhibit floor. The reason is simple — their machines are in use in the field. Good luck to all these companies.

Sponsorship is going well, with more than \$200 000 raised to date. This exceeds the 1999 Houston number by three times and is short of the 2004 Denver number by only \$50 000. We have every reason to believe we can raise our goal of \$350 000. Three companies have agreed to cosponsor the delegate bags — Amerada Hess, Fairfield Industries, and Intel.

We have an anniversary committee that has been involved in many of the historical aspects of the convention and has been very active in promoting the convention DVD, which has the potential to be spectacular. The committee also has been involved in promoting the convention and helping with the Geoscience Center display, decades display, 75th-anniversary special publication, and generally raising awareness of the anniversary.

The arrangements committee will need more than 190 volunteers, and we expect no problems in finding them. We already have a list of more than 100 potential volunteers. Having the Geophysical Society of Houston (GSH) membership coordinator on the steering committee has certainly

helped. The golf tournament will be at the Wildcat Golf Club. Because of the large expected registration, both courses have been reserved. The course is close to downtown Houston, so no late returns to delegate hotels should occur.

Historical displays for all the decades of the 20th century will be placed in the aisles of the exhibit hall, and we have a large museum section in the SEG Pavilion with a doghouse and many other artifacts. We are encouraging all exhibitors to display their company's history in their booths, which should provide some very exciting displays. As of this writing, exhibit space sold has already surpassed last year's final numbers in Denver, with more than 92% of available Houston space taken. An innovation for this convention will be the commercial 80-seat theater on the exhibit floor, where vendors can present their latest and greatest ideas.

The Sunday evening Icebreaker, from 6 to 8 P.M. will feature complimentary hors d'oeuvres and musical entertainment. It is the intent for the food to be distributed throughout the hall to make it easier for people to collect refreshments from the outer aisles. We hope the new exhibit layout will alleviate crowding problems, because delegates should be distributed better, with two entrances and the large companies on the flanks.

The TLE Forum will be held on November 7, with some very fascinating people lined up to participate. The panel consists of Andrew Gould, Schlumberger; A. T (Tim) Cejka, ExxonMobil; and Mike Bahorich, Apache. Steve Smith, a former Houston news anchor, will be master of ceremonies. On November 8, a luncheon presentation will be made by R. M. (Johnnie) Burton, director of the Minerals Management Service, U.S. Department of the Interior. Robert Ballard, famous for finding the *Titanic*, will be the keynote speaker for the November 9 Applied Science Education Program.

Dave Monk's technical program promises to be the best ever, with more papers submitted than previously. The intent is to take the best of the papers and present about 528 in 12 halls and six sessions. The poster area has space for 160, and the Technical Committee has identified 154 for presentation. This year, the poster papers will be displayed for the entire convention in Exhibit Hall B, with the author guaranteed to be present for one session.

With input from past attendees and taking into account recent history, this year's spouses' program will not feature any tours. Kathi Hilterman and Lynn Schoenberg have some very unique ideas lined up for the folks who do not attend the papers or exhibits, including a "Denims 'n' Diamonds" spouse luncheon followed by a fashion extravaganza, shopping trips to the Galleria, and a demonstration by a top local chef. Each day will feature two complimentary seminars to entertain our guests. Although not part of the spouses' program, there will be a fun run and walk on Sunday morning.

The Wednesday night gala has certainly been a major topic, even after we vowed as a committee that it would not dominate our planning meetings. The very successful conclusion in Denver certainly put us under pressure to match and improve on that outstanding effort, especially because this is the 75th

anniversary. Our plan is for a celebration party to begin immediately after the exhibit floor closes on November 9. We hope exhibitors and delegates will participate in celebration of a successful meeting as well as the 75th anniversary of the society. The expectation is that about 3000 people will attend because it is free to all attendees, apart from fees of \$10 for registered delegates and \$50 for guests. There will be music, entertainment, and food, all organized by decades through the 75-year history of SEG, from big band to rock and roll. This should be a fun time after a rigorous three days of geophysical papers, posters, and exhibits. At the time of this report, we can safely say that after wrestling with the budget committee over allocation of funds — now set at more than \$200 000 for the gala — it will be an occasion to remember.

The International Showcase will celebrate its 10th anniversary. The Global Forum III topic is "Regulations as Drivers for the International Energy Business." Confirmed participants are Annell Bay, Shell; Cosme Peruzzollo, IAGC Brazil; and Peter Haile, DOTI, United Kingdom. We are expecting at least 25 exhibitors for the International Showcase.

With the recent rise in oil and gas prices and because Houston is the largest area for geophysicists and geologists, we have every right to expect an attendance that could surpass 10 000. With the program we have outlined, I believe it will happen. So plan to be there on November 6 for the Honors and Awards ceremony, when we officially kick off the 75th-anniversary convention. And stay until the celebrations are completed with the Wednesday night party. You won't want to miss a moment!

Constitution and Bylaws

Dan A. Ebrom, chairman

Roy Clark, vice chairman

It has been a rewarding and exciting year for the Constitution and Bylaws Committee. The idea of global membership has now become a reality, and the society will need to continue to reinvent itself to remain relevant in a dramatically altered world. As articulated by SEG President Craig Beasley, the C&B Committee not only has a responsibility to advise the Executive Committee on tactical questions of whether a decision is consistent with the letter of our charter, but more broadly, to ask what vision the society should embrace.

Our society is faced with how best to meet the needs of an extraordinarily diverse constituency spread over six continents. Some ongoing challenges:

- What are the services that members most truly value?
- How would members ideally choose to interact with one another? Do we have too many meetings or too few? Will people rush to attend virtual meetings via the Internet or be bored by the absence of personal interaction?
- Which funding models will assure long-term stability of revenues and not prove onerous to the funding entities, both individual and corporate?

We have opportunities for cooperation with other professional societies, but we also need to assure that the interests of our own members are well served and that the financial health of the organization is assured. The one thing we can be certain of is that the society ten years from now will not look as it looks today.

We encourage every SEG member to reflect for a few moments on how the society can best serve their long-term professional and career needs and then to drop an e-mail to the C&B Committee. For those who attend the Annual Meeting, please feel free to join us for our committee meeting.

In closing, we would like to thank this year's committee members, Walter Johnson (former chairman), Jack Kruppenbach, Bill Barkhouse, Guy Purnell, and Bryan DeVault.

Continuing Education

Frank D. Brown, chairman

The Continuing Education Committee continues to search for ways to provide quality educational opportunities to all our members. In fiscal year 2005, we held 36 courses with a total enrollment of 732 members, an increase of almost 50% over fiscal year 2004. However, too few members are able to attend these offerings. That remains our biggest challenge.

We continue to update and upgrade the curriculum, and several new courses in development will reflect our tradition of coupling leading-edge topics with outstanding instructors. We also continue to canvass our customers about the services we can provide and how best to provide them. We continue to investigate new ways to deliver our courses, including Webcasts and DVD technologies.

The Distinguished Instructor Short Course (DISC) subcommittee, chaired by Brad Birkelo, continues its outstanding work on our flagship program. By the time you read this, Rodney Calvert nearly will have completed his 2005 tour and Kurt Marfurt will be preparing for his 2006 tour. SEG owes a debt of gratitude to them for their hard work and dedication, as it does to all the previous distinguished instructors. The subcommittee will announce shortly, its choice for the 2007 DISC.

A sincere thank-you to Jerry Harris, who championed the CE cause as first vice president of SEG and as our liaison to the Executive Committee. Last but not least, many thanks to SEG staff members Peter Pangman, Bill Underwood, and Candice Chinsethagid, without whose dedication and tireless work all of the committee's work would not come to much.

Development and Production

Roger M. Turpening, chairman

It was a very successful year for the Development and Production Committee. The summer forum, held in Austin, Texas, on May 15-19, was well attended, exceeding our target. Given the difficulties experienced in the past, the D&P

Committee focused solely on this forum to the exclusion of all other activities in 2005.

Technical program chairman Sven Treitel produced three-and-a-half days of spirited discussion from the topic "Attenuation: What's to Gain from Seismic Loss?" Papers ranged from theoretical discussions of attenuation through lab measurements of attenuation to the extraction of apparent Q from field data (VSP, surface seismic).

Plans for 2006 are well in hand, with all personnel in place and a site selected for the 2006 summer forum. The D&P Committee chairman for 2005-2007 will be John Waggoner, and the 2006 forum, to be held in Brazil, will be chaired by Michael Payne.

Distinguished Lecture

John P. Castagna

Heloise Lynn was the SEG/AAPG fall 2004 distinguished lecturer. She began her tour in Australia and New Zealand and made her way through North America for a very successful tour. In her lecture, "The Winds of Change: Anisotropic Rocks ... their Preferred Direction of Fluid Flow and their Associated Seismic Signatures," Lynn discussed how unequal horizontal stresses and/or vertical aligned fractures can provide the aligned connected porosity which may result in horizontally anisotropic permeability. More than 1100 people attended Lynn's lecture in 16 cities. It is available online at <http://ce.seg.org>.

The spring 2005 distinguished lecturer was Greg Partyka. He kicked off his tour in January to rave reviews. In his lecture, "Spectral Decomposition," he explains this powerful yet simple and robust technique and its application in exploration and reservoir characterization. Partyka was awarded SEG's 2003 Virgil Kauffman Gold Medal for developing spectral decomposition. He has presented his lecture throughout North and South America and Europe, including the first distinguished lecture offered in Trinidad and Tobago. To date, 1500 people have attended his lecture in 25 cities. His lecture is also available online at <http://ce.seg.org>.

We are very fortunate to have Panos Kelamis as the 75th-anniversary distinguished lecturer for the fall of 2005, with "A Pragmatic View of Land Multiple Attenuation Technology." His tour begins in September. Also speaking in the fall is Rebecca Latimer, SEG/AAPG distinguished lecturer. Her talk is "Uses, Abuses, and Examples of Seismic-Derived Acoustic Impedance Data: What Does the Interpreter Need to Know?"

Gary Mavko has agreed to be the SEG spring 2006 distinguished lecturer. His talk is titled "Rock Physics Strategies for Facies and Fluids Mapping."

The committee is very interested in finding cost-effective ways to make the distinguished lectures more accessible to a worldwide audience. Technology has addressed this issue to some extent with recent DLs posted on the SEG Professional Development Web site. However, we would like to keep the benefits of live interactions. This is a subject of continuing discussion, and the committee is interested in all suggestions.

Exhibitors

Carmen M. Comis, chairman

Since inception in 1999, the Exhibitors Committee has facilitated communications between exhibitors and SEG. The committee's objective is to collect and relay concerns and ideas to the SEG leadership at the Annual Meeting. The committee chairman and members are available throughout the year to field questions regarding exhibiting at the meeting. The committee also has volunteered to shepherd high-school student delegations during showtime and to assist at the visualization theatre and with stuffing of delegate bags.

Committee members for 2005 who have provided input and suggestions and have expressed interest by volunteering their time are Lynne Asher, Murray Christie, Noel Daly, Terry Filthaut, Liz Ivie, Michelle Kluge, Paige McGowan, and Don Robinson.

The 2005 committee conducted its first meeting in the winter of 2004, just after the SEG Annual Meeting in Denver. Subsequent meetings were held in the first quarter of 2005, and additional meetings are scheduled prior to the 2005 Annual Meeting to keep the committee apprised of updates.

The objective of the first meeting was to introduce the incoming chairman and to gain a better understanding of exhibitors' needs. The most critical were:

- Improve traffic flow throughout the hall to smaller exhibitors' booths.
- Consider a special area for exhibitor case studies or poster sessions.
- Conduct an SEG keynote address or forum on the show floor in a central theater.
- Reserve exclusive exhibit hall hours when no technical papers or forums take place — for example, between 11:00 A.M. and 1:00 P.M., to encourage visitors to the hall, similar to what is done overseas.
- Provide bolder signage and stronger preevent promotion for the SEG visualization theatre.
- Keep the Icebreaker at two hours, as was done in Denver.
- Provide adequate and better-quality food and beverage during the Icebreaker.
- Clearly mark beverage stands throughout the exhibit hall during the Icebreaker to encourage better traffic flow.
- Encourage oil companies to purchase exhibit space to showcase their past and future.

These suggestions were communicated to Steve Emery, Jim Lawnick, and Keith Matthews. As a result, SEG has made provisions for a commercial theater which will allow all exhibitors to promote their offerings. A second theater is on reserve if the need arises.

Emery introduced the "mall concept" at the exhibitors' luncheon in 2004, and major exhibitors for 2005 accepted it. This concept is to encourage better traffic flow throughout the hall

and, it is hoped, increase the number of visitors to the small and to midsize exhibit booths.

SEG has encouraged exhibitors to consider a historical theme in observance of the 75th anniversary of SEG.

The goal of the Exhibitors Committee chairman will be to continue to obtain new volunteers to foster fresh and innovative ideas for future meetings.

Emery reported that 772 booths had been sold as of April 2005, compared with 699 by April 2004. As of July 5, 972 booths have been sold, indicating that the Annual Meeting in Houston promises to be a stellar event.

Exhibitor representatives and the SEG Business Office staff have a close working relationship that ensures a successful exhibition that will continue the standard of excellence established at past Annual Meetings. At the close of the 2005 SEG Annual Meeting, I will conclude my two-year tenure as Exhibitors Committee chairman. I have enjoyed the experience and hold a deeper appreciation for the hard work the SEG Business Office staff puts forth to make the Annual Meetings rewarding for all of us.

I am actively seeking my successor for the 2006 meeting.

Foundation Board of Directors

Richard A. Baile, chairman

The Foundation board of directors expanded to nine to better serve the Foundation. New directors are Bill Barkhouse, Brian Russell, and Charles Smith.

The agenda for the past year was heavier than usual because of increased emphasis on the Major Gift Campaign and changing auditors with subsequent review of all financial transactions, classifications of gifts, and procedural matters. The 2004 audit and historical review have provided an accurate detailed picture of the Foundation finances and have confirmed our confidence in the financial health of the SEG Foundation. Gary Servos, chairman of the Audit Committee, and his group deserve much credit for ensuring compliance and accuracy in the audit report.

An Investment Committee was appointed this year, with Director Charles Smith as chairman. This committee has brought some changes in investment strategy, adding diversity to the portfolio. The committee meets quarterly to consider results and present recommendations to the board for its review and final action.

The Major Gift Campaign Committee, chaired by Bill Barkhouse, with SEG Business Office staff support from Peter Pangman and Debra Starnes, has been extremely diligent in getting the Geoscientists for Tomorrow Campaign under way. The input from our professional consultant has fine-tuned this program. Much assistance also was forthcoming from the committee's honorary chairmen, Luke Corbett, Decker Dawson, and John Gibson.

To further help the campaign kickoff, the SEG Executive Committee generously committed \$1 million to the Foundation for matching individual donations of \$5 000

(minimum) to \$50 000 (maximum). Several significant individual donations already have been received. We are confident that by the 2005 SEG Annual Meeting in Houston, our Major Gift Campaign will be well under way.

Other significant actions taken during the past year by the Foundation board are:

Scholarships 2005–2006

- received and reviewed 300 new applications and 70 renewal applications
- approved 136 scholarship awards totaling \$268 100 00, the largest annual disbursement in the history of the SEG scholarship program
- 63 (46%) of the scholarship recipients are citizens of countries other than the United States and Canada; 18 students are attending universities that are not in North America

Projects of Merit 2005

- approved 12 projects totaling \$65 000, including \$12 500 for PCs for students
- 33% of the approved projects were outside North America

DISC 2004

- The 2004 SEG/EAGE Distinguished Instructor Short Course (DISC), “Petroleum Systems of Deepwater Settings,” was presented by Paul Weimer, professor at the University of Colorado
- The DISC was presented at 24 locations, 18 of which were outside the United States
- Total attendance was 1732; 66% of those attending were at locations outside the United States
- The program brought in 337 new SEG members. This represents 27% of the attendance at SEG-organized locations
- Student attendance at SEG-organized locations was 173 (14%)
- The SEG Foundation underwrote the program at a cost of \$85 889
- The Foundation continues to underwrite the program. DISC 2005 is being taught by Rodney Calvert, of Shell, “Insights and Methods for 4D Reservoir Characterization and Monitoring”

We are pleased to report that the Foundation, through receipt of significant contributions — particularly from the Stanley Ward estate and revenues from interest and dividends — met its obligations and had assets of \$8 980 076 as of December 31, 2004.

As chairman, I am very grateful to all the Foundation board members, Bill Barkhouse, Bob Graebner, Lee Lawyer, Elwin Peacock, Brian Russell, Gary Servos, Charles Smith, and Gene Sparkman; the Tulsa staff and Executive Director Mary Fleming; the Trustee Associates for their great support; and all others who have contributed so much to the Foundation. All Foundation board members have pledged to provide “3 Ts” (talent, time, and treasure) to the Major Gift Campaign. With all this effort and enthusiasm, I am confident the Foundation will meet its objective of increasing the corpus to about \$25 million. We are con-

vinced that this will enable the Foundation to make a very significant contribution in advancing our geophysical profession.

Foundation Projects Review

Leon Thomsen, chairman

This committee is newly created in 2005. It was set up by President Craig Beasley to make a more transparent process for reviewing proposals for SEG Foundation (SEGF) projects. In the past, this process had been informal, but with the current imperative to be transparent and global in all our activities, the committee decided to improve the process.

The first step was to adopt formal statements of the criteria which would be observed in the granting of awards. The Executive Committee adapted to our purpose the language of the United States National Science Foundation, because we admired its brevity and its generality. Leon Thomsen agreed to serve as the initial chairman, with a term unspecified but short. Vice chairman is Vikram Sen, who concurrently is chairman of the Global Affairs Committee.

The committee membership was recruited with the intention of broad geographic representation from among the regional representatives of the Global Affairs Committee. They are Ferdinand K. Aniwa (Ghana), Melvyn E. Best (U.S.), Fred K. Boadu (U.S.), Mariangela Capello (Venezuela), René E. Segura Chávez (Mexico), Vikram Sen (Canada), and David R. Zinzer (U.S.). We wish to have still broader representation. If you would like to serve next year, contact the chairman.

The original list of proposals submitted requested a total of almost \$4 million, far beyond our ability for funding. After a series of selection rounds, we submitted to the SEG Executive Committee in late February a prioritized list of our recommendations for funding, totaling \$65 000. This represents a significant increase over recent levels of SEGF grants. After small adjustments, these were forwarded, with a positive Executive Committee recommendation, to the SEG Foundation for its decision. The recommendations were approved by SEGF (again with minor changes) in early March. These are now listed on the SEGF Web site. They represent your committee’s best efforts to recognize the merits of the proposals, according to the stated criteria, within an achievable budget.

The committee did its work entirely through the new eCommunities facility now available to all SEG committees. Such a mode of working is critical to a global committee such as ours. We are working to help first-time proposers submit quality applications in a timely manner. You can be proud of the work of your Foundation Projects Review Committee and of the projects that are being funded by the SEG Foundation.

Foundation Trustee Associates

Steering Committee

Gary G. Servos, chairman

The primary function of the trustee associates is to support

and help raise funds for the SEG Foundation. During the recent planning and market study phases of the Foundation's upcoming fund-raising campaign, ten trustee associates served as a focus group for the consulting firm hired to do the study. Their thoughts and ideas were incorporated into the final report. As the fund-raising efforts are implemented, the trustee associates will play a major role in supporting those efforts and undoubtedly will be significant contributors to the campaign.

The 2004 annual meeting of the trustee associates was held at Lake Tahoe, Nevada. The 2005 annual meeting was held in Durango, Colorado, and the 2006 meeting is scheduled for Charleston, South Carolina. These meetings of the trustee associates (including spouses) combine daily meetings, local tourist attractions, a game or two of golf on a scenic course, excellent local cuisine, and time to visit with friends and associates. A highlight of each annual meeting is the current society president's presentation on the state of the society.

Traditionally, trustee associates hold a luncheon during the SEG Annual Meeting. Along with reviewing the status of the Foundation to a broad audience, the luncheon focuses on inviting new potential trustee associates to attend as guests. During and since the 2004 luncheon, the following individuals have become trustee associates: Mike Bahorich, Craig Beasley, Albert Brown, Richard Chimblo, Peter Duncan, Raymond Farrell, Mary Fleming, Walter Lynn, Peter Pangman, and Susan Mastoris Peebler.

Bringing new trustee associates into the group continues to be a high priority of the steering committee and the overall trustee associate membership.

Geoscience Center Robert A. Wyckoff, chairman

The Geoscience Center at the Geophysical Resource Center in Tulsa has continued to expand its role in providing geoscience education for K-12 students, the general public, professional organizations, and SEG. It also is an archive of valuable historic instruments, photographs, and documents pertaining to geophysics from its earliest days through current developments. The Geoscience Center is a resource-development laboratory where educational and historical information is available to SEG's global membership through the Virtual Geoscience Center.

Geoscience Center onsite tour numbers reached 2697 this year, as the fourth anniversary of operation approaches in October 2005. The main areas of service are northeast and north-central Oklahoma, with school groups also from Arkansas, Kansas, and Missouri. Seven outreach events added 14 608 attendees, for a total impact of 17 305 participants. Boy and Girl Scout programs and special summer programs continue to draw high numbers. Volunteer docent hours totaled close to 1000.

Seismic Cube. The demand for the SEG Geoscience Center 3D seismic cube exercise kit, introduced at the 2004 SEG

Annual Meeting in Denver, continues to be high. The kit, which was designed by SEG member Dennis Neff, who is retired from Phillips Petroleum, is aimed at Grade 9 through university students. Several boxes of educational materials were sent in late December at the request of ASEG President Howard Golden, including the "seismic cube," for the summer-school program for prospective aboriginal geophysics students beginning the second week of January 2005. The cube was reprinted in March and is available for distribution to all SEG members for educational purposes.

India Delegation. A delegation of four engineers and a geophysicist from the Oil and Natural Gas Corporation (ONGC) of India visited the Geoscience Center in October as part of a fact-finding mission for building a national oil and gas museum at its headquarters in Dehra Dun. The Geoscience Center was one of only four organizations the delegation visited in the United States. Members of the group spent several hours reviewing the educational materials and hands-on exhibits and activities used in the Geoscience Center and were given kits, original SEG materials, and CDs to use in development of programs.

Strategic Plan. With the three-month assistance of DOE intern Sue Melholff, key SEG members and Business Office staff members worked on a strategic plan for the Geoscience Center. After several revisions, the strategic plan is scheduled to be evaluated by the Geoscience Center Committee, with recommendations for implementation to begin in 2006.

Intel International Science and Engineering Fair. In May, the Geoscience Center assisted at this prestigious high-school science event in Phoenix, Arizona. Support was given to the SEG judging team led by Richard Nolen-Hoeksema and administering the SEG ISEF awards. Traditionally, SEG Distinguished Award of Merit winners are invited to the annual meeting, which this year will be the 75th-anniversary meeting. Seventeen-year-old Emily Ricq from Chandler, Arizona, was chosen as the 2005 Distinguished Award of Merit winner and will be honored at the 2005 SEG Annual Meeting Honors and Awards Ceremony.

Historical Exhibits at the 75th Annual Meeting. The Geoscience Center has assumed a key role in facilitating the SEG 75th-anniversary celebrations, including providing archival photographs, historical documents, signage, and assisting in coordination of the SEG historical exhibits and theater that will be prominent at the Houston meeting in November 2005. Working closely with the TLE staff and SEG graphics department and the Geophysical Society of Houston members of the 75th-Anniversary Committee, the Geoscience Center has contributed to the overall success of this important year in SEG history.

The success of the Geoscience Center outreach is attributed to the able leadership and dedicated work of SEG staff member Susan Henley. We are grateful for her contributions.

Global Affairs

Vikram Sen, chairman

Aldo L. Vesnaver, acting chairman and vice chairman

David M. Pitcher, acting vice chairman

Mariangela Capello, past chairman

A few months after the start of his term as Global Affairs Committee chairman (GAC), Vikram Sen transferred to Calgary, which reduced his available time for GAC activities and traveling. He proposed that Aldo L. Vesnaver, vice chairman, take the position of acting interim chairman and David Pitcher become acting interim vice chairman. The SEG Executive Committee adopted that suggestion.

In the last few years, the number of SEG members living and working outside the United States became the majority, and the trend shows that international membership is growing faster than in the United States. This trend emphasizes the importance of the Global Affairs Committee, whose mission is to transform SEG into a truly international association. Very relevant progress was accomplished during the 2004 SEG Annual Meeting in Denver with the adoption of the new dues structure based on local spending capacity. We feel, however, that more steps are needed, especially if we compare SEG with sister societies such as EAGE and SPE. Those societies are perceived worldwide as being more international than SEG because their executive committees are composed of members from many diverse countries. This has not happened yet with SEG, and we believe more efforts should be made toward that goal.

One reason for the current limited representation of international members on the Executive Committee is the restricted access to voting and the lack of international candidates. During this year, a few successes were achieved through the introduction of electronic voting and a campaign to invite associate members to transfer to active if eligible. We need to work harder in the future. The introduction of Web-based procedures for refereeing new active members could help to make SEG more international.

It should not be ignored that the current United States flavor of SEG is a barrier to its expansion in several areas such as the Middle East, because of political reasons. Other societies do not encounter the same difficulties.

In addition to the goal to increase international voting rights, the GAC is promoting a new definition of the SEG districts. Their present borders, drawn a few decades ago, fairly reflected the SEG membership distribution at that time. Today, the situation is totally different, and the growth trends indicate that in the coming years, the current districts will be even more inadequate to represent the SEG international membership fairly. Because this possible change requires a constitutional amendment, the GAC is promoting initiatives to inform SEG members and to discuss this problem with the

Executive Committee. The possible solution is adopting the same geographical areas used for GAC.

A major accomplishment of the GAC during its midyear meeting in Houston at ExxonMobil was the revision of its procedures to incorporate recent tradition into guidelines proposed by a former GAC chairman. This created clearer and more well-defined rules for operation. We also introduced an annual agenda for the regional coordinators and country representatives, proposing practical goals for best serving our international members. During the upcoming Annual Meeting in Houston, we plan to provide special awards to GAC members who were most successful in achieving those goals.

Information gained through communication with sections and country representatives causes GAC to suggest to the Continuing Education Committee that countries in the Distinguished Instructor Short Course (DISC) and Distinguished Lecture (DL) instructors tour be increased. We appreciate the CE's Committee efforts to reach out to more global venues this year.

Significant efforts were spent in supporting SEG in translating some of its forms into various languages, including Spanish, Italian, Russian, and Arabic.

75th Anniversary Committee (Shane Coperude, GAC liaison). In celebration of SEG's 75th anniversary, the Global Affairs Committee plans to give synopses of the development of the geophysical industry and history of SEG in each region and recognize outstanding GAC leaders. These presentations will be held at the GAC luncheon meetings. Special "global" entertainment is planned. The International Showcase will include some information on geographical history. SEG will continue to grow outside of the United States, and the Global Affairs Committee will continue to play an important part in this growth.

PCs for Students Sections Program (David Pitcher, GAC coordinator). The SEG Foundation has awarded \$12 500 in funding for the PCs for students program in 2005. This will allow the Global Affairs Committee to choose at least six student sections to receive high-end systems loaded with donated geophysical software. This year, the committee received a record number of applications, reflecting the success and value of the program. GAC is seeking a company to donate a 3D survey for use by student sections as part of the award.

Global Forum (Mike Burianyk, GAC liaison). GAC cohosts the Global Forum with the International Showcase. This year's theme is "Regulations as Drivers for the International Energy Business." We hope to have an exciting and informative Global Forum for our International Showcase participants and for all globally minded SEG delegates. Difficulties still face us, however. It is suggested that the GAC work more closely with the International Showcase to raise funds not only for the forum but for the showcase itself.

GAC "Spotlight" in TLE (Mike Burianyk, GAC guest editor). "Spotlight" articles have been published in TLE in

September and October 2004 and January, April, June, and August 2005. “Spotlight” has been well accepted and its articles emphasize the international events, sections, and challenges of SEG in its globalization process. More efforts and volunteers are needed to ensure a GAC “Spotlight” in every issue of *TLE*.

eCommunities. GAC has set up an eCommunity to aid in communication with its 140-plus members.

GAC Luncheon Meeting Speakers for Houston 2005.

Middle East/Africa: Mahmoud Abdul-Baqi, vice president, Saudi Aramco, “Exploration and Production in the Year 2020.”

Latin America: John Forman, director, Agencia Nacional do Petróleo (National Petroleum Agency), Brazil.

Europe/Former Soviet Union (FSU): Robert Brunk, chief executive officer of CGG, “New Fundamentals of the Seismic Industry.”

Asia/Pacific: Guo Yueliang, president, BGP International, “China Oil and Gas Exploration for Today and Tomorrow.”

Shri Apurba Saba, president, SPG, India, ONGC, India, “SPG, India: Expanding Horizons.”

The support of Pamela Terekhova of the SEG staff made the difference in the vitality of this committee with respect to other activities. Her efficiency and professional qualities have been well known for years to all GAC members.

Gravity and Magnetism

David R. Oxley, chairman

E. Gerald Hensel, vice chairman

The Gravity and Magnetism Committee (G&M) serves as a focus for activities within the society dealing with gravity and magnetism and promotes the knowledge and use of these potential-field methods. Our committee meets twice a year — midyear (April) and again at the Annual Meeting. Committee members are instrumental in organizing Annual Meeting sessions and activities, providing input to *THE LEADING EDGE*, advising on technical standards, and overseeing the SEG (G&M) Web page and a dedicated list server which includes geophysicists outside SEG.

For the 2004 Annual Meeting, committee members organized three technical oral sessions, one poster session, the G&M luncheon, and a workshop. The luncheon, as always, proved to be a popular, well-attended event. Dan Larson of the California State University Department of Anthropology presented a talk, “Advances in Geophysical Applications in Archeology.” The Gravity and Magnetism workshop, “Magnetic Gradiometry,” organized by Terry McConnell and Michal Ruder, also drew a large and varied audience, discussing applications beyond traditional mining and petroleum, such as diamond hunting and UXO remediation.

For the 2005 Annual Meeting, committee members are organizing two technical oral sessions, one poster session, the Gravity and Magnetism luncheon, and a workshop. The G&M luncheon, organized by Jerry Hensel, will feature associate research scientist Mark T. Lemmon, from Texas A&M Department of Atmospheric Science, who will present a talk, “Exploring Mars: The Mission of the Spirit and Opportunity Rovers.” Committee members Mark Odegard and Jerry Hensel are organizing the postconvention workshop, “New Techniques and Ideas in the Exploration of Old and Current Continental Margins.”

Our committee is also heavily involved in SEG publication activities. Preparation is under way for a special issue on magnetic gradiometry in *THE LEADING EDGE*. The articles, edited by Terry McConnell, are derived from last year’s postconvention workshop. The “Meter Reader” column, organized by Bob Van Nieuwenhuise, continues as a regular *TLE* feature. Work undertaken by Stuart Hall, Tom LaFehr, Dale Bird, and Pat Millegan is in progress to update L. L. Nettleton’s gravity and magnetism monograph. Alan Reid is preparing a collection of significant papers on gravity and magnetism to be released on CD. In conjunction with the SEG’s 75th anniversary, a team led by Misac Nabighian is preparing two articles — one each on gravity and magnetic methods for *GEOPHYSICS*.

The Gravity and Magnetism Committee continues to improve its Web presence through the SEG-hosted Web site and an active exchange of issues related to gravity and magnetism between SEG members and nonmembers over the list server hosted by Columbia University. Chuck Campbell oversees these Web activities.

Bimonthly dinner talks are organized by committee member Dale Bird for presentation through the Potential Fields SIG of the Geophysical Society of Houston. Continuing education activities proceed, with Michal Ruder presenting a gravity and magnetism methods and interpretation short course several times a year.

The chairmanship of the Gravity and Magnetism Committee is on a two-year rotation with the vice chairman taking over the next term. With my term moving toward its halfway point, I am pleased to be doing this work during SEG’s 75th anniversary and am amazed at how quickly it is passing. I think our committee members all feel privileged to help celebrate this event, even if in no other way than by including in our annual report a real exploration use of the word *diamond*.

Honors and Awards

William N. Barkhouse, chairman

One of the most important functions of a professional society is honoring those who have made important contributions to the profession and to science. By unanimous agreement of the SEG Honors and Awards Committee and the Executive Committee, the 2005 honorees are:

Maurice Ewing Medal: Robert J. Graebner's contributions include internationally recognized work in the early advancement and promotion of 3D seismic, recent collaborations with the Bureau of Economic Geology in using vertical and horizontal shear modes for determining anisotropy in vertical fractures, and more than 23 years of distinguished leadership of SEG. The society previously has awarded him with Honorary Membership and a Special Commendation, selection as a Distinguished Lecturer, and for authoring a Best Paper in GEOPHYSICS. He has served SEG as president, first vice president, general chairman of the Annual Meeting, director of the SEG Foundation, and SEG Foundation trustee associate. Robert J. Graebner, long recognized throughout the world for his leadership to our profession and for his contributions to our science, is truly deserving of SEG's highest award.

Honorary Membership: Norman Bleistein received a Ph.D. from the Courant Institute of Mathematical Sciences in 1965. He spent three years as an assistant professor at MIT and 14 years at Denver University, then shifted to Colorado School of Mines, where he remained until retirement in 1999. However, although nominally retired, he is quite active as a professor emeritus and research professor of geophysics.

Bleistein's early work, with colleague Jack Cohen, on seismic inversion methods paved the way for many researchers in the past 25 years. He has had a tremendous influence with students — many of whom are prominent in today's industry. For many years, Bleistein served as director of the Center for Wave Propagation at CSM, which long has been one of the most successful industry-sponsored consortia. He is the author of several books and numerous papers and has made countless presentations. His tireless energy and selflessness continue to have a dramatic impact on technology, students, colleagues, and friends.

During his career and especially in the past ten years, James D. Robertson has undertaken special projects on behalf of SEG that required strength, wisdom, and diplomacy. He has served SEG in a large number of ways and has been active in various other geological and geophysical societies. He served SEG as president (1994-1995), president-elect (1993-1994), first vice president (1991-1992), distinguished lecturer (1988), technical program chairman for the Annual Meeting (1989), Continuing Education instructor, and a member of the *TLE* Editorial Board. Robertson was honored for the outstanding presentation at the Annual Meetings in 1979 and 1983 and received the Best Paper in GEOPHYSICS award in 1985.

Virgil Kauffman Gold Medal: Robert J. Greaves and Terry Fulp are receiving the Virgil Kauffman Gold Medal for their pioneering work in 4D or time-lapse seismic to monitor the fluid movement within a producing hydrocarbon reservoir. Their efforts, done while working at ARCO in 1982-1983, were the first successfully repeated 3D (actually three 3Ds over a one-year period) that not only monitored the fluid movement in the reservoir but also tied the seismic changes to the rock and fluid properties. In the latter part of the decade, 4D really began to attract the attention of the industry. Greaves

and Fulp presented their work at the 1983 SEG Annual Meeting and published their results in 1987, for which they received a Best Paper in GEOPHYSICS award.

Cecil Green Enterprise Award: Alastair Hay and the late David Phillip started Concept Systems in 1983 to provide a new generation of PC-based navigation and data acquisition systems for the marine and offshore exploration markets. Alan Faichney joined shortly thereafter as the key technical architect for all their eventual products. This resulted in the development of the GridNav family of navigation QC system, which was an industry standard for marine seismic surveys throughout the 1980s.

In the early 1990s, Concept identified an industry need for faster turnaround of processed navigation data in the 2D and 3D marine seismic acquisition and processing cycle. In 1993, Concept launched the Unix-workstation-based SPRINT Navigation Processing & QC system. The SPECTRA navigation system and the REFLEX binning system followed in 1994 and, in combination with SPRINT, have become the leading integrated navigation and data processing system for marine operations installed in more than 50 vessels worldwide.

Concept extended its range of in-field acquisition products with the GATOR OBC Navigation System, introduced in 1997, to meet the specific control, data management, and processing demands of ocean-bottom and shallow-water operations. Concept Systems was awarded the Queens Award for Export Achievement in 1997.

During the latter 1990s, Concept expanded into the GIS and geophysics arenas with a range of geophysical analysis and QC tools and services for optimizing quality and costs throughout the design, deployment, and acquisition phases of a geophysical survey.

Reginald Fessenden Award: Matthew Greenberg and John P. Castagna are receiving the Reginald Fessenden Award for their work in shear-wave velocity estimation in porous rocks. AVO modeling and its successful application to exploration programs are related directly to the timely publication of the article "Shear-wave Velocity Estimation in Porous Rocks: Theoretical Formulation, Preliminary Verification, and Applications," in *Geophysical Prospecting*. The Greenberg and Castagna technique has withstood 14 years of close scrutiny by being compared to both wireline and laboratory measurements. Peers of Greenberg and Castagna rank this work with the most important contributions to the field.

J. Clarence Karcher Award: Mustafa Naser Al-Ali is being honored for his contributions in seismic data acquisition. His contributions in the design of sparse 3Ds have been particularly important in improving data quality and reducing turnaround time. His contribution in near-surface studies deserves special attention. He used typical vibrator base plate data and obtained estimates of the P-velocity of the near surface. These estimates, when integrated with uphole data, improve definition of the near surface and thus mitigate the risk associated with the explo-

ration and drilling of low-relief structures typically encountered in the Middle East. Al-Ali's research with the Delphi group has resulted in innovative breakthroughs and concepts that will allow more information to be obtained on complex near-surface conditions and assist in designing 3D surveys.

Andrey V. Bakulin has contributed in imaging scattering series, time-lapse seismic monitoring, inversion and processing on anisotropic media, rock physics, and fracture characterization. Bakulin has worked extensively with models of anisotropic, porous rocks and methodology for seismic fracture characterization using realistic, azimuthally anisotropic reservoir models. Later work was on using inversion and multicomponent, multiazimuth walkaway VSP surveys. In addition, he created a tool to predict 4D (time-lapse) seismic response of a reservoir using realistic fluid-flow models and seismic transformations. He has worked with the application of time-lapse VSP data.

Simon A. Shaw has done excellent work in seismic imaging using inverse scattering series. He has worked with imaging the subsurface in areas of complex geology without knowledge of the velocity field. He discovered a subseries that reconstructs earth properties at the proper depth location without requiring accurate information about background properties of the subsurface. Shaw's work further demonstrated the robustness of the process to loss of low-frequency information. He has great skill in technical analysis and creative problem solving.

Distinguished Achievement Award: Robert D. Ballard's Institute for Exploration. The Institute for Exploration is establishing a new field of research using evolving technology, such as advanced mapping and imaging systems, underwater robotics, and remotely operated vehicles that are highly beneficial to the exploration geophysics industry and marine geosciences. Robert Ballard will share his most recent discoveries with millions of young people through his various outreach activities, which include the Mystic Aquarium and the JASON Project.

With support from the National Oceanic and Atmospheric Administration, the Office of Naval Research, and the National Geographic Society, the Institute for Exploration has engineered systems designed to operate to a maximum water depth of 3000 meters. These new underwater systems use cables with optical fibers to transmit video and other signals to the control ship on the surface.

Life Membership: Xu Wenrong has done more to enhance China's involvement with SEG than any other person. People that meet him instantly recognize his talent, excellent English, and friendly nature. He rose quickly to become president of the largest geophysical contractor in China, BGP. Under his leadership, BGP grew from the geophysical arm of the national oil company to one of the largest and most competitive seismic acquisition and processing companies in the world. He recently was promoted to assistant president of the China National Petroleum Company.

Although Chinese geophysicists have been interacting with SEG for more than 25 years, the quality and quantity of these interactions have improved dramatically over the past five

years under the leadership of Xu Wenrong. He has pushed steadily for more face-to-face interaction and has set an example by having spent the majority of his career overseas. He was chairman of the organizing committee for the 2004 CPS/SEG meeting in Beijing. He regularly has supported SEG in the United States by participating in global forums, Asia/Pacific events, and other activities.

It is arguable that Brian H. Russell, on a personal basis, is the most widely known geophysicist in our community. He travels constantly — teaching, lecturing, and marketing for his business. He is a ubiquitous presence at all our professional conventions and events, yet he never misses an opportunity to promote SEG and its goals. In particular, during Russell's presidency, partly because he was already well traveled and partly because of his commitment to the cause, SEG's global presence and global initiative really took off.

Ananda Gopal Pramanik has played a key leadership role in the advancement of SEG global membership for any geophysicist regardless of income or geographic location. He has been a tireless advocate of geophysics to students and professionals alike and has been a key leader on the Global Affairs Committee. He has fostered collaboration with several other geophysical societies throughout the Far East to support technical meetings and provide opportunities for geophysicists. Pramanik has led and hosted several SEG-sponsored meetings in India and has chaired technical luncheons at SEG Annual Meetings. Anyone who has had the honor and pleasure of meeting Ananda Pramanik quickly notes the respect he extends to those who are part of a global SEG.

Special Commendation: Alf Klaveness has done more to generate annual revenue for SEG than perhaps any other person, through his conception and development of the hugely popular Offshore Technology Conference.

Alf Klaveness nurtured the idea from conception to the first conference in 1969. OTC is now the largest conference in the petroleum industry, which is the largest industry in the world.

Revenues from the OTC are quite large, including approximately U.S. \$500 000 per year for SEG. Because this event does not require much SEG staff support, the result is that our association with OTC currently saves each SEG member about U.S. \$25 in dues each year.

Best Paper in GEOPHYSICS 2004

Experimental design: Electrical resistivity data sets that provide optimum subsurface information

Peter Stummer, Hansruedi Maurer, and Alan G. Green

Honorable Mention (GEOPHYSICS)

Efficient waveform inversion and imaging: A strategy for selecting temporal frequencies

Laurent Sirgue and R. Gerhard Pratt

Diffraction imaging by focusing-defocusing: An outlook on seismic superresolution

V. Khaidukov, E. Landa, and T. J. Moser

Coupled geomechanics and flow simulation for time-lapse seismic modeling

Susan E. Minkoff, C. Mike Stone, Steve Bryant, and Malgorzata Peszynska

Expanded uncertainty quantification in inverse problems: Hierarchical Bayes and empirical Bayes

Alberto Malinverno and Victoria A. Briggs

Best Paper in THE LEADING EDGE 2004

Jotun 4D: Characterization of fluid contact movement from time-lapse seismic and production logging tool data

Wences P. Gouveia, David H. Johnston, Arne Solberg, and Morten Lauritzen

Honorable Mention (TLE)

Predicting the economic impact of acquisition artifacts and noise

Richard T. Houck

Seismic challenges of developing the pre-Pliocene Akhen Field offshore Nile Delta

Robert Marten, Mark Shann, Jim Mika, Sondra Rothe, and Yan Quist

Seismic amplitudes from low gas saturation sands

John O'Brien

Best Oral Paper Presented at the 2004 Annual Meeting

Gaussian beam migration of common-shot records

Samuel H. Gray

Honorable Mention (Best Oral Paper, Annual Meeting)

Using thumpers as a seismic source

David Monk, Jim Ross, and Bill Mooney

Best Poster Paper Presented at the 2004 Annual Meeting

Heavy oils: Seismic properties

Michael Batzle, Brian Zadler, Ronny Hofmann, and De-hua Han

Honorable Mention (Best Poster Paper, Annual Meeting)

Longhorn: Depth migration and the birth, life, and death of a prospect in the deepwater Gulf of Mexico

Paul Singer, Jean-Marc Rodriguez, and John Wu

Best Student Oral Paper Presentation at the 2004 Annual Meeting

Hybrid optimization for a binary inverse problem

Richard A. Krahenbuhl

Award of Merit (Best Student Paper Presentation, Annual Meeting)

Wavefield extrapolation in Riemannian coordinates

Paul Sava

Best Student Poster Paper Presented at the 2004 Annual Meeting

Effects of pore structure on sonic velocity in carbonates

Ralf J. Weger

Award of Merit (Best Student Poster Paper, Annual Meeting)

Non-stretch stacking in the tau-p domain: Exploiting long-offset arrivals for sub-basalt imaging

Hassan Masoomzadeh

I want to thank the SEG membership for submitting their recommendations as well as the committee members, Mike Bahorich, Peter M. Duncan, Walter S. Lynn, and Sally G. Zinke for their work in the selection of the award recipients.

Interpretation

Hans Sheline, chairman

The SEG Interpretation Committee (IC) met formally three times in the past year. The main meeting this year will be at the 2005 SEG Annual Meeting. We will invite the AAPG Geophysical Interpretation Committee to attend and, just as important, we invite all our members with enthusiasm for interpretation to attend. Send a request to me at Sheline@VeriNova.com to make sure there is room. These meetings give us a chance to get an update on projects, share ideas, and coordinate project planning.

The IC energetically promotes best practices and technologies to improve interpretation quality. This is done by encouraging SEG members to publish case histories and share their best practices at meetings and in continuing-education courses. The IC represents the largest segment of SEG's membership and wants to be the sounding board for what interpreters want, a critical conduit for providing what they need, and the catalyst for making our profession more rewarding.

The committee is truly an integrated committee. Members come from many areas (exploration, development, onshore, offshore, and international) and use different skills (seismic, potential methods, and stratigraphy). The common objective is to integrate the best information available in the most effective way to add maximum value to our business scientific objectives.

The committee works especially with its counterparts at AAPG, the Society of Petroleum Engineers, and the Society of Petrophysicists and Well Log Analysts. In fact, many IC members belong to more than one organization.

We try to keep an open-door policy and are always looking for enthusiastic people who will champion a good cause through to completion. We look forward to your participation.

Major current projects being considered by the committee are:

- 1) including interpretation and case histories sessions at the 2005 Annual Meeting (VerneyGreen@chevrontexaco.com, tsmith@seismicmicro.com, and Sheline@VeriNova.com)

- 2) harvesting best case histories, which include the best AAPG papers, for a special session in the 2005 Annual Meeting (Sheline@VeriNova.com)
- 3) publishing *Reservoir Geophysics 2* (david.h.johnston@exxon-mobil.com); publishing a compilation of articles that appear in the "Geophysical Corner" (alistair@airmail.net)
- 4) soliciting publications about seismic attributes (stevehx@aol.com and Sheline@VeriNova.com)
- 5) resuming publication of "Pitfalls in Interpretation" in THE LEADING EDGE (hjames@paradigmgeo.com)
- 6) participating in a technical session on "Failed Amplitude Anomalies" during the 2006 AAPG Annual Meeting in Houston (Deborah Sacrey plans to coordinate a publication resulting from that session)

Other ideas that have been endorsed by the committee but are awaiting a "champion" include (1) Conducting a survey of best practices. What can SEG do to help members learn about new techniques or geographical areas? (2) Holding workshops on case histories, visualization, etc. AAPG is set up for workshops. We need suggestions to propose to the Annual Meeting Steering Committee. (3) Restarting the "best of AAPG at SEG" and vice versa. There used to be a "best of SEG" at the AAPG convention and "best of AAPG" at SEG.

We look forward to your thoughts, suggestions, and enthusiastic participation.

Our 2006 chairman will be Verney Green (verneygreen@chevrontexaco.com).

It has been my honor and privilege to help with the SEG Interpretation Committee these last two years (2003–2005). Keep up the good work!

Meetings Review and Planning

Richard M. Cieslewicz, chairman

The primary task of the Meetings Review and Planning Committee (MRP) is to develop, document, implement, and execute a strategy for the identification of and participation in international meetings and exhibitions (outside North America). MRP Committee was formed as a result of work done by William Green, Walt Lynn, Brian Russell, and the SEG Ad Hoc International Meetings Committee (AHIM) of 2003–2004.

The recommendations of the AHIM Committee were based on analysis of various data, including annual-meeting trends of the recent past; transformations in the world of geophysics; and changes in demographics of the SEG membership. These recommendations are the underpinnings of the international meetings strategy being developed by the MRP.

The MRP Committee agreed that the strategy must successfully address the following key objectives:

- facilitating the diffusion of the science of geophysics
- accommodating the ever-changing cultural demographic landscape of the society
- recognizing the growing portion of society membership

involved in geotechnical evaluation versus traditional resource exploration

- achieving moderate financial success without adversely impacting the SEG Annual Meeting

Although the MRP Committee and SEG continue to encourage local societies to identify opportunities for international meetings, it was agreed that SEG should actively pursue such opportunities as well. Therefore, the proposal delivered by the MRP Committee to the SEG Executive Committee in May included the following highlights:

- 1) SEG should hold at least one Level IV or V international meeting per year based on a five-year rotating schedule that includes the following areas:
 - China
 - Asia/Pacific Rim
 - Latin America
 - Middle East/North Africa
 - CIS/Europe
- 2) Geographical selection criteria may change over time, but at a minimum should include consideration of the following factors:
 - society demographics or geographic breakdown of membership (historical and predicted)
 - business drivers (predicted trends in geophysical activity)
 - safety and geopolitical considerations
- 3) Although rotation is based on a five-year schedule, it may be necessary to change rotation order or to modify region definitions.
- 4) Levels IV and V meetings should be budgeted to meet financial targets established by SEG should take into account the full costs of planning and running the meetings, including SEG overhead, staff, and travel costs.

In addition to managing a more proactive Level IV and Level V international-meetings effort, MRP Committee will play an important role in planning, review, and identification of Levels I through III meetings that support the effort to increase service to the international membership. MRP shall continue to review requests from local societies for all types of meeting opportunities and will work closely with SEG committees to ensure that the interests of our international memberships are served.

Membership

Michael A. Fenton

SEG membership as of June 30, 2005, was at a record 22 691, a net increase of 2447 from last year. The current number includes 45 corporate members which continue to provide great support for our society. The membership count has increased steadily since 1995, when it hit a local low of 14 070. Its increase reflects the growing health of our society in meeting the needs of exploration geophysicists around the world.

The continuing globalization of our society is becoming ever more pronounced, with the ratio of non-U.S./U.S. reaching 12 986/9660 on June 30, i.e., considerably more of our members are based overseas than in the United States. Our society encourages all exploration geophysicists to join, whatever their economic backgrounds. SEG plans meetings, courses, and activities worldwide to serve the needs of the global community.

This report includes several figures to illustrate the state of SEG membership of our society.

Figure 1 shows the growth of membership from 1930 to the present. In 1930, there were only 46 members; today we have 22 691 — nearly a 500-fold increase.

Figure 2 shows the increasing role of global membership since 1985. We now have more non-U.S.-based members (57%) than U.S.-based members (43%).

Figure 3 shows the population of the various membership classes, comparing figures last year with this year. Increases occurred in all membership categories — active, associate, global, and student — and new-member applicants also increased. However, there is a cautionary note in the increases in resignations (130 versus 114), in “dropped for nonpayment of dues” (2003 versus 1875), and in the decreased number of reinstatements (141 versus 203). We also sadly note the passing of 47 of our members, slightly more than last year.

Figure 4 is a pie-slice chart of membership categories for the current year. Note that although the largest membership category is “active” (35%), there is a large number of “associates” (33%) many of whom would qualify for “active” if only they would apply. There has been considerable discussion during the year on how best to advance members to the “active” category.

Figure 5 shows membership by category from 1980 until the present and illustrates that although the number of “active” members has remained fairly constant, the numbers in

the other categories — associate, student, and global — have increased, dramatically in some cases.

Our sincere thanks go to Apache Corporation for all its support and sponsorship of the Global Membership Program and to Halliburton for continuing to fund the student membership program.

At the 2004 SEG Annual Meeting, the Executive Committee approved a system of global membership dues, to provide membership accessibility to geophysicists in economically deprived areas and of restrictive means. Details of this program can be found at <http://membership.seg.org>

The Member-Get-a-Member Program continues to be a great success. At the 2004 SEG Annual Meeting in Denver, Patrick S. Millegan was announced as having recruited more members than anyone else during the 2003–2004 year, and so far this year, 382 members have recruited 1608 new members.

Thanks and kudos to our great SEG Business Office employees, who manage the membership program throughout the year and who do a great job responding to the many comments and questions from members.

	2003–2004	2004–2005
Active members	8083	7887
Associate members	7316	7558
Global members	1629	1723
Student members	3171	5478
* Total	20 199	22 646
Membership as of June 30	18 690	20 199
New-member applicants	3337	4486
Reinstatements	203	141
Deaths	–42	–47
Resignations	–114	–130
Dropped (nonpayment of dues)	–1875	–2003
* Total	20 199	24 826
Net (decrease)	1559	4627

*Does not include corporate members (45) in totals

Figure 3. Membership fiscal years 2004–2005.

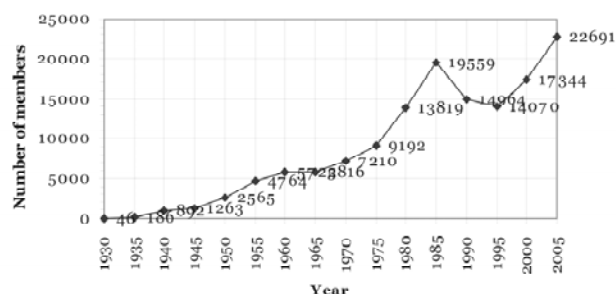


Figure 1. Total SEG membership as of June 30, 1930–2005.

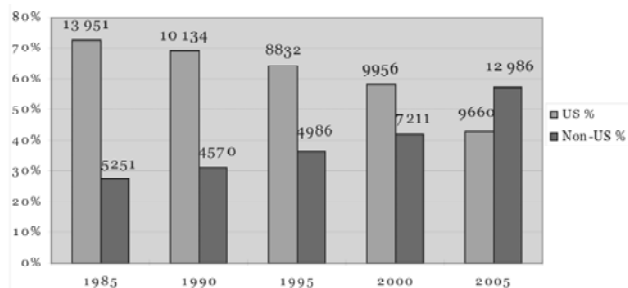


Figure 2. Globalization of membership as of June 30, 2005.

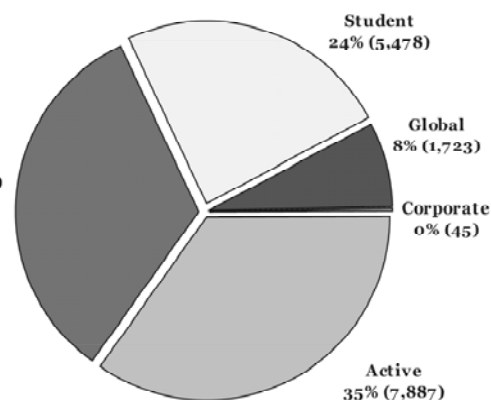


Figure 4. Fiscal year 2005 membership.

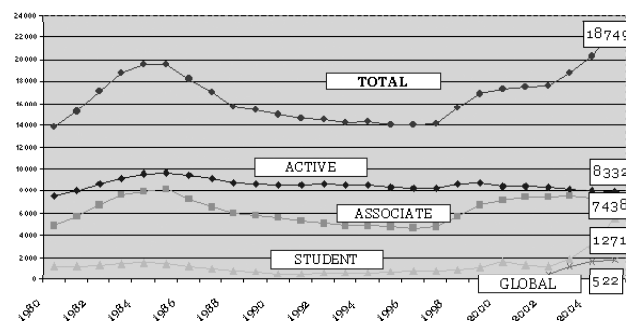


Figure 5. Membership by classification.

Mining and Geothermal

Mary M. Poulton, chairman

Michael Zang, vice chairman

Dick West and Ken Witherly, past chairmen

In the last year, the main activity of the Mining and Geothermal Committee was planning for the 2006 SEG 76th Annual Meeting in New Orleans. Continuing a tradition started in 1996, the committee targets every second year for a strong mining-community turnout at the Annual Meeting, now colloquially termed a “mining summit.”

Other events the committee was involved with during the year included:

- **SEG Honors and Awards.** The committee membership agreed to create awards for best mining and geothermal paper/presentation at the SEG Annual Meeting to be selected by the committee.
- **List server.** The committee’s list server, kindly hosted by Geosoft, continues to provide a useful forum for our global community. You can send an e-mail to majordomo@lists.geosoft.com with “subscribe segmin” in the body of the text. You will receive a confirmation with instructions for using the list and for unsubscribing. If you do not receive a confirmation and welcome message by the end of that business day, please send a message to owner-segmin@lists.geosoft.com requesting to be added to the list. More than 170 people are signed up on the list server.
- **Web site.** Dick West and Bob Lo, with the assistance of Phyllis Halverson, volunteered to provide input from the committee for the SEG webmaster. The committee Web site is now replaced by the SEG eCommunities pages.
- **Committee meetings.** The committee met twice in 12 months, first in 2004 at the SEG Annual Meeting in Denver and then at the Prospectors and Developers annual meeting in March in Toronto. The primary topic of discussion was the status of plans for the mining program for New Orleans in 2006.
- **Succession plans.** The committee is pleased to announce that effective with the 2006 committee meeting, Michael Zang will assume the role of committee chairman. Candidates are being sought for vice chairman.
- **Future plans.** The committee is examining several possible initiatives to broaden the mining community’s involvement with other geoscience groups. The major initiative under way involves organizing a workshop at a meeting of the Society of Economic Geologists (www.seg2006.org) in May 2006.
- **Safety documentation.** A suggestion was made to link safety manuals available in the public domain to the SEGMIN list server. Committee members were asked to forward those links to Mary Poulton.
- **Workforce study with the Society of Mining Engineers**

(SME). Anecdotal information suggests that there will be a severe drop in the number of geophysicists available to work in the industry within five to ten years, based on the age of the current workforce and the number of students. SME has requested that the committee assist in firming those data to appraise policy makers as to potential business and societal implications of this trend. Mary Poulton is coordinating this study, and several knowledgeable people in the industry are assisting her. Among these are Phyllis Halverson, who is supplying information from her Russian contacts, and Greg Hodges, will supply information available from the Canadian Exploration Geophysical Society (KEGS). Previous work on this issue by Leigh Freeman (Downing Teel) will be added to the study.

- **Fete in honor of Tony Barringer.** The committee, in conjunction with KEGS and the cooperation of the Near-Surface Geophysics Section, hosted a fete at the 74th SEG Annual Meeting in honor of Tony Barringer’s 80th birthday. During his lengthy career, Barringer has been quite likely the most prolific developer of geoscience technology of the 20th century, with more than 30 patents covering a wide range of geophysical and geochemical techniques, many still in use today.
- **THE LEADING EDGE.** The committee members have submitted or will submit articles to *TLE* about the contributions of Tony Barringer, Ken Zonge, and Harry Seigel.
- **List of university programs and scholarships in mining geophysics.** Dick West is heading this initiative and will coordinate the compilation of the existing information. Mary Poulton will place a link with this information into SEGMIN. All members are asked to send relevant information to her.

Committee on Nominations

Peter M. Duncan, chairman

The Committee on Nominations consists of SEG’s three most recent past presidents and four active members, each representing an SEG section or associated society. The immediate past president serves as chairman. Each year, two of the four representatives of a section or associated society representatives are replaced by representatives of other eligible sections through a drawing conducted by the Tellers Committee. This year’s members include past presidents Peter M. Duncan (chairman), Mike Bahorich, and Walter S. Lynn. Other members are Michael Enachescu (Romanian Society of Geophysicists), Rodolfo Marines (Asociación de Mexicana de Geofísicos de Exploración), Francisco Porturas (Scandinavian Visualization Society), and David Zinzer (Potomac Geophysical Society). Lynn, Porturas, and Enachescu will retire from the committee this year.

The committee met briefly at the 2004 SEG Annual Meeting in Denver. The remainder of its deliberations were conducted by e-mail and telephone conference. The geographical diversity of the committee, reflecting that of the society, makes such meeting at a distance a necessity.

The committee submitted the following slate of candidates for election by the membership to the 2005–2006 Executive Committee:

President-elect	Don W. Steeples
	Leon Thomsen
First vice president	William L. Abriel
	David J. Monk
Second vice president	Steve H. Danbom
	Roger A. Young
Vice president	Mariangela Capello
	Terje Dahl
Secretary-treasurer	Frank D. Brown
	Lawrence Gochioco
Editor	Yonghe Sun

No candidates were nominated by petition for this election.

I would like to thank my fellow committee members for the thoughtful consideration they put into selecting and recruiting this outstanding slate of candidates.

Online Governing Board

Henry Bland, chairman

In 2005, the Online Governing Board helped advise the SEG editors on the creation of a new algorithms and software category of papers for *GEOPHYSICS*. After much planning and discussion as to how the new section should work, the first paper of the new section will appear in the September-October *GEOPHYSICS* issue, with an announcement of the new section in the October issue of *THE LEADING EDGE*. The section is accompanied by a new Web site, software.seg.org, where source code for the algorithms will be archived online. The principal innovation of the new section is that its source code will be reviewed in much the same way that traditional papers are reviewed. There are other earth-science journals that publish source code, but the code itself is not peer reviewed, only the paper that goes with the code.

Work continues on an updated set of LaTeX macros to allow academic authors easier submission of extended abstracts and *GEOPHYSICS* papers using the LaTeX typesetting system preferred by many academics.

Publications

Satinder Chopra, chairman

The Publications Committee is responsible for soliciting and working with the SEG publications staff to produce all publications other than *GEOPHYSICS* and *THE LEADING EDGE*. The committee's objective is to provide exploration geophysicists with the technical geophysical information to keep current with ideas and techniques to help them in their jobs. This report summarizes books recently published and those that are to be published in the near future.

Reference publications issued in fiscal year 2005: (July 1, 2004 to July 1, 2005)

- *Fundamentals of Geophysical Interpretation*, by Laurence R. Lines and Rachel T. Newrick
- *Insights and Methods for 4D Reservoir Monitoring and Characterization*, by Rodney Calvert
- *Problems in Exploration Seismology and their Solutions*, by Lloyd P. Geldart and Robert E. Sheriff
- GEOROM X, DVD-ROM archive of *GEOPHYSICS* (1936–2003) and *THE LEADING EDGE* (1982–2003)
- GEOROM XI, DVD-ROM archive of *GEOPHYSICS* (1936–2004) and *THE LEADING EDGE* (1982–2004)
- *Expanded Abstracts* Historical Series 1982–2004 on DVD-ROM
- The SEG/Denver 2004 *Technical Program Expanded Abstracts* book
- The SEG/Denver 2004 *Technical Program Expanded Abstracts* on CD-ROM
- 3C-3D Data Set, CREWES Project (published by CREWES)

Reference publications expected by 2005 SEG Annual Meeting in Houston:

- *Introduction to Petroleum Seismology*, by Luc T. Ikelle and Lasse Amundsen
- *Multiple Attenuation*, edited by Arthur B. Weglein and William H. Dragoset
- *Near-Surface Geophysics*, edited by Dwain K. Butler

Other works in advanced stages of production:

- *Seismic Attribute Mapping for Structure and Stratigraphy*, by Satinder Chopra and Kurt J. Marfurt

The Publications Committee consists of several dedicated individuals who generously donate their time and effort. These committee members, along with editors, book authors, and the SEG publications staff, allow the publication process to work efficiently. The series editors are: Cynthia Menant Berlier, Slide Sets; Sergio Chávez-Pérez, Translations Committee chairman; Michael R. Cooper, Investigations in Geophysics; Dan Ebrom, Geophysics Reprints; Lawrence M. Gochioco, Continuing Education Course Notes; David Fitterman, Geophysical Monographs; Steve Hill, Geophysical Developments; and Gene Scherrer, Geophysical References.

Research

Arthur C. H. Cheng, chairman

The main focus of the Research Committee is the organization of the Summer Research Workshop, in cooperation with the EAGE Research Committee, and workshops held after the SEG Annual Meeting.

The 2004 SEG/EAGE Summer Research Workshop, "Characterization of Fractured Reservoirs," was held August 1–5 in Vancouver, British Columbia, Canada. The meeting was a success. We had 92 participants, with 45% from outside the

United States and 30% from outside North America. With sponsorship from several companies, we kept the registration fees low.

The EAGE Research Committee will host the joint workshop September 5–8, in Pau, France, titled “Multicomponent Seismic Technology.”

We had planned to hold a small, focused workshop on heterogeneity at the end of June 2005 at Stanford University. Unfortunately, we did not have enough registrations, so the workshop was canceled.

For this year’s Annual Meeting workshops, the committee selected six topics during the January meeting. They are:

- Recent advances in interferometric methods for passive seismic imaging and time reversal
- Next generation 3D SEG model
- Marine electromagnetics: Advances or fiction?
- Low frequencies: Acquisition, measurements, processing, etc.
- Seismic estimation of net-to-gross and uncertainty
- Improved integration in petrophysics and rock physics modeling

In addition, the committee is honoring Keiiti Aki, who died in May, with a special workshop, tentatively titled “The Geophysics of Professor Keiiti Aki, from theory to applications,” to be organized by Mike Fehler.

The 2006 SEG/EAGE Summer Research Workshop will be “Subsalt Exploration and Development: Imaging, Interpretation and Drilling: What Have We Learned?” The chairman of the organizing committee is Biondo Biondi, and the tentative date is July 10 in Snowbird, Utah.

In addition, the Research Committee will cosponsor the SPG/SEG workshop “Reservoir Geophysics: Data Acquisition, Processing and Interpretation in Mature Oil Provinces,” October 27–29, 2006, in Kunming, China. Arthur Cheng will coordinate the technical program for SEG.

The Modeling Subcommittee is starting a new modeling initiative. This will be an industry consortium managed by the SEG Business Office. This initiative is in its early stages and is headed by Bill Abriel, Biondo Biondi, and Bee Bednar. The SEG and EAGE research committees will have advisory roles.

Reviews

William R. Green, chairman

This committee is somewhat unusual in that it does not meet in person or have any forums for discussion on SEG issues. In essence, it is a collection of people who contribute book reviews to *THE LEADING EDGE*, and the “chairman” is an associate editor of that journal.

The goals and modus operandi of the Reviews Committee continued in their well-established forms. We review technical books of interest to SEG members to help them keep current with the literature related to their professional activities, and we also review occasional books of general interest to geoscientists. The committee has members around the world, representing all

aspects of the geophysics profession. It operates almost exclusively by e-mail, which is used to send notices of available titles to potential reviewers, submit reviews to the reviews editor, and forward corrected drafts for publication. The only manual process is to ship the books from the SEG Business Office to the reviewers.

For the reporting period (June 2004–May 2005), the visible effects of the committee’s work were as follows: 37 book reviews appeared in print, by 15 authors from five countries. Of the 37 reviews, six had opinions contributed by more than one reviewer. After the review is submitted, publication is essentially immediate; many reviews appear in the following issue of *THE LEADING EDGE*.

Actively soliciting books of interest from publishers continues, resulting in an excellent selection available for review. As reported last year, the percentage of books being taken by reviewers remains lower than in the past. However, the total number of books received (63) has gone up substantially (49 in 2003–2004). The average time for reviews to be prepared seems to be improving. In response to an appeal in the “Reviews” column of *TLE*, two new reviewers joined during the year.

Once again, I would like to thank Merrily Sanzalone of the SEG Publications Department for all her help in handling the logistical side of the review process and for her efforts in lining up review copies of new books. Thanks also to Dean Clark for the quick transitions from e-mail attachments to print in *THE LEADING EDGE*. Finally, I must express my appreciation for the efforts of the contributors to the “Reviews” column. Without them, the committee would not accomplish much.

Any member who would like further information or would like to participate is welcome to contact me via e-mail: bill-green@telus.net.

Scholarship

Vicki R. Messer, chairman

Wow! We had a record year! Thanks to our generous and far-sighted contributors, the SEG Foundation awarded \$268 100 in scholarships. The scholarship program of the SEG Foundation has an ongoing commitment to the future of geophysics. Seeking to recognize and support the most qualified students from around the world, the program promotes a robust SEG society. The Scholarship Committee, with substantial support from the SEG Business Office, identifies, recognizes, mentors, and administers to well over 100 students.

Sponsors. The cornerstone of the program is the generosity of contributors. Sponsors include individuals, corporations, and SEG sections. A large number of scholarships are endowed, providing much-needed continuity from year to year.

Type	Number	Amount
Individuals	56	\$115 500
Corporations	39	\$ 58 250
Individuals/corporations	3	\$ 7750
SEG sections	16	\$ 25 000
Memorial scholarships	22	\$ 43 350

This year, we awarded \$268 100, a 20% increase from the previous year. Of the scholarships awarded, \$204 350 was endowed and \$63 750 was from annual contributions and carry-overs.

We appreciate those who contribute personally as well as those who influence their corporations and SEG sections to contribute. We also appreciate the hard work of the Foundation trustee associates throughout the year to secure funding for scholarships.

Scholars. The committee met on April 13 to review and finalize selections from almost 300 new applications and 70 renewal applications. After careful consideration of the applicants and our sponsors' wishes, the committee approved 136 awards. In addition to the increase in overall scholarship awards, the geographical diversity of the students reached by the program increased also. Eighteen scholarships were awarded to students studying outside the United States or Canada. In addition, 45 recipients are international students studying in North America.

The awards go to outstanding candidates whose interests cross all aspects of geophysics. The amount of individual scholarships range from \$500 to \$14 000 and from general to specific requirements. Although most awards given are still \$1000, we have made significant progress toward having higher awards.

Amount	2004	2005
\$1000	5	14
\$1000	50	44
\$1500	30	20
\$2000	28	37
\$3000	4	8
\$5000	4	8
\$10000+	3	4

Committee. The Scholarship Committee consists of eight dedicated members who serve for eight years each. They review and assess applications in preparation for the committee's annual spring meeting. It is an awesome and rewarding task and must be completed in a short period of time. The annual meeting this year was especially challenging because the committee worked to get every deserving student an award while accommodating the preferences of the sponsors. I appreciate their work greatly.

In addition to selecting the recipients, each committee member is assigned a group of scholarship students to monitor and mentor. This provides a direct link for our students to SEG.

Special thanks go to the committee members for their time and commitment to the integrity of this important endeavor: Karen Dittert, Gokay Bozkurt, Robert Van Nieuwenhuise, Martin Stupel, Wenjie Dong, Catherine Thibault, and Alex Bridge. Brian Young and Peter Pangman from SEG and Gary Servos from the SEG Foundation have all become integral to the success of the scholarship program, and I am grateful for their efforts and expertise.

SEG Foundation Scholarship Sponsors for the 2005–2006 Academic Year

AGIP	\$ 1000	KEGS/Phillip Hall of Memorial	\$ 1000
ARCO	\$ 2000	LaCoste Memorial, Lucien	\$10 000
Baird, Ralph W.	\$ 1500	Landmark Graphics	\$13 000
Born Memorial, Ted	\$ 1000	Lockhart, Richard and Rolande	\$ 1000
Bridges, Rutt - Tim Long Memorial	\$ 1000	Mazza Memorial, Thomas	\$ 1000
Butler, John R.	\$ 1000	McBride Memorial, Barbara	\$ 2000
ChevronTexaco E&P	\$12 000	McBurney Memorial, Charles G.	\$ 4000
Cordsen, Andreas	\$ 7500	Permian Basin Geophysical Society	\$ 1000
Cottrell, Rodney	\$ 500	Schlumberger	\$ 2000
Dallas Geophysical Society	\$ 4000	SEG 75th Anniversary Scholarship - sponsored by Veritas DGC	\$ 5000
Dallas Geophysical Society - Karen Kellogg Shaw Memorial	\$ 7000	SEG Foundation General Scholarships	\$ 8000
Denver Geophysical Society	\$ 9000	SEG Softball Tournament	\$ 3000
Excel Geophysical Services	\$ 1000	Shell E&P	\$ 2000
ExxonMobil Upstream Research Company	\$13 250	Sheriff, Margaret S.	\$12 000
Forrest, Michael	\$ 2000	Sheriff, Robert E.	\$14 000
Geophysical Society of Alaska	\$ 1000	Smith, Charlie and Jean	\$18 000
Geophysical Society of Houston	\$ 1000	Thomsen/BP North America	\$ 3000
Geophysical Society of Houston - Carleton-Farren Award	\$ 5000	Thomsen/BP United Kingdom - joint effort of EAGE and SEG Foundation	\$ 3750
Geophysical Society of Oklahoma City	\$ 2000	Tilley, Aubra	\$12 000
Geophysical Society of Tulsa	\$ 2000	Veritas DGC - endowed scholarship	\$ 2000
Gregg, Mark - Kiwi Energy Ltd.	\$ 1000	Ward, Shirley A. and Stanley H.	\$23 000
Harrison, Jim and Ruth	\$ 2000	WesternGeco	\$ 5000
Hewett, Jene and Marvin	\$ 1000	WesternGeco - Carl Savit Memorial	\$ 5000
Hilterman, Fred	\$ 1000	WesternGeco - Henry Salvatori Memorial	\$ 5000
Hohmann Memorial	\$ 4000	White Memorial, J. E.	\$ 850
Hron Memorial, Frantisek	\$ 1000	Wrolstad Memorial	\$ 1000
Jack, Ian/BP Amoco	\$ 5000		
KEGS Ontario	\$ 1000		

SEG Foundation Scholarship Recipients for the 2005–2006 Academic Year

<u>Name</u>	<u>University</u>	<u>Award</u>
Oluwatosin Akinpelu	University of Toronto	GSH/Charlie and Jean Smith Scholarship
Akinola Akintayo	University of Leeds	SEG Foundation General Scholarship
Miguel Angelo	University of Oklahoma	GSH/Charlie and Jean Smith Scholarship
Mehmet Arca	University of Arizona	ChevronTexaco E&P Scholarship
Matthew Averill	University of Texas at El Paso	GSH/Charlie and Jean Smith Scholarship
Elizabeth Beckel	Colorado College	Excel Geophysical Services Scholarship
Jyoti Behura	Colorado School of Mines	SEG 75th Anniversary Scholarship, sponsored by Veritas DGC
Kristain Bergen	Harvard University	Tim Long Scholarship
Trevor Bollman	University of Missouri-Rolla	Landmark Graphics Scholarship
Nedra Bonal	University of Texas at Austin	Andreas Cordsen Scholarship
Pablo Buenafama	Texas A&M University	GSH/Charlie and Jean Smith Scholarship
Hoa Quang Bui	Texas A&M University	DGS/Karen Kellogg Shaw Memorial Scholarship
Neda Bundalo	University of Houston	GSH/Carlton-Farren Award
Benjamin Byerly	University of Oregon	Keith Wrolstad Memorial Scholarship
Katrina Byerly	University of South Carolina	ExxonMobil Upstream Research Company Scholarship
Zhihong Cao	University of Calgary	Richard and Rolande Lockhart Scholarship
Erin Carter	University of South Carolina	GSH/Charlie and Jean Smith Scholarship
Matthew Casey	Colorado School of Mines	Mark E. Gregg/Kiwi Energy Ltd. Scholarship
John Ceron	University of South Carolina	Lucien LaCoste Memorial Scholarship
Hui Chang	University of Texas at Dallas	GSH/Charlie and Jean Smith Scholarship
Kevin Christie	University of Wisconsin	Ted Born Memorial Scholarship
Heidy Correa Correa	University of Oklahoma	Charles G. McBurney Memorial Scholarship
Tiffany Cox	Yale University	Barbara McBride Memorial Scholarship
Milos Cvetkovic	University of Houston	Robert E. Sheriff Scholarship
Amy Daradich	University of Toronto	ExxonMobil Upstream Research Company Scholarship
Aaron Davis	Royal Melbourne Institute of Technology	SEG Foundation General Scholarship
Amy Day-Lewis	Stanford University	GSH/Charlie and Jean Smith Scholarship
Stacy Devino	Northwestern University	Rodney Cottrell Scholarship

Name	University	Award
Jicai Ding	Chinese Academy of Sciences	SEG Foundation General Scholarship
Linping Dong	University of Calgary	SEG Foundation General Scholarship
Ben Drenth	University of Texas at El Paso	Landmark Graphics Scholarship
Xiang Du	University of Calgary	ChevronTexaco E&P Scholarship
Lauren Edgar	Dartmouth College	Dallas Geophysical Society Scholarship
Carlos Escalante-Saldana	University of Oklahoma	Aubra Tilley Scholarship
Robert Eslick	University of Kansas	ExxonMobil Upstream Research Company Scholarship
Robert Eso	University of British Columbia	Shirley A. and Stanley H. Ward Scholarship
John Evangelatos	University of New Brunswick	ExxonMobil Upstream Research Company Scholarship
Belinda Ferrero-Marine	University of Oklahoma	Charles G. McBurney Memorial Scholarship
Jason Fletcher	University of Leeds	SEG Foundation General Scholarship
Mariano Floricich	Heriot-Watt University	Ian Jack/BP Amoco Scholarship
Jennifer Francis	Colorado School of Mines	J. E. White Memorial Scholarship
Antje Franke	Technische University of Bergakademie-Freiberg	Hohmann Memorial Scholarship
Shelby Frost	Winona State University	Donald R. Allen Memorial Scholarship
Rodrigo Fuck	Colorado School of Mines	WesternGeco/Carl Savit Award
Jourdan Fuhrmann	Southwest Missouri State University	WesternGeco Scholarship
Toshiko Furukawa	University of Utah	Shell E&P Scholarship
Greg Gandler	University of Texas at Austin	DGS/Karen Kellogg Shaw Memorial Scholarship
Carter Gehman	Colorado State University	Denver Geophysical Society Scholarship
Joseph Geiger	Colorado School of Mines	Denver Geophysical Society Scholarship
Bonnie Gillan	University of Montana	ChevronTexaco E&P Scholarship
Irina Gladkova	Reed College	Jene and Marvin Hewitt Scholarship
Hansel Gonzalez	Heriot-Watt University	Thomsen/BP United Kingdom Scholarship - joint effort of EAGE and the SEG Foundation
Cory Grady	Colorado School of Mines	Fred Hilterman Scholarship
Derek Grimm	Colorado School of Mines	Denver Geophysical Society Scholarship
Jitendra Gulati	Stanford University	GSH/Charlie and Jean Smith Scholarship
Andrew Hinnell	University of Arizona	ARCO Scholarship
Emily Hinz	University of Texas at Dallas	ChevronTexaco E&P Scholarship
Chad Hogan	University of Calgary	Andreas Cordsen Scholarship
R. Chadwick Holmes	Columbia University	Jim and Ruth Harrison Scholarship
Shuo Hou	University of Texas at Austin	Andreas Cordsen Scholarship
Yu-Ting Huang	Harvard University	ExxonMobil Upstream Research Company Scholarship
Aleksandar Jeremic	University of Houston	Landmark Graphics Scholarship
Karl Kappler	University of California-Berkeley	Shirley A. and Stanley H. Ward Scholarship
Ashley Krakowka	University of Manitoba	SEG Softball Tournament Scholarship
Mritunjay Kumar	University of Houston	Landmark Graphics Scholarship
Ekaterina Leskova	Novosibirsk State University	SEG Foundation General Scholarship
Yandong Li	Tsinghua University	SEG Foundation General Scholarship
Arianna Lisi	University of Houston	Margaret S. Sheriff Scholarship
Grace Ma	University of British Columbia	KEGS/Phillip Hallof Memorial Scholarship
Christian Marine	University of Oklahoma	Aubra Tilley Scholarship
Virginie Maris	University of Utah	Shirley A. and Stanley H. Ward Scholarship
Stephanie Mason	University of Rochester	ExxonMobil Upstream Research Company Scholarship
David McCowan	Ohio University	ChevronTexaco E&P Scholarship
Alison Meininger	Colorado School of Mines	Denver Geophysical Society Scholarship
Daniel Merchant	Montana Tech	Hohmann Memorial Scholarship
Aaron Mertz	Washington University	ChevronTexaco E&P Scholarship
Thomas Mikesell	Colorado School of Mines	Denver Geophysical Society Scholarship
Ryan Miller	University of Oklahoma	Aubra Tilley Scholarship
Brandon Milliard	University of Montana	Geophysical Society of Alaska Scholarship
Justin Milliard	University of Montana	WesternGeco Scholarship
Li Minfeng	China University of Geosciences	SEG Foundation General Scholarship
Soo-Kyung Miong	University of British Columbia	Andreas Cordsen Scholarship
Christopher Monk	Texas A&M University	GSH/Charlie and Jean Smith Scholarship
Dana Mucuta	University of South Carolina	Thomsen/BP North America Scholarship
Scott Napier	University of British Columbia	Shirley A. and Stanley H. Ward Scholarship
Charles Oden	Colorado School of Mines	SEG Softball Tournament Scholarship
Sara Old	Texas A&M University	DGS/Karen Kellogg Shaw Memorial Scholarship
Suzanne Opalka	Hobart & William Smith Colleges	ExxonMobil Upstream Research Company Scholarship
Nikita Panasenکو	California Institute of Technology	AGIP Scholarship

Name	University	Award
Robert Penna	University of Rochester	Schlumberger Scholarship
Gabriel Perez	University of Houston	Aubra Tilley Scholarship
Adetokunbo Peter	Federal University of Technology-Akure	ConocoPhillips Scholarship
Nebojsa Pralica	University of Houston	WesternGeco/Henry Salvatori Award
Charles Puryear	University of Houston	Dallas Geophysical Society Scholarship
David Ramirez Mejia	University of Oklahoma	Aubra Tilley Scholarship
Daisy Reyes-Chavez	Universidad Nacional Autonoma de Mexico	SEG Foundation General Scholarship
Jamie Rich	University of Oklahoma	Geophysical Society of Oklahoma City Scholarship
Joshua Richardson	Michigan Technological University	Schlumberger Scholarship
Joseph Romani	Colorado School of Mines	Ralph W. Baird Scholarship
Stephen Rose	Washington State University	WesternGeco Scholarship
Michael Rumon	Colorado School of Mines	Denver Geophysical Society Scholarship
Adeniyi Saanumi	Louisiana State University	ChevronTexaco E&P Scholarship
Sandra Saldana-Farkas	University of Nevada-Las Vegas	Geophysical Society of Houston Scholarship
Sergey Samsonov	University of Western Ontario	ChevronTexaco E&P Scholarship
Wesley Schumacher	University of Texas at Austin	Dallas Geophysical Society Scholarship
Kathryn Sechrist	University of Georgia	ChevronTexaco E&P Scholarship
Susumu Shibata	Oklahoma State University	Geophysical Society of Tulsa Scholarship
Ashley Shuler	Rensselaer Polytechnic University	Aubra Tilley Scholarship
Janae Singer	Montana Tech	WesternGeco Scholarship
Satish Sinha	University of Oklahoma	Aubra Tilley Scholarship
Steven Sloan	University of Kansas	Andreas Cordsen Scholarship
Tanya Slota	Colorado School of Mines	Michael Forrest Scholarship
Laura Smart	Western Michigan University	GSH/Charlie and Jean Smith Scholarship
Justin Snyder	Colorado School of Mines	Denver Geophysical Society Scholarship
Yoscel Suarez	University of Oklahoma	Charles G. McBurney Memorial Scholarship
Jeffrey Svatek	Texas A&M University	Permian Basin Geophysical Society Scholarship
Tiffany Tchakirides	Cornell University	Barbara McBride Memorial Scholarship
Erin Temple	University of Colorado	Landmark Graphics Scholarship
Mayo Thompson	University of Arizona	Shirley A. and Stanley H. Ward Scholarship
Upendra Tiwari	University of Texas at Dallas	DGS/Karen Kellogg Shaw Memorial Scholarship
Charles Ugbor	University of Nigeria	SEG Foundation General Scholarship
Jacob Walter	University of Colorado-Boulder	Landmark Graphics Scholarship
Juefu Wang	University of Alberta	Frantisek Hron Memorial Scholarship
Kathryn Watts	Louisiana State University	Landmark Graphics Scholarship
Cy Webster	Montana Tech	ExxonMobil Upstream Research Company Scholarship
Karen Weitemeyer	University of California-San Diego	Shirley A. and Stanley H. Ward Scholarship
Timothy Wright	University of Birmingham	Ian Jack/BP Amoco Scholarship
Wang Xiangchun	China University of Geosciences	SEG Foundation General Scholarship
Wanxue Xie	University of Petroleum-East China	SEG Foundation General Scholarship
Xiaoxia Xu	Colorado School of Mines	Jim and Ruth Harrison Scholarship
Gregory Young	University of Texas at Austin	Aubra Tilley Scholarship
Shelley Zaragoza	University of Nevada-Las Vegas	Thomas Mazza Memorial Scholarship
Rui Zeng	Chinese Academy of Sciences	ChevronTexaco E&P Scholarship
John Zhang	University of Calgary	Veritas DGC Scholarship
Yongkai Zhang	University of California-Berkeley	Veritas DGC Scholarship
Bo Zhao	University of Houston	John Butler Scholarship

Student Sections/Academic Liaison

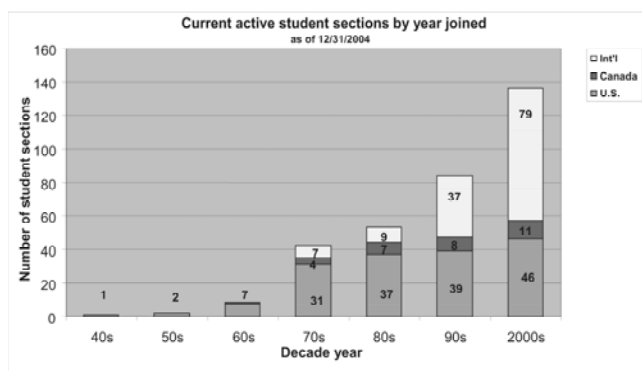
Kathleen J. Aikin, chairman

In 2005, The Student Section/Academic Liaison Committee (SS/AL) continued to improve student involvement in the society in a variety of ways. We created a new student section handbook, updated our Web site and began to encourage the formation of “sister sections.” These are sections that become more closely affiliated with others — to share ideas, activities, fund-raising, research, field trip ideas, etc.

Our former liaison with the SEG Business Office, Tonia Gist, has been an invaluable resource and was truly responsible for the majority of committee activity. She recently informed us she has taken a new position at SEG, and her enthusiasm and effort will be dearly missed.

Mathias Imhof graciously accepted the position of SS/AL vice chairman for 2005–2006. He has played an active role in committee activities, and we are very happy he has accepted a leadership position.

Our student membership is continually growing. We currently have approximately 4000 student members. Last year, we added 13 non-U.S. and three U.S. sections. We have 134 student sections in 35 countries, 88 outside the United States, and 46 U.S. student sections. Our quarterly newsletter, “The Anomaly,” is our main avenue of communication with the student sections, and we welcome contributions from all sources. Tonia Gist created the chart below to illustrate the growth of student sections in the past few decades.



We continued our coordination and support of the SEG/AAPG Student Expo in Houston. I was the SEG representative at the Student Expo and welcomed the students on behalf of SEG. The students thoroughly appreciated the expo but several were unaware how competitive it was to procure an interview. Next year's expo advertising should be more explicit about that. Several very capable students missed out on interview opportunities because of unfamiliarity with the process.

For the first time, at the 2004 SEG Annual Meeting in Denver, we held a career-planning workshop organized by Tonia Gist. This was a huge success, attended by more than 60 students. John Lella from Precision Drilling did an outstand-

ing job as the keynote speaker. He was joined by a panel composed of Walt Lynn (Lynn, Inc.), Steve Danbom (Danbom Geophysical), Andre Coffa (Shell), Sherrie Cronin (Anadarko), and Kay Aikin (ExxonMobil). Although the opinions of the panelists were widely diverse, the students were pleased with the outcome. Of note was the fact that 75% of the audience consisted of non-U.S. students.

Our K-12 outreach program has been removed officially from the SS/AL banner, and all K-12 activity will be run from the Geoscience Center. This group has graciously accepted responsibility for these activities, and this allows us to focus on college students. We also have discontinued our Geoscience Center subcommittee because sufficient staff is assigned to that endeavor from other SEG groups. We continue to remain involved in the International Science and Engineering Fair via Richard Nolen-Hoeksema and the ISEF subcommittee.

The SS/AL is on target with the goals we set in our five-year plan, and we look forward to another excellent year.

Technical Standards

Ted Mariner, chairman

At the Technical Standards Committee meeting during the 2004 SEG Annual Meeting in Denver, the subject of a review of SEG-D was discussed. No progress had been made during 2004, but the group agreed that the project was essential to meet the needs of new recording technologies and methodologies. A group under the direction of Jill Lewis of Troika was set up to conduct the review. The group's first task was to determine whether a revision of SEG-D was required or if a new-format SEG-E should be defined.

Lewis called a meeting which was held during the EAGE meeting to summarize current findings. A group with reasonable representation from various interests convened in a conference room provided by Veritas DGC. It was decided that an urgent revision of SEG-D was required, but a new SEG-E format would be beyond the voluntary resources available to the committee. Lewis will continue the revision effort and will attempt to get a draft document ready for the 2005 SEG Annual Meeting in Houston. The committee also decided to look into funding toward a new format definition. It would need to encompass data that currently would be held in SEG-D and SPS formats.

At the Denver meeting, Mike Norris raised the topic of marine electromagnetic profiling and the need for an exchange format for the data. Norris said he would initiate that effort.

Electronic copies of the minutes of the meetings in Denver and at the EAGE meeting can be obtained from the committee chairman.

Tellers

David L. Brumbaugh, chairman

The tabulation of the following amendments to the Constitution — Article VI, “Officers,” Article IX, “Executive

Committee;" Article XVII, "Review by Members;" and Article XIX, "Constitution and Bylaws" — was completed by the SEG Business Office staff under my supervision. It was decided to tabulate the ballots by hand because of the simplicity of the ballot. Of the 7677 ballots mailed, 1899 valid ballots were received through January 24, 2005. In addition, 17 ballots were received that were considered invalid because of lack of signature. The 1899 ballots were opened, sorted according to "yes" or "no" responses, and counted. The results were 1848 "yes," 41 "no," and 10 "invalid."

To improve the voting process for our members and to increase vote-tabulation efficiency, the SEG Tellers Committee and the SEG Business Office staff bid out an electronic balloting proposal for the 2005–2006 Executive Committee election. Proposals were reviewed from five vendors. The Tellers Committee selected Survey & Ballot Systems, Inc. (SBS), to design and distribute both an online Web ballot and a paper ballot to each voting SEG member, receive and tabulate votes, and deliver an official election report.

Official paper ballots were mailed on June 8 to 7286 active members eligible to vote in this year's election. In addition to a paper ballot, 6518 members were also sent an e-mail from SBS with personalized log-in information and specific instructions to vote electronically if they preferred.

As of July 29, 2379 ballots were received. Of those, 1315 were received electronically and 1064 were received by paper ballot. A total of 40 ballots was declared invalid, giving a total of 2339 valid ballots for this election. All votes were received, tabulated, and verified by SBS, and results were submitted to the SEG Business Office. The SEG Tellers Committee verified the count provided by SBS.

The election results are as follows:

2005–2006 SEG Executive Committee

President-elect	Leon Thomsen
First vice president	David J. Monk
Second vice president	Steve H. Danbom
Vice president	Mariangela Capello
Secretary-treasurer	Frank D. Brown
Editor	Yonghe Sun (elected for two-year term)

THE LEADING EDGE Editorial Board

John Eastwood, chairman

THE LEADING EDGE Editorial Board this past year has continued in the tradition of our predecessors with the timely dissemination of geophysical articles and information intended to be of interest and to have impact for the SEG membership. The content of *TLE* in terms of technical articles and the publication quality is highly valued by SEG members.

As in previous years, special issues played a significant role in terms of *TLE* content. The editorial board continually updates and adds to the special section themes so authors have approxi-

mately one-year lead time. In response to current trends in the industry, the board has published a list of interesting special topics up to June 2006. They are (2005) migration, West Africa, Middle East, Caspian Sea, annual meeting preview/75th anniversary, Latin America, rocks under stress; (2006): magnetic gradiometry, attenuation and spectral decomposition, annual meeting recap/*TLE* Forum VI, geophysics and public safety, offshore technology, gas hydrates, hydrogeophysics, India, electromagnetics, annual meeting preview and reservoir surveillance, CO₂ sequestration/enhanced oil recovery, and China. The *TLE* staff has been working diligently on a special publication, which will include 13 specific features related to the 75th anniversary.

The number of papers submitted to *TLE* has remained reasonably constant during the past few years, and the quality of papers has remained high. One of the most enjoyable tasks for the board is deliberating, debating, and selecting the best *TLE* paper of the year. The process works extremely well, and this past year we had a very definitive winner.

The theme of the *TLE* Forum VI at the 2005 SEG Annual Meeting is "The Energy Supply Challenge: This Time Is It Real or Imaginary?" The three invited speakers are A. T. (Tim) Cejka, president, ExxonMobil Exploration; Andrew Gould, chief executive officer, Schlumberger Limited; and Mike Bahorich, executive vice president, Exploration and Production Technology, Apache Corporation. Based on feedback from previous forums, we have decreased the number of speakers this year. The forum is balanced with senior executives from a major integrated oil company, a major service company, and an independent oil company.

Advertising revenues continue on an upward trend during fiscal year 2005. Actual revenues exceeded projected revenues by 13% and topped last year's revenues by 10.3%, finishing at \$915 245. As crude-oil prices continue to increase, this upward trend is expected to continue.

TLE's success lies first and foremost with its dedicated Tulsa Business Office staff, Dean Clark, Dolores Proubasta, Sylvie Dale, Mel Buckner, Ian Danziger, Ted Bakamjian, Kathy Gamble, Merrily Sanzalone, and Mary Fleming.

TLE continues to benefit from the volunteer editorial board. We currently have an excellent balance with representatives from major oil companies, service companies, and academia. In 2005, we welcomed Rick Miller (Kansas Geologic Survey) to the board and Steve Hill (Colorado School of Mines) as special editor. Next year, the *TLE* Editorial Board will be steered skillfully by the new chairman, Ali Tura. His significant experience with SEG and his technical leadership will ensure another successful year for *TLE*.

Translations

Sergio Chávez-Pérez, chairman

The Translations Committee feels the need to grow and become a more relevant, global group. We want to expand the scope of our work to include fostering translations of SEG books, such as Robert Sheriff's geophysical dictionary, to other languages (e.g., Japanese, Chinese, Spanish, Russian, and Arabic).

This implies close work with local societies to sponsor and/or maintain translations of those books. In particular, the Asociación Mexicana de Geofísicos de Exploración (AMGE) has been very interested in translating Sheriff's dictionary into Spanish. We are still in discussion with AMGE and waiting for a final agreement with SEG.

Concerning the book *Statistical Methods for Processing and Interpretation of Geophysical Data* (in Russian), by Vladimir Troyan and Yuri V. Kiselev, Troyan agreed to revise the book to eliminate the overlap with the book on inversion that he recently published in Japan in cooperation with Masami Hayakawa. Another major purpose of the revision is to supplement theoretical results with meaningful examples and to expand the discussion of geophysical applications. The committee will review the revised version of the book when it becomes available.

We recommended two books for publication: *Three-dimen-*

sional Magnetotellurics, by Vjacheslav V. Spichak and *Inverse Problems in Geophysics*, by Tatiana Yanovskaya and Ludmila Porokhova. The Publications Committee has received English translations of both books, has assigned volume editors, and will oversee preparation for publication.

We have a new candidate for translation and publication by SEG *Theoretical Models in Seismoacoustics of Poroelastic Fractured Media*, by Yuri A. Kuryanov, Yuri A. Kukhareenko, and Vladimir E. Rok (in Russian). We received a brief review of the book from Andrey Bakulin, and it was sent for review to Boris Gurevich and Serge A. Shapiro.

Finally, the committee will no longer provide material for the GEOPHYSICS section "Papers from Other Journals," which has been discontinued. Instead, a set of links from the SEG Web site to other journals will better serve the need to advise our members of content in other journals.

Report of the Ad Hoc Committee Chairman

SEG 75th Anniversary

L. C. (Lee) Lawyer, chairman

The SEG 75th Anniversary Committee is an ad hoc committee formed to suggest ways to celebrate the 75th anniversary in 2005. Committee members are:

L. C. (Lee) Lawyer, chairman

Fred Aminzadeh	Matt Ross
Dean Clark	Gary G. Servos
Roy E. Clark Jr.	Scott W. Singleton
Shane P. Coperude	Gene W. Sparkman
Peter M. Duncan	John R. Sumner
Dan A. Ebrom	Asra N. Tutuncu
Tom K. Fulton	

The chairman met with several members of the Business Office staff in 2004 and solicited ideas for the anniversary. There were many innovative ideas. David Yowell, former SEG meetings director, was present to provide background and counsel. The meeting was highly productive. Special thanks go to Matt Ross (not an SEG member), who provided PR advice to the committee.

There are two phases to the celebration, pre-convention and convention. In early 2005, a letter and a follow-up reminder were sent to all SEG committees, SEG sections, and affiliated societies, asking them to do one thing in honor of the anniversary and to document their activity and report it to *TLE* for publication.

A special publication will be mailed with the October issue of *TLE*, covering many historical events. A DVD covering the SEG's history and future was commissioned for distribution to all delegates at the Annual Meeting. Advertisements were placed in various trade magazines that cover the SEG celebration.

Convention exhibitors were asked to use historical themes in their booths. The theme may highlight their history, the history of our technology, or the history of SEG. If there is sufficient participation, a flyer will be included in registration material, listing booths with historical information. The Geophysical Society of Houston has agreed to provide historical material on request to assist exhibitors. Tom Fulton, GSH Museum Committee chairman, is responsible for this assistance.

Displays on a path throughout the exhibit area will show pictures and gear appropriate for particular decades.

On Wednesday night, a 75th celebration party will begin after the close of the exposition.

Reports of the Representatives

AGI Member Society Council

Wayne D. Pennington, representative

The American Geological Institute (AGI) is a society whose members are other societies, not individuals. SEG is one of 43 member societies in AGI, and our support of AGI is based on our U.S.-based membership. SEG members may not be aware of it, but they are eligible to subscribe to the AGI monthly publication, *Geotimes*, for member-society rates.

In addition to publishing *Geotimes*, an excellent general-interest earth-science publication, AGI performs functions, all described on its Web site, www.agiweb.org. Representatives from the member societies oversee these activities. These representatives meet twice a year (usually in association with meetings of AAPG and GSA). Special advisory committees, such as the Government Affairs Program and the Environmental Geoscience Program, oversee a few specific functions of AGI. (I serve as the SEG representative to the Member Society Council and the Government Affairs Program.)

AGI is active in special areas, including:

- outreach
 - promotion of Earth Science Week
 - curriculum guides for K-12
 - support the Image Bank, an online collection of earth-science photos
- publication reference
 - operation of GeoRef, the electronic database of publication references
- government affairs
 - establishing position statements
 - assisting member societies in government (U.S.) contacts
 - support a Congressional Fellow

In many ways, AGI complements activities conducted within some of its member societies, including SEG. There is an effort to provide some coordination of those activities to increase their effectiveness. In other ways, AGI activities take place in areas where member societies may not be active. For example, SEG does not “lobby” or take position statements on political issues, but AGI does.

Several major initiatives of AGI were completed recently, including publication of the booklets *Water and the Environment* and *Petroleum and the Environment*, which may be of interest to SEG members. GeoScienceWorld has been started, with AGI’s participation (and SEG’s), bundling together numerous geoscience publications (including THE LEADING EDGE) in an online

collection. The Leadership Forum this year concentrated on funding of science research in the United States and was followed by an optional day of visits to congressional offices. I attended the forum, and also visited the Michigan delegation as a private citizen, with AGI’s assistance, consistent with SEG’s policy of not “lobbying” the U.S. Congress.

Some issues of major concern to many of AGI’s member societies, forming the basis of discussion among the societies’ representatives, include the “open-access” policy of publication being encouraged by several funding agencies; the apparent redundancy (and the inefficiencies caused by that redundancy) of many functions of some of the member societies; the threat of funding cuts for research in all sciences, but particularly geosciences, in the United States; problems in science education in the United States, at precollege and college levels; and challenges associated with internationalization of many U.S.-based member societies.

AGI Government Affairs Program

Wayne D. Pennington, representative to the Advisory Committee

The American Geological Institute (AGI) is a society whose members are other societies, not individuals. SEG is one of 43 member societies in AGI, and our support of AGI is based on our U.S.-based membership. A separate report is provided on the overall activities of AGI. This report concentrates on its Government Affairs Program. SEG supports AGI through its U.S.-based membership and influences its Government Affairs Program through its representation on the Advisory Committee for this program.

The Web site www.agiweb.org/gap/, the home page of this program, is listed under “Public Policy” on the main AGI Web site. There is a huge amount of information on this site, which is deceptively simple. Each link points to another collection of information, some of it provided in depth and with great clarity. One of the criticisms provided by the Advisory Committee was that the Web site contains so much information that it is difficult at first glance to realize the depth of links within each topic. If you are interested in finding out more about earth sciences in the United States and government policy relating to them, browse this site in detail.

AGI promotes lobbying, in the sense of educating government officials about the science and application of knowledge in public planning. It publishes position statements and provides testimony to the United States Congress on issues of importance to the earth-science community. Some subjects for

which AGI provided testimony in the past year included support for increased appropriations for the following programs: NSF, NOAA, NIST, NASA, DOE Fossil Energy, DOE Office of Energy, USGS, and EPA. AGI also has published position statements on some issues and provides links to position statements of all of its member societies, if they have such statements (SEG does not).

AGI maintains a close watch on the activities of the U.S. Congress and other branches of the federal government and issues alerts on topics that members may want to be informed of quickly (mostly legislative action). You can subscribe to these alerts, monthly reviews, and special updates as members of SEG by sending an e-mail to govt@agiweb.org.

The position of government affairs director at AGI was filled recently by Linda Rowan. She has a Ph.D. from Caltech in mineral physics and spent several years as an editor for *Science* magazine. She coordinated the Leadership Forum on science funding in the United States and participated in the subsequent Congressional Visits Day. (I also participated in this activity as a private citizen rather than as a representative of SEG, to maintain consistency with SEG's strict no-lobbying policy.)

Many of SEG's sister societies actively engage in lobbying and are increasing their activity. AAPG is establishing an office in AGI's office suite in Washington, D.C., to enable more effective lobbying for its membership. SEG has decided not to engage in any direct lobbying efforts. I encourage any SEG member who feels that lobbying or educating lawmakers about our discipline is important to participate with AGI as a member of one of its member societies. The first step would be to learn more about what AGI has been doing by reviewing its Web site. Anyone who would like additional information may contact me at wayne@mtu.edu.

API Central Committee for Telecommunications

Clifford H. Ray, representative

Two meetings of the American Petroleum Institute Telecommunication Committee have been held in Washington, D.C., since the last report, to identify issues and help formulate API's position favorable to the petroleum industry. A meeting was held on September 21–22, 2004, and another on May 2–3, 2005. The status of several radio spectrum issues at the Federal Communications Commission (FCC) was reviewed. Several of those issues may be of interest to members of SEG:

1) FCC released a Notice of Inquiry on August 20, 2003, to gather comments and information on the impact of communication towers on migratory birds. On November 12, 2003, API filed Comments in this proceeding requesting evidence of migratory collisions with communication towers and noting the importance of providing efficient and reliable communication services. Subsequently, Avatar Environmental Services was hired to study the issue. It

recently issued a report that, among other things, recommends that the study be continued for one-to-three-years more to develop appropriate criteria or ecological parameters for use in tower siting and adapting the Potential Impact Index (which the U.S. Fish and Wildlife Service uses to assess the effect of location of wind turbines on the environment) for use with communication towers. The FCC staff is reviewing the record in this proceeding to determine whether any further action is warranted.

- 2) API's pleadings were successful in preventing FCC from adopting a proposal to allow unlicensed operation in the band 3650–3700 MHz. FCC has decided that the spectrum will be made available for licensing for terrestrial fixed and mobile operations on a nationwide, nonexclusive, and nonauctioned basis. Certain restrictions apply, such as a peak power limit of 25 watts per 25-MHz bandwidth for fixed stations and 1 watt per 25-MHz bandwidth for mobile stations. No new unlicensed operations are contemplated.
- 3) In February 2003, FCC established a schedule of final migration deadlines and intermediate dates that were intended to accelerate the transition to narrowband technology in the 150–174 MHz and 421–512 MHz bands. API requested an extension or deletion of the interim restriction established for authority for new 25-kHz systems and applications for modification that would expand the contour of an existing system using 25-kHz channel bandwidth. FCC maintained January 1, 2013, as the final migration deadline for Industrial/Business Radio Pool licensees. However, the agency revised the Interim Deadline that had restricted the filing of applications for new operations and applications for modification of licenses that would expand existing 25-kHz systems. FCC also revised its rules to exempt Part 90 paging-only frequencies from the narrowbanding requirements.
- 4) As reported last year, FCC released a Notice of Proposed Rulemaking on February 23, 2004, that looks toward the adoption of new technical and administrative rules governing the operation of Access broadband over power-line (BPL) systems. FCC has since adopted a Report and Order (Order) in this proceeding in October 2004. Pursuit to the Order, BPL systems will be subject to the existing radiated emission limits set forth in Part 15 of FCC's rules for carrier current systems used as unintentional radiators. In addition, in response to concerns raised by several entities, FCC concluded that some additional emission restrictions are needed in certain frequency bands and geographic areas to protect federal government and certain other radio operations. An additional requirement instructs BPL operators to provide information to a database manager within 30 days of initiating new service. In February 2005, API further has filed a Petition for Reconsideration of the Order, requesting, among other things, that 30 days' prior notice be made public for evaluation before any new or modified BPL deployments, to safeguard licensed radio operators in spectrum bands for which interference could occur.

5) The issue that pertains to a Notice of Proposed Rulemaking (NPRM) adopted by the FCC on May 13, 2004, to allow unlicensed devices to operate in unused broadcast TV spectrum is still before FCC. The NPRM seeks to create two general categories of unlicensed broadband devices: (1) lower-power “personal/portable” unlicensed devices, such as wireless fidelity (Wi-Fi) laptop computer cards or wireless in-home local area networks; and (2) higher-power “fixed/access” unlicensed devices that can provide commercial services, such as wireless broadband. Those operating in the first category would be limited to 100 milliwatts, and those in the second category would be allowed to operate as much as 1 watt. Those unlicensed-device reception areas are required to be separated from each TV broadcast metropolitan center by at least 134 kilometers. API has urged FCC to prohibit operations in the 470-512 band in all regions of the country. It is unclear at this time whether the FCC will opt to proceed with the rule changes contemplated in the NPRM.

Membership on the API Telecommunication Committee provides SEG with the opportunity to be kept informed on some spectral issues affecting the oil and gas industry. The two meetings each year furnish current regulatory and legislative information and offer opportunity for discussion and interaction with representatives from FCC and the industry. I plan to attend the fall meeting in Washington, D.C., again this year.

EPSG Geodesy Working Group

Alan K. Faichney, representative

Background. In 2002, the Technical Standards chairman was invited to serve as SEG’s representative on the European Petroleum Survey Group Geodesy Working Group, to assist with resolving technical and legal incompatibilities of the two standards bodies. The process was completed in 2004.

In 2004, the Technical Standards Committee recommended to the SEG Executive Committee that SEG adopt the EPSG database as the standard methodology for describing coordinate reference systems and transformations between them. This was adopted, and the permanent post of SEG’s EPSG liaison was confirmed by both bodies.

Organizational changes. In early 2005, by mutual agreement, EPSG members elected to disband the group and reform as the Survey and Positioning Committee (SPC) of the International Association of Oil and Gas Producers (OGP). The merger was approved by the OGP management committee at its January 2005 meeting and at an extraordinary meeting of EPSG about five weeks later. The merger of EPSG and OGP was made because:

- the objectives of both organizations are closely aligned
- the vast majority of EPSG members are already members of OGP

- the merger allowed EPSG to be part of an organization with a legal entity of more than 30 years’ standing and a sound financial structure
- the merger will allow EPSG access to resources to further develop its geodetic parameter database
- the merger will provide OGP with technical leadership in the geomatics field within the global petroleum industry

In the near future, EPSG Guidance Notes will be rebranded as OGP Survey and Positioning Guidance Notes.

OGP and SPSG both recognize the brand recognition associated with the EPSG geodetic parameter data set. Both are conscious of the potential for confusion between acronyms OGP and OGC. A formula is being sought which will include retention of the EPSG “namespace” in connection with the geodetic data set.

New data set. Version 6.7 of the data set was released in May 2005 in the formats used for previous releases — an MS Access database along with equivalent SQL script files, and work to provide an online version of the database continues.

ISO application. Joining OGP has allowed application to ISO that the Survey and Positioning Committee of the OGP be considered by ISO TC/211 as a formal registration authority for geodetic codes and parameters. This application has been made.

OTC Board of Directors

Jack Caldwell, representative

The 2005 Offshore Technology Conference was held May 2–5 at Reliant Center in Houston, Texas. The theme was “A Sea of Resources, An Ocean of Knowledge.” Total attendance was 51 320, a 20-year high and just slightly up from last year’s 50 921. The number of companies exhibiting at the conference was 2092, just slightly less than last year. There were attendees from 110 nations, and 30 countries were represented by exhibitors.

SEG is a sponsoring organization of the Offshore Technology Conference. The relationship dates to 1968, when SEG accepted an invitation to join with AIME and seven other engineering and scientific societies to establish OTC as an interdisciplinary meeting on technology related to offshore resources. As a sponsoring organization, SEG is entitled to appoint one of the 12 members of the OTC board of directors. To provide an idea of how interdisciplinary the OTC is, a list of the other 11 sponsoring organizations follows: AAPG; American Institute of Chemical Engineers; American Institute of Mining, Metallurgical, and Petroleum Engineers; American Society of Civil Engineers; Institute of Electrical and Electronics Engineers — Oceanic Engineering Society; International Petroleum Technology Institute (formerly ASME-PD); Marine Technology Society; Society for Mining,

Metallurgy, and Exploration Inc.; Society of Naval Architects and Marine Engineers; Society of Petroleum Engineers; and the Minerals, Metals and Materials Society.

SEG and its members accrue several benefits through participation in the Offshore Technology Conference. First, it is a place one can gain a broader view of the technology and technical advances required to make the oil and gas industry what it is. As a group with more than the normal knowledge of physics, have you thought about the forces generated by currents on the structures that are being placed in water depths greater than 1000 feet? This conference honored Kim Vandiver, from MIT, for his work on how to reduce those forces so that stable structures could be placed there economically.

Second, besides the big-time hardware that is on view and being discussed in technical sessions, reservoir engineering technical sessions are unquestionably relevant to what most geoscientists are working on today.

Third, the geoscience sessions have been strong for more than ten years, although I still hear comments from colleagues who say things such as "The OTC doesn't have anything new in geophysics." For those, please read Gene Sparkman's report from the OTC Technical Committee.

Fourth, as with almost any well-attended industry meeting, OTC is a good place to network.

Fifth, the OTC meeting provides about 5% of the total annual income for SEG, so just from a business perspective, this meeting is important. Despite these benefits, not many SEG members attend OTC.

OTC uses a variety of techniques to provide information to attendees. Four industry breakfasts were held, dealing with how to do business in Canada's offshore, Norway's offshore, Libya, and Russia. Twelve topical luncheons were held, with topics including export-import bank financing, to U.S.-Libyan relations, security issues for the offshore oil and gas industry, and estimating oil and gas reserves — our most important asset. The two general sessions were on "Best Practices in Local Content Initiatives" and "Demographics in Our Industry —Addressing the Upcoming Personnel Shortage." Six panel sessions, 19 regular sessions, and 22 special sessions rounded out the program.

Something that was initiated last year, "OTC's Spotlight on New Technology," received many submissions this year. This program highlights companies in the exhibition that have technologies that are new and innovative, are proven, have broad appeal to the industry, and have a significant impact on the industry. Fourteen technologies involving 13 companies were selected this year:

AGR Subsea: RMR™ Riserless Mud Recovery System — A Dual Gradient Tophole Drilling System

Aker Kvaerner: Stepped Diameter Tendon

Cameron Division of Cooper Cameron Corp: The Cameron DC™ All-Electric Subsea Production System

Expro International Group PLC: 15K Subsea Safety System

Expro International Group PLC: CaTS™ (Cableless Telemetry System)

Halliburton's Energy Services Group: Poroflex® Variable Reach Annular Barrier Tool

KROHNE Inc.: Altosonic III Ultrasonic Flowmeter for Custody Transfer

Kvaerner Oilfield Products: Carbon Fibre Rod Utilization within Subsea Umbilicals for Axial Stiffness Enhancement

Musstang Engineering: LNG Smart™ Vaporization

Norse Cutting and Abandonment: Abrasive Waterjet Cutting (AWJC) system for severing Multistring Conductors below Seabed

ProPure AS: C100 H₂S Scavenger Mixer (offshore H₂S removal)

Schlumberger: PressureXpress reservoir pressure-while-logging service

Shaffer, a Varco Company: Continuous Circulation System (CCS)

Weatherford International: Optical Flowmeter

Applications for submitting your company's technology in the Spotlight are due by January 9, 2006.

The 2005 OTC Distinguished Achievement Award for individuals was given to J. Kim Vandiver of Massachusetts Institute of Technology for numerous technical breakthroughs in the dynamics of vortex-induced vibrations that have enhanced the design of structures to withstand high ocean currents, enabling the offshore energy industry to produce oil and gas in progressively deeper water. His work has been invaluable to the industry.

The Distinguished Achievement Award for companies, organizations, and institutions was awarded to Kerr-McGee Oil and Gas Corporation and Technip for their successful global relationship that has pioneered and delivered three generations of spar floating production systems in nine years. Application of the third-generation cell spar at Red Hawk has reduced the economical industry reserve threshold significantly for stand-alone deepwater field development.

The role of the board of directors is to make sure OTC meets the needs of its member societies. We try to anticipate a couple of years ahead what will be of interest, because obtaining the commitment of the top people in the industry, particularly some of the government officials from overseas, takes a long lead time. We obviously want to keep the show on a firm financial footing, because that is a very tangible benefit to each of the member societies. Having a venue that addresses a mix

of technical, financial, political, and societal aspects of the international oil and gas industry seems to be what brings people to the conference.

I feel honored to represent SEG on the OTC board, on which I have just completed my third year. This past year, I served on the New Technology Task Force and the 2005 Awards Committee. I am serving on the 2006 Awards Committee and the Task Force 2006 Committee and will chair the Spotlight on New Technology Committee. As your representative on the board, I welcome any comments, suggestions, and/or critiques (positive or negative) that you may have. My e-mail address is jgcaldwell@sbcglobal.net.

The 2006 OTC will be held at Reliant Center, Houston, on May 1–4, and the theme will be “New Depths. New Horizons.”

OTC Technical Program

Gene W. Sparkman, representative

The Offshore Technology Conference continued to give geoscientists a look at new technologies that are at the leading edge in oil and gas exploration. Many have viewed OTC as the domain of the drilling and production engineers. However, since the early 1990s, the efforts of Woody Nestvold, Dan Ebrom, and others have transformed the geoscientist portion of the technical program so that it now represents a substantial portion of the overall technical presentations. This year, SEG's representatives on the Technical Program Committee worked closely with other sponsoring societies to develop a program that emphasized an integrated approach to field identification and exploitation.

The first day, Monday, started with a session from submitted papers, titled “Attributes of Success — How Seismic Improves our Understanding of Reservoirs.” Highlights of this session, chaired by Guy Purnell and Dan Scott, included:

- a new technique in anomaly detection
- papers with examples from China, URSA field in the Gulf of Mexico, Lankahuasa field in the Mexican side of the Gulf of Mexico, and Zafiro field in Equatorial Guinea, among other areas
- examples of the application of a new methodology for estimating Poisson's ratio
- a description of improved attribute measurements from seismic that have significant applications in several areas, particularly pore-pressure prediction

These last two areas give pressure information ahead of the bit and are especially important to those who assist drilling engineers as they plan wells.

In August 2004, a front-page article in the *Wall Street Journal* gave insight into a new application of electromagnetics that had been the object of top-secret research by several important exploration and production players. Thus, it was no surprise that we scheduled a session, “Controlled-Source

Electromagnetics,” that highlighted the Tuesday morning session. Arnold Orange and Gene Sparkman cochaired the session, jointly sponsored by SEG and AAPG. It included a paper by Steve Constable, who might be called the father of this new technology, and was followed by a paper by Len Srnka (ExxonMobil), whose research was the subject of the *Wall Street Journal* article. Other presenters were Tage Rosten (Statoil Research Centre), Svein Erling Johnstad (Norsk Hydro), David George Peace (AOGem), and Lucy MacGregor (OHM). Their talks further described this perhaps revolutionary technology and presented examples of results in the field and information about where and how to apply it.

AAPG sponsored a session Tuesday afternoon on “Gas Hydrates as a Potential Drilling and Development Hazard,” which included papers solicited by the SEG committee.

In most deepwater wells drilled so far, gas hydrates (if present) have not caused any recognized problems. Consequently, the presence of gas hydrates in exploration settings has been overlooked or dismissed as a potential serious drilling hazard. However, recent experience in the industry suggests that gas hydrates may be dissociating during drilling in some deepwater locations. At a minimum, dissociation of gas hydrates complicates and/or delays drilling. Dissociating gas hydrates can affect cementing operations adversely and/or can cause wellbore instability, and they frequently are associated with shallow-water flows.

Although dissociation of gas hydrates can be managed in the short term and the well can be completed successfully, their presence has long-term implications that have to be addressed in deepwater field development. Understanding the distribution and geomechanical properties of gas hydrates is a key question for some gas-hydrate-prone deepwater developments.

The seven papers in this session included case histories, applied research, and discussions of new methodologies for assessment of gas-hydrate hazards. Subjects included:

- case studies of examples of individual wells or fields where encountering gas-hydrate-bearing intervals led to well trouble in the deepwater Gulf of Mexico and other deepwater settings
- new developments in shallow-section logging and interpretation of wireline logs
- high-resolution seismic and geochemical studies and implications for modeling gas-hydrate dissociation
- preliminary results and interpretation from an electromagnetic survey at Hydrate Ridge, offshore Oregon

Seismic applications of the detection of hydrates also were included in this group of papers.

SEG sponsored a session, Wednesday afternoon, organized by Dan Ebrom and Ali Tura and titled “Advances in Borehole Logging for Formation Evaluation.” This session focused on new instrumentation in borehole logging, including dipole sonic and anisotropy. Among the subjects addressed were:

- recording and use of sonic logs

- logging while drilling
- applications to formation evaluation and recent developments in permanent sensors.

This was the first time OTC had held a session on borehole methods with current issues and advanced applications.

Geohazards continues to be a focus of the technical program sponsored by SEG and AAPG. The OTC has proved to be an excellent venue for this topic because geoscientists and engineers participate in the sessions. SEG and AAPG cosponsored a session, "Geohazard Assessment of Field Developments," that principally addressed seafloor and foundation-zone geohazards that can affect siting and long-term integrity of offshore production facilities. The session was cochaired by Kerry Campbell and Gene Sparkman. Case histories were presented by geohazard specialists for continental-shelf and slope sites in South America, West Africa, and western Asia.

Paper topics included geohazard assessment of tectonically active sites in Caspian Sea, Block 1, Turkmenistan, and the Dolphin field off Trinidad; geohazard considerations for the deepwater Chinguetti and Tiof fields off Mauritania; and assessment of shallow-waterflow at the Atlantis Development and complex seafloor faulting in the Princess field, both in the deepwater Gulf of Mexico. The session was rounded out with papers on AUV micro 3D surveys for local, targeted geohazards assessment and a paper on reservoir assessment of the Pirauna field, Campos Basin, Brazil.

The attention to gas hydrates in our industry caused the organizing committee to schedule the sessions one described above and one sponsored by the Society of Petroleum Engineers (SPE) and the Society of Mining Engineering (SME), "Methane Hydrate Production — Famine to Feast." Most of the papers in that session were invited with assistance from the SEG committee, another reflection of the importance of the subject.

These and other sessions made this year's OTC the most cost-effective venue for the working geoscientist to get up to date on newly developing and expanding technology applications. The SEG Technical Program Committee members included Ali Tura (vice chairman), Dan Ebrom, Guy Purnell, John MacDonald, Bill Barkhouse, Larry Scott, and Don Herron. Each worked hard at evaluating papers, cochairing sessions, and helping to make the program a success.

Alf Klaveness made his usual outstanding contribution in organizing the volunteers who help to run and monitor the technical session. Klaveness will be recognized at the 75th-anniversary SEG Annual Meeting with a commendation for his pioneering role as a founding member of the OTC organizing committee. Congratulations to Klaveness for his role in getting the OTC to the outstanding level that it is today.

The SEG Technical Program Committee this year will continue to work toward making the technical program valuable to geophysicists and to other multidisciplinary team members as we continue to develop offshore resources.

Klaas Koster, the committee's liaison with the Executive Committee, Executive Director Mary Fleming, and the SEG

Business Office staff continued to provide valuable support to our committee.

PTTC Board of Directors

Hugh E. Rowlett Jr., representative

The Petroleum Technology Transfer Council (PTTC) plays an important role in the transfer of technology to independent oil and gas producers. Independent oil and gas companies in the United States drill 85% of all domestic wells, produce 75% of domestic natural gas, and produce 40% of the oil in the lower 48 (L48) states. The independent continues to produce more and more of the domestic United States oil and gas as the majors focus on international projects.

PTTC is a national not-for-profit information network formed in 1993 by oil and natural-gas producers. Programs are funded primarily by the U.S. Department of Energy's (DOE) Office of Fossil Energy through the Strategic Center for Natural Gas and Oil (SCNGO) within the National Energy Technology Laboratory (NETL). Other funding comes from state governments, universities, state geological surveys, and industry contributions.

Because most independent producers do not have in-house technology organizations and applied technology plays a major role in finding new reserves and increasing the recovery factor in existing reservoirs, there is a need to transfer technology to independent producers. PTTC serves this function.

This has been an interesting year for the energy industry. Commodity prices and finding and developing costs have moved significantly higher. There is a strategic need for increased recovery in mature basins in the L48 states to slow the increased reliance on foreign energy and to fund key projects in the international arena. Technology advancement and application are key components for the future of domestic energy production, and this affects both independents and majors. In fact, if L48 operators can become leaders in marginal production, there is a great opportunity for independents and major petroleum companies as world production matures.

The PTTC has been monitoring federal R&D funding for Natural Gas and Oil R&D through DOE. The vast majority of the DOE program (fiscal year 2005 U.S. \$78 mm) is transferred into the American energy industry. There is currently a debate in Washington, D.C., on whether to terminate this R&D. The proposed fiscal year 2006 budget by the administration proposes an "orderly termination" of U.S. \$20 mm to close natural-gas and oil R&D. House and Senate committees are proposing a smaller budget than for fiscal year 2005. The outcome of this debate certainly will have a long-term impact on domestic producers who have to rely more and more on technology to improve the extraction of hydrocarbons currently left behind.

Independent oil and gas producers ranked their technology needs as follows: (1) produce more from existing wells by identifying behind-pipe potential or through advanced stimula-

tion, (2) prioritize in-field development through geologic targeting, and (3) increase output through improved oil-recovery methods using realistic screening criteria and benefiting from sound operating practices, as documented in case studies.

PTTC offered approximately 150 annual workshops throughout the country last year, organized through its ten regional resource centers. Approximately 6500 people attended those workshops. Since 1995, more than 1100 workshops have been held, with more than 50 000 attendees. PTTC's workshops provide technical solutions to address specific regional concerns. These technologies range from 3D seismic imaging to field operations and horizontal drilling. These low-cost workshops help independent operators reduce finding costs, improve operations, and meet environmental regulations.

PTTC is a valuable resource for the industry, and SEG has a major role to play with PTTC and independent producers through knowledge transfer of locally appropriate and cost-effective methods in seismic acquisition, processing, and interpretation of 3D seismic. This relationship will become even

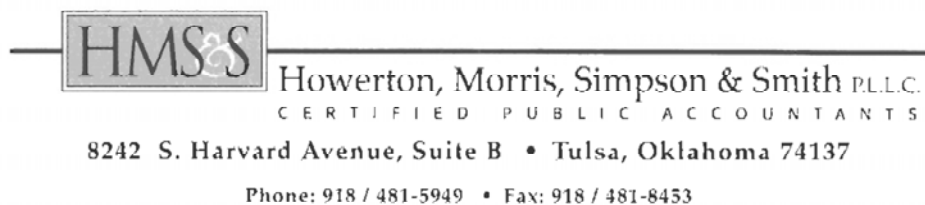
more important as producers reevaluate hydrocarbon recovery in medium to large fields.

PTTC's Web site, <http://www.pttc.org>, is a useful resource for learning more about this organization. The site has a list of workshops from 1995, an extensive list of different technologies in summary form, links to many petroleum-related publications and calendars, various initiatives conducted by regional centers, and contact information. In 2002, PTTC initiated "Technology Alerts," a monthly mass e-mail that provides highlights from industry, DOE and PTTC, plus alert for upcoming PTTC events.

The headquarters of PTTC is in Houston, Texas, bringing it close to many of the contractors who have the technology to service the petroleum industry. SEG members also can talk with PTTC representatives at the Annual Meeting. SEG technology leaders and educators who have applied technology that is useful to independent producers will find PTTC a good vehicle to interface with this sector of the petroleum industry.

Financial Statements

SEG Foundation December 31, 2004 (With Independent Auditors' Report Thereon)



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SEG Foundation

We have audited the accompanying statement of financial position of SEG Foundation (a not-for-profit corporation) as of December 31, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of SEG Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether these financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEG Foundation as of December 31, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Howerton, Morris, Simpson & Smith, PLLC

April 21, 2005

SEG FOUNDATION

Statement of Financial Position

December 31, 2004

Assets

Cash and cash equivalents	\$ 540,109
Accounts receivable (Note 4)	51,120
Interest receivable	42,051
Investments (Note 2)	8,157,431
Promises to give (Note 3)	50,861
Doodlebugger inventory	6,768
Exhibits	<u>131,736</u>
Total assets	\$ <u>8,980,076</u>

Liabilities and Net Assets

Liabilities-

Accounts payable	\$ <u>23,503</u>
------------------	------------------

Net assets:

Unrestricted	1,737,108
Temporarily restricted (Note 5)	1,149,216
Permanently restricted (Note 6)	<u>6,070,249</u>
Total net assets	<u>8,956,573</u>

Total liabilities and net assets	\$ <u>8,980,076</u>
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See accompanying notes to financial statements.

SEG FOUNDATION

Statement of Activities

December 31, 2004

Changes in unrestricted net assets:

Revenues:

Contributions	\$ 85,139
In-kind donations (Note 4)	287,613
Interest and dividends	139,664
Net gain on investments	<u>46,170</u>
Total unrestricted revenue	558,586
Net assets released from restrictions	<u>239,703</u>
Total revenue	<u>798,289</u>

Expenses:

Program expenses	416,030
Supporting expenses	303,609
Fundraising expenses	<u>22,509</u>
Total expenses	<u>742,148</u>
Net assets from Double Impact Program transferred (Note 1)	<u>(205,200)</u>
Decrease in unrestricted net assets	<u>(149,059)</u>

Changes in temporarily restricted net assets:

Contributions	38,185
Interest and dividends	160,643
Net gain on investments	53,105
Net assets released from restriction	<u>(239,703)</u>
Decrease in temporarily restricted net assets	<u>12,230</u>

Changes in permanently restricted net assets:

Contributions	585,199
Net assets from Double Impact Program transferred (Note 1)	<u>205,200</u>
Increase in permanently restricted net assets	<u>790,399</u>

Increase in net assets	653,570
Net assets at beginning of year	<u>8,303,003</u>
Net assets at end of year	\$ <u>8,956,573</u>

See accompanying notes to financial statements.

SEG FOUNDATION

Statements of Cash Flows

For the Year Ended December 31, 2004

Cash flows from operating activities:	
Increase in net assets	\$ 653,570
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Net gain on investments	(99,275)
(Increase) decrease in:	
Accounts receivable	(51,120)
Interest receivable	(42,051)
Promises to give	302
Doodlebugger inventory	6,766
Increase (decrease) in:	
Accounts payable	<u>(19,021)</u>
Net cash provided by operating activities	<u>449,171</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	2,527,695
Purchases of investments	<u>(3,262,646)</u>
Net cash used by investing activities	<u>(734,951)</u>
Net decrease in cash and cash equivalents	(285,780)
Cash and cash equivalents, beginning of year	<u>825,889</u>
Cash and cash equivalents, end of year	\$ <u><u>540,109</u></u>

See accompanying notes to financial statements.

SEG FOUNDATION

Notes to the Financial Statements

For the Year Ended December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESNature of Operations

SEG Foundation (the "Foundation"), is a not-for-profit corporation administered by the Society of Exploration Geophysicists (the "Society"). The Foundation encourages and supports scientific, educational, and charitable activities of benefit to geophysicists. The Foundation awards scholarships to students involved in the study of geophysics and promotes research primarily within the field of geophysics. The Foundation maintains a Geoscience Center devoted to documents, equipment, films and publications in the field of geophysics. Contributions are received primarily from members of the Society.

Net Assets

To ensure observance of limitations and restrictions placed on the use of resource available to the Foundation, the net assets of the Foundation are segregated according to any restrictions placed on the resources. The net assets of the Foundation are segregated as follows:

- **Unrestricted/Board Designated:** This category reflects net assets that are generally available for authorized expenditures in furtherance of the goals and objectives of the Foundation and represent unrestricted contributions and cumulative earnings of funds other than those whose use has been specified by the donor.
- **Temporarily Restricted:** This category reflects contributions provided by donors for specified Foundation activities and unexpended earnings on permanently restricted assets.
- **Permanently Restricted:** This category reflects contributions provided by donors who have explicitly expressed that they wish only the income earned on their donations expended for Foundation activities while the corpus is to remain intact.

Activities

The Foundation's activities consist of the following:

- **Scholarships:** The Foundation provides scholarships to university students in courses of study preparing for a career in the field of geophysics and related sciences.
- **Professional Development:** Professional development program sponsors seminars, lectures and other educational courses to further the scientific understanding of geophysics.

(continued)

SEG FOUNDATION

Notes to the Financial Statements

For the Year Ended December 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Student Programs: Student programs include the Emerging Nations, Adopt-A-Student, and Hilterman Book Program. These programs provide support and educational materials for student sections.
- Other Programs: Other programs include supporting publications in the field of geophysics, support for the Geoscience Center, and paying membership dues for qualified individuals and students in developing countries.

The Foundation had established a Double Impact Program to match contributions to the Foundation. A maximum of \$1,500,000 in unrestricted general funds was available to match contributions received for the Foundation's Behind Education Programs and the Geoscience Center, for minimum donations of \$1,000 to a maximum of \$100,000. The Foundation matched \$205,200 of contributions during 2004. During 2005 this program was discontinued. The funds matched by the Foundation are transferred to permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, money market funds and all highly liquid investments with a maturity when acquired of three months or less. At December 31, 2004, the Foundation had cash and cash equivalents in excess of federally insured limits by approximately \$498,064.

Investments

Investments consist of trading securities of fixed income investments and equity investments and are carried at fair value at December 31, 2004. Trading securities consist of investments that are held for resale in anticipation of fluctuations in market prices. Fair values for trading securities are based on quoted market prices.

Promises to Give

Promises to give are classified as unconditional and conditional. Unconditional promises to give consist of pledges that do not have donor stipulations or have donor stipulations in which the possibility that the stipulation will not be met is remote. Unconditional promises to give are recognized as revenues in the period pledged. Conditional promises to give consist of pledges with donor stipulations that depend on the occurrence of a specified future and uncertain event to bind the donor. Conditional promises to give are recognized when the stipulation is substantially met. An allowance for uncollectible promises to give is provided based on management's evaluation of potential uncollectible promises to give at year-end.

(continued)

SEG FOUNDATION

Notes to the Financial Statements

For the Year Ended December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exhibits

Geoscience Center exhibits are carried at cost or the estimated fair market value at the date donated and are not depreciated.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Foundation qualify as charitable deductions.

Reclassifications

Certain reclassifications have been made to the beginning net assets. These reclassifications have no effect on net income.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

Investments in trading securities, at fair value, consist of the following at December 31, 2004:

Fixed income investments:

U.S. Treasury notes	\$ 1,353,081
Corporate Bonds	1,112,618
Certificate of Deposits	856,155
GNMA certificate	<u>12,489</u>
	3,334,343

Equity investments:

Common stocks	<u>4,823,088</u>
Total	\$ <u>8,157,431</u>

SEG FOUNDATION

Notes to the Financial Statements

For the Year Ended December 31, 2004

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consist of promises by members to become trustee associates. At December 31, 2004 the unconditional promises to give are due as follows:

Less than one year	\$ 16,445
One to five years	<u>34,416</u>
	\$ <u>50,861</u>

The Foundation does not expect these promises to give to be uncollectible.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Society provides substantially all of the administrative and financial services and also provides office space to the Foundation free of charge. The estimated amount of the in-kind contribution from the Society for these services is \$287,613 for 2004 and has been included as an in-kind donation and supporting expenses.

Included in accounts receivable at December 31, 2004 is a receivable of \$6,193 due from the Society. Included in accounts payable at December 31, 2004 is a payable to the Society of \$15,000.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following programs at December 31, 2004:

Scholarships	\$ 436,631
Professional development	104,525
Student programs	136,111
Other programs	<u>471,949</u>
	\$ <u>1,149,216</u>

SEG FOUNDATION

Notes to the Financial Statements

For the Year Ended December 31, 2004

NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes at December 31, 2004:

Scholarships	\$ 3,688,357
Professional development	300,138
Student programs	404,625
Other programs	389,471
Building	<u>1,287,658</u>
	\$ <u>6,070,249</u>

NOTE 7 – FUNCTIONAL CLASSIFICATION OF EXPENSES

	<u>Program Expenses</u>	<u>Support Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Grants	\$ 21,000	-	-	21,000
Projects	46,996	-	-	46,996
DISC program	41,910	-	-	41,910
Scholarships	224,750	-	-	224,750
Student dues	6,642	-	-	6,642
Administrative fees	-	185,613	20,952	206,565
Facility rent	72,420	29,580	-	102,000
Professional fees	-	59,995	1,557	61,552
Travel & meetings	-	17,853	-	17,853
Other	<u>2,312</u>	<u>10,568</u>	<u>-</u>	<u>12,880</u>
	\$ <u>416,030</u>	<u>303,609</u>	<u>22,509</u>	<u>742,148</u>

Society of Exploration Geophysicists June 30, 2005 and 2004
(With Independent Auditors' Report Thereon)



Howerton, Morris, Simpson & Smith P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

8242 S. Harvard Avenue, Suite B • Tulsa, Oklahoma 74137

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Society of Exploration Geophysicists

We have audited the accompanying statement of financial position of the Society of Exploration Geophysicists (the "Society") as of June 30, 2005, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Society as of June 30, 2004 were audited by other auditors whose report dated August 9, 2004, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society of Exploration Geophysicists as of June 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Howerton, Morris, Simpson & Smith, P.L.L.C.

September 2, 2005

SOCIETY OF EXPLORATION GEOPHYSICISTS

Statements of Financial Position

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 1,667,175	1,282,011
Short-term investments	1,620,343	1,393,264
Accounts receivable, less allowance for doubtful accounts of \$4,898 in 2005 and \$3,700 in 2004	766,505	465,812
Inventories	442,314	546,067
Prepaid expenses	207,516	235,503
Accrue interest receivable	<u>27,146</u>	<u>28,219</u>
Total current assets	<u>4,730,999</u>	<u>3,950,876</u>
Investments	3,639,866	3,710,118
Property, furniture and equipment:		
Land	489,605	489,605
Building	7,996,124	7,829,133
Furniture, fixtures and equipment	<u>821,719</u>	<u>766,725</u>
	9,307,448	9,085,463
Less accumulated depreciation	<u>3,817,560</u>	<u>3,522,091</u>
Net property, furniture and equipment	<u>5,489,888</u>	<u>5,563,372</u>
Other assets	<u>2,793</u>	<u>2,793</u>
	\$ <u>13,863,546</u>	<u>13,227,159</u>

See accompanying notes to financial statements.

	<u>2005</u>	<u>2004</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 295,386	370,841
Current portion of capital lease obligation	33,517	24,483
Deferred revenue	<u>3,188,206</u>	<u>2,896,749</u>
Total current liabilities	3,517,109	3,292,073
Deferred revenue	14,850	25,321
Capital lease obligation	<u>71,251</u>	<u>104,768</u>
Total liabilities	<u>3,603,210</u>	<u>3,422,162</u>
Unrestricted net assets:		
Undesignated	10,144,336	9,554,997
Board designated	<u>116,000</u>	<u>250,000</u>
Total net assets	<u>10,260,336</u>	<u>9,804,997</u>
	\$ <u>13,863,546</u>	<u>13,227,159</u>

SOCIETY OF EXPLORATION GEOPHYSICISTS

Statements of Activities

For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues:		
Membership dues	\$ 1,077,375	\$1,052,908
Conferences and meetings	4,018,978	3,906,653
Publication sales and advertising	2,091,507	2,012,822
Continuing education	570,306	310,531
Investment income	375,686	437,619
Building lease operations	1,027,190	999,775
Other	<u>216,832</u>	<u>210,257</u>
Total revenues	<u>9,377,874</u>	<u>8,930,565</u>
Expenses:		
Membership record services	349,481	338,189
Conferences and meetings	2,075,025	2,158,042
Publications and advertising	2,293,817	2,140,824
Continuing education	868,104	604,575
General and administrative	1,991,844	1,887,378
Building lease operations	902,014	805,624
Special projects	<u>29,511</u>	<u>47,294</u>
Total expenses	<u>8,509,796</u>	<u>7,981,926</u>
Increase in net assets before contributions to Foundation	868,078	948,639
Contributions to Foundation	<u>(412,739)</u>	<u>(295,830)</u>
Increase in net assets	455,339	652,809
Unrestricted net assets, beginning of year	<u>9,804,997</u>	<u>9,152,188</u>
Unrestricted net assets, end of year	\$ <u>10,260,336</u>	<u>9,804,997</u>

See accompanying notes to financial statements.

SOCIETY OF EXPLORATION GEOPHYSICISTS

Statements of Cash Flows

For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 455,339	652,809
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation and amortization	378,029	352,612
Net realized/unrealized gain on investments	(188,893)	(277,518)
(Increase) decrease in assets:		
Accounts receivable	(300,693)	200,379
Inventories	103,753	71,501
Prepaid expenses	27,987	40,711
Accrued interest receivable	1,073	(3,882)
Increase in liabilities:		
Accounts payable and accrued liabilities	(75,455)	50,122
Deferred revenue	280,986	237,038
Net cash provided by operating activities	<u>682,126</u>	<u>1,323,772</u>
Cash flows from investing activities		
Purchases of property, furniture and equipment	(304,545)	(300,545)
Purchases of investments	(1,800,934)	(1,346,351)
Proceeds from sale of investments	1,833,000	12,358
Net cash used in investing activities	<u>(272,479)</u>	<u>(1,634,538)</u>
Cash flows from financing activities –		
Principal payments on capital lease obligation	(24,483)	(9,663)
Net cash used by financial activities	<u>(24,483)</u>	<u>(9,663)</u>
Net increase (decrease) in cash	385,164	(320,429)
Cash, beginning of year	1,282,011	1,602,440
Cash, end of year	\$ <u>1,667,175</u>	<u>1,282,011</u>
Cash paid for interest	<u>9,034</u>	<u>4,302</u>
Noncash purchases of property, furniture and equipment	<u>-</u>	<u>138,914</u>

See accompanying notes to financial statements.

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Financial Statements

For the Years Ended June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Society of Exploration Geophysicists (the "Society"), was organized in 1930 as a not-for-profit organization. The objectives of the Society are to promote the science of research, to foster the common scientific interests of geophysicists, and to maintain a high professional standing among its members. The Society accomplishes these objectives by publishing scientific literature, conducting continuing education programs and technical meetings, and providing other informational services.

The accompanying financial statements include the financial position, results of activities and cash flows of the Society. These financial statements do not include the SEG Foundation (the "Foundation"), a separate not-for-profit organization which receives contributions for public education and other scientific purposes.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and all highly liquid investments with an original maturity of three months or less. Cash equivalents exclude money market funds held by a brokerage firm.

The Society maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2005 and 2004, the Society had deposits in excess of the federally insured limit.

Accounts Receivable

Accounts receivable consists of uncollateralized billings for memberships, sponsorships, and exhibit space. Accounts receivable are stated at the amount billed. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected.

Inventories

Inventories of publications for resale are valued at the lower of cost, determined by the moving-average method, or market.

Investments

Investments consist of marketable debt and equity securities which are valued at their fair values in the statements of financial position. Fair values for investments are based on quoted market prices. Unrealized gains and losses are included in the statements of activities.

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Financial Statements

For the Years Ended June 30, 2005 and 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Furniture & Equipment

Property, furniture and equipment are carried at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements are capitalized. The lives used in computing depreciation are as follows: building - 50 years; furniture and equipment - 3 to 10 years.

Net Assets

The Executive Committee of the Society has designated \$116,000 of net assets for future building improvements as of June 30, 2005.

Income Taxes

The Society is a not-for-profit organization under Section 501(c)(6) of the Internal Revenue Code and is subject to income taxes on unrelated business income. Based upon the allocation of costs as prescribed in the IRS regulations, no provision for income taxes was necessary for 2005 and 2004.

Transactions with Foundation

The Society leases building space and provides administrative services to the Foundation. The Society did not charge the Foundation for rent and administrative services in 2005 or 2004. Contributions to the Foundation for these services were as follows:

	<u>2005</u>	<u>2004</u>
Administrative services	\$ 193,778	193,831
Rent	98,187	95,000
Major gift campaign	60,774	-
Foundation projects	60,000	-
Scholarships	-	7,000
	<u>\$ 412,739</u>	<u>295,831</u>

Accounts receivable due from the Foundation was \$42,092 at June 30, 2005 and \$30,164 at 2004. The Society charged the Foundation \$32,633 for reimbursement of personnel costs related to fundraising activities in 2005. Other revenue and building lease operations revenue both include similar amounts for the in-kind contributions in 2005 and 2004.

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Financial Statements

For the Years Ended June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Membership dues and publication subscription revenues are recognized ratably over the applicable membership or subscription period. Revenues relating to meetings are recognized as revenue at the time of the meeting.

Building Lease Operations

The Society owns the land and building where its administrative offices are located in Tulsa, Oklahoma. Office space which is not used by the Society is leased to other companies.

Reclassifications

Certain reclassifications have been made in the 2004 financial statements to conform to the classifications used in 2005. These reclassifications had no effect on increase in net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

At June 30, 2005 and 2004, investments were as follows:

	2005	
	Cost	Market
Cash management fund	447,677	447,677
Certificate of deposit	915,000	903,159
Federal agency securities	100,000	99,563
Equity investments	1,776,437	2,465,709
Corporate bonds	1,295,437	1,344,101
	<u>4,534,551</u>	<u>5,260,209</u>
Less short-term investments		<u>1,620,343</u>
Long-term investments		<u>3,639,866</u>

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Financial Statements

For the Years Ended June 30, 2005 and 2004

NOTE 2 – INVESTMENTS (Continued)

	2004	
	Cost	Market
Cash management fund	45,458	45,458
Certificate of deposit	1,184,000	1,168,240
Federal agency securities	100,000	99,188
Equity investments	1,588,708	2,080,869
Corporate bonds	<u>1,648,109</u>	<u>1,709,627</u>
	<u>4,566,275</u>	<u>5,103,382</u>
Less short-term investments		<u>1,393,264</u>
Long-term investments		<u>3,710,118</u>

The Fair value of fixed income securities at December 31, 2005 by maturity, are shown below:

Due in less than one year	\$	1,172,666
Due after one year through five years		561,200
Due after five years through ten years		<u>612,957</u>
	\$	<u>2,346,823</u>

Investment income in the accompanying statements of activities consists of the following:

	2005	2004
Interest income	\$ 186,793	160,101
Gain on investments	<u>188,893</u>	<u>277,518</u>
	<u>\$ 375,686</u>	<u>437,619</u>

NOTE 3 – PENSION AND SALARY REDUCTION PLANS

The Society sponsors a defined contribution pension plan which does not allow employee contributions. The Society makes contributions to the Plan based upon 4.5% of the employees' eligible wages.

The Society also sponsors a salary reduction plan. The Society's contributions to this plan are computed based on 2% of salaries and a two-for-one matching contribution of employees' contributions, up to a maximum of 4.33% of salaries.

The Society's expense under these plans was \$288,764 in 2005 and \$251,350 in 2004.

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Financial Statements

For the Years Ended June 30, 2005 and 2004

NOTE 4 – LEASING ARRANGEMENTS

The Society leases approximately 75% of the office space in its headquarters building to unaffiliated parties under non-cancelable operating leases. The following is a schedule of minimum future rental revenues from those tenants as of June 30, 2005:

Year Ending <u>June 30,</u>	<u>Amount</u>
2006	\$ 924,806
2007	757,076
2008	347,098
2009	163,395
2010	<u>34,134</u>
	\$ <u>2,226,509</u>

The Society leases phone equipment under a capital lease expiring January 2009. At the inception of the capital lease, the asset and liability under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is amortized over its estimated useful life. Phone equipment under the capital lease (which is included in furniture and equipment) was \$99,555, net of accumulated depreciation of \$39,359 at June 30, 2005.

Minimum future rental payments under capital lease are as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2006	\$ 33,517
2007	33,517
2008	33,517
2009	<u>19,552</u>
	120,103
Less imputed interest	<u>(15,335)</u>
Present value of future minimum lease payments	104,768
Current portion	<u>33,517</u>
Long-term capital lease obligation	\$ <u>71,251</u>

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Financial Statements

For the Years Ended June 30, 2005 and 2004

NOTE 5 - COMMITMENTS

The Society entered into a joint venture agreement to purchase a 10% share of certain petroleum exhibition events in the future. The Society paid \$250,000 for its share after June 30, 2005, and anticipates accounting for its purchase as an investment.