

2007 Annual Report of the Society of Exploration Geophysicists

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Executive Committee Reports

Leon Thomsen, president

I am pleased to report to you that the state of our Society has never been better. Our membership is at an all-time high and continuing to grow rapidly. During the year, membership exceeded more than 28 000 (Figure 1) in 130 countries, with 183 student sections. Our financial health is robust. Our publications backlog has been cleared. And the committees, who do the brunt of the work of the Society, are mostly functioning well (see the reports from other committee chairmen reporting to the Executive Committee).

Enabled by this growth, this year has seen the fruition of programs and policies begun in several earlier administrations. So although in the discussion below it will appear as though revolutionary changes have been enacted this year, the record is really one of deliberate evolution whose history goes back many years.

These changes are all driven by the Great Crew Change, which affects SEG as well as the many organizations which employ our members. Figure 2 shows a snapshot of our demographics; the bimodal distribution poses unique challenges, never before seen in our industry. As the leading hump retires, in *the next few years*, the accumulated wisdom of many years of experience must somehow be transferred to the younger geophysicists in the trailing hump. SEG will play a vital role in that transfer.

An important aspect of the Great Crew Change is that SEG's membership is now distributed much more widely around the globe than it used to be (Figure 3). By now, well more than half of the SEG membership lives and works outside the United States; we expect that this trend will continue.

This poses obvious challenges to SEG in how to serve this far-flung membership.

Many years ago, SEG leadership foresaw this trend and instituted policies to *globalize* SEG. Each successive Executive

Committee has seen more clearly the implications of that decision, and each began the foundations for programs, many of which have reached maturity this year. I will discuss here only the most important of these new programs.

The most fundamental change is our new Internet presence, SEG Online. You will soon notice the new look and feel of the Web site. A basic infrastructure revision was put into place to support and enable the new functionality that we will be growing over the next several years. We created a new standing committee (SEG Online, chaired by Susie Peebler), hired a new director of Information Technology (Dan DeMellier), and spent over US\$2 million on this first phase of the program. As a result of this investment in organizational capability, we will be able to extend many of SEG's services to all of our membership, irrespective of time or distance over the Internet. Our vision is that the SEG Web site will become an indispensable tool for all working geophysicists, one that they will use *often* (for some, even daily) in order to do their jobs better. SEG will not be felt to be far away in Oklahoma, but rather, it will be *living on every geophysicist's desktop*.

Another investment in telecommunications will have an equally important effect on SEG governance. Through a contract with Microsoft Live Meeting, every committee of SEG can now meet over the Internet, sharing voice and data in real time, discussing and deciding committee business without traveling and without direct cost to committee members. This means that all members of SEG can become active participants in the SEG committee structure, helping to do the business of the Society. Since the elected officers are normally drawn from the subset of members who are active among the committees, this means that every member of the Society can now aspire to elected office. (If you want to personally become a committee member, see my President's Page in the November 2006 issue of THE LEADING EDGE for suggestions on how to do that.)

However, no global organization can conduct its global business exclusively through telecommunications; it needs a local presence as well, in key places around the globe. With

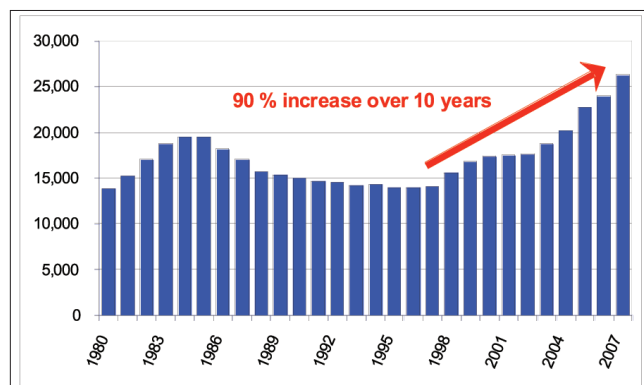


Figure 1. SEG demographics.

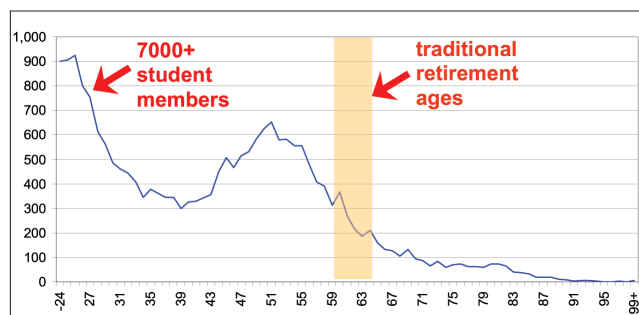


Figure 2. Age of members.

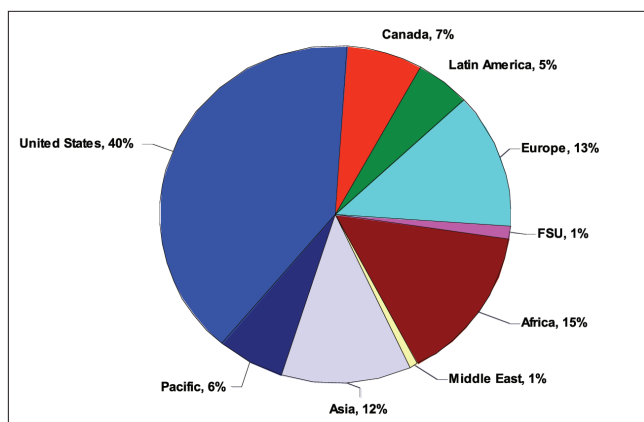


Figure 3. SEG's membership distribution.

that in mind, this calendar year, we sponsored or cosponsored geophysical meetings in Angola, Australia, Bahrain, Brazil, Canada, Italy, Mexico, Russia, Turkey, and the United States and with other countries on other continents planned for next year. As your president, I traveled to meet with constituencies in Russia, China, Japan, Egypt, the United States, Italy, Norway, France, Holland, Great Britain, Saudi Arabia, and the United Arab Emirates.

To put these contacts on a more permanent footing, we have opened the first two SEG Regional Offices, in Beijing and in Perth. There will be more—each one designed strategically to serve areas of membership concentration or membership growth. These offices will serve their local members by organizing local conferences and education events and will recruit more members through more rapid responsiveness to member requests. These offices will be planned by the new Global Development Advisory Committee, chaired this year by Dave Monk, and will be implemented by our new Director of Global Relations, Bastiaan Bouma. The legal requirements associated with operating in these new environments have caused us to create a new corporation, SEG Global, Inc. (whose only member is SEG).

These regional offices will rejuvenate local leadership, leading to locally conceived and executed programs that we cannot yet foresee. However, we already see the emergence of Regional Lecture tours, each featuring a distinguished local geophysicist offering a lecture broadly within his local region. The first of these was by Steve Chang in South and East Asia; the second is by Shiv Dasgupta in the Middle East and Africa.

As seismic and nonseismic data acquisition technology evolves, radically new types of data are being generated, requiring new technical standards for data exchange and new algorithms to process the data. Hence, it is useful to have synthetic data sets of appropriate complexity to test the new algorithms. Computing such model data sets is a large-scale effort beyond the reach of most companies. Hence, we created SEAM (SEG Advanced Modeling Project) Corporation, currently capitalized at well over US\$1 million by corporations whose representatives will decide the nature of the model(s) and of the computation. Following an initial period of exclusivity, the results of the modeling will be made available to the

entire membership at a nominal cost. See <http://seg.org/seam> for details on how your organization can join.

As we expand the global reach of SEG, we are mindful that geophysicists operate in a world of integrated *disciplines* as well as of integrated geography. To that end, we continue to maintain and develop our relations with our sister societies: American Association of Petroleum Geologists (AAPG), Society of Petroleum Engineers (SPE), European Association of Geoscientists and Engineers (EAGE), Environmental and Engineering Geophysical Society (EEGS), Society of Petrophysicists and Well Log Analysts (SPWLA), American Geophysical Union (AGU), and the American Geological Institute (AGI). In particular, we created an ad hoc Joint Committee on SEG/AAPG Cooperation, with three members from each society; the SEG delegation is headed by SEG Foundation Chairman Gary Servos. We have already entered into new cooperative agreements with regional societies: Eurasian Geophysical Organization (EAGO), Indonesian Association of Geophysicists (HAGI), and the Australian Society of Exploration Geophysicists (ASEG).

The SEG Foundation is in the middle of another year of vigorously expanded activity. Look for exciting announcements from the Foundation in San Antonio. The partnership between SEG and the SEG Foundation has never been stronger.

The Foundation is particularly attuned to the needs of the next generation of geophysicists—the trailing hump in the Great Crew Change figure. To that end, the Foundation has greatly expanded the SEG Scholarship Program (with the material assistance of a large grant from Anadarko), with almost US\$500 000 in scholarships and grants awarded in 2007 to students from 60 countries. With the help of Chevron, the Foundation has established the Student Leadership Program, in which outstanding student leaders from all over the world, who have established outstanding local programs in their student chapters, will come to the SEG Annual Meeting, *all expenses paid*. Look for the first class of these outstanding student leaders in the halls and on the floor at San Antonio. The SEG Challenge Bowl, in its second year, brings the winners of regional competitions, *all expenses paid*, from as far away as Dhahran, to the SEG Annual Meeting for the worldwide championship.

To fund these many innovations, SEG has elected this year to strategically invest in them, drawing on the substantial reserves that we have accumulated over many years. Since budgetary deficits extending over many years are not wise, we created the ad hoc Strategic Finance Committee, chaired by past-President Rutt Bridges, with representation from many of the standing committees, to help us decide on what our long-term financial policies should be so that we can continue to fulfill our mission in a financially responsible way.

With all of these changes now launched and running, it is clear that your SEG has moved boldly into the 21st century with confidence and resolve. As we move ahead, your active participation will be more important than ever.

Fred Aminzadeh, president-elect

It has been an honor and privilege to serve as the president-elect of the Society. With the steady growth of our membership and expansion of our programs, we can all feel good about our Society. We also want the general public to know who we are and to encourage newcomers to our profession. For the first time ever, SEG went on the air at National Public Radio (NPR) in Houston, telling the public at large about our activities. In this report, I will depart from the usual practice of highlighting the activities of various committees, full reports of which follow. Instead, I will discuss a few new initiatives.

SEG is striving to have a voice in the policy decisions that impact not only the energy industry in America but around the globe and in fact, the whole general public. This includes our active involvement in the process of reserves certification. I was recently quoted in an *Oil & Gas Journal* article: "While historically, engineers and geologists have been mostly responsible for reserves estimation, recent advances in various geophysical methods and the role they play ... make it absolutely crucial for the participation of geophysicists in booking the reserves and their certification." Likewise, SEG's participation in the U.S. Department of Energy (DOE) recent initiative to make a more careful examination of unconventional resources and of ultradeepwater technology through its technology advisory committees—Unconventional Resources Technology Advisory Committee (URTAC) and the Ultra Deepwater Advisory Committee (UDAC)—further emphasizes the crucial role geophysicists can play in diverse areas.

We are also forging stronger ties with many sister societies, both globally and regionally. Among such activities are our contributions to the Offshore Technology Conference in Houston (OTC), North America Prospect Exhibition (NAPE), International Petroleum Technology Conference (to be held in Dubai and Kuala Lumpur), and our joint meeting with the Russian Geophysical Society (EAGO) in Tyumen. We are working with the Mexican Geophysical Society (AMGE) to join it in its 50th anniversary celebration.

Another initiative we are pursuing is what I call Geo-mentoring. My vision of Geo-mentoring is a program that would cover a large spectrum: technical issues, career issues, and many other things, including how to become active in professional societies, how to publish, how to decide on a career path, how to define success for yourself, and how to reach that success. I think Geo-mentoring is needed more than ever, given the demographics of our workforce (specifically those employed in geosciences and primarily applied geophysics), with a large "hole" in the age range of 30–50. It will take a village (or shall we say a Geo-village) to make up for this experience gap in our membership. The challenge is how best to combine the large reservoir of wisdom and experience with the prevailing strong sense of altruism of our members so that the result is a self-perpetuating fountain of knowledge.

As I mentioned in the February issue of *THE LEADING EDGE*, Image is Everything. We are reaching our members globally

through SEG Online, through meetings, and through publications—seeking their active participation in various SEG programs and committees. We are also getting the word out to the general public, management in the industry, sister professional societies, the financial community, and governmental entities, as well as to potential contributors to the SEG Foundation. The message is always on what SEG is all about and what geophysicists have to offer. The previous leaders of the SEG have laid a strong foundation, and Leon Thomsen, from whom I have learned a lot, has done a great job in steering the SEG ship. We all need to join forces for an even stronger SEG in future years.

Roy E. Clark Jr., first vice president

It has been an honor to serve as the SEG first vice president this past year. I thank you all for entrusting me with this role in the Society. I have always enjoyed participating in the committees of SEG, and having an opportunity to serve as an officer this year has been interesting and rewarding.

At our first Executive Committee meeting, President Leon Thomsen organized the SEG standing committees into groups by areas of responsibilities. Those that covered the SEG operations were assigned to me: Meetings Review and Planning Committee, 77th Annual Steering Committee, 78th Annual Steering Committee, OTC committees, and SEG, AAPG, and SPE Joint Workshops Committee. Each will have its own report in the committee section.

I would like to thank each committee chairman, along with their respective committee members, for their service this past year. Michael Buriaynk, chairman of the Meetings Review and Planning Committee, did an outstanding job running a relatively new committee trying to keep track of all the meetings SEG is involved with around the world. Please read Buriaynk's report to appreciate all the meetings, and in particular, all the locations SEG was involved in during 2007.

As you read this report, you are probably in San Antonio for the 77th Annual Meeting. John Long (general chairman) and Bob Hardage (Technical Program chairman), along with the rest of the steering committee, have done an excellent job in organizing and hosting this meeting and exhibition. There were 1089 booths sold as of July 1. We anticipate this number will increase and that the 2007 Annual Meeting in San Antonio will be a great success.

The 2008 Annual Meeting will be held in Las Vegas, Nevada, U.S., in November 2008. The 78th Annual Meeting Steering Committee is in its forming stage and will be inherited by my successor.

The 2007 OTC was a huge success, with more than 67 000 attendees. SEG is one of 12 sponsoring organizations for this event. Jack Caldwell, our representative on the OTC Board of Directors, continues to do a great job representing SEG interests. Joe Reilly, our OTC Technical Program committee chairman, is already planning the program for the 2008 event.

The SEG, AAPG, and SPE Joint Workshops Committee has put together an interdisciplinary workshop, scheduled for

October 14–18, 2007, in Vancouver, British Columbia, Canada. This workshop, titled “Data Fusion: Combining Geological, Geophysical, and Engineering Data,” aims at exploring the optimum use of our industry’s diverse data sets with the goal of delivering realistic, geologically sound static and dynamic reservoir models. This has been a two-year undertaking and promises to be an interesting event.

Once again, it has been a privilege serving as SEG first vice president. To my fellow Executive Committee members, it has been a pleasure working with you. This past year has gone by so fast, but we have accomplished so much. I believe SEG is heading in the right direction in promoting the science of geophysics and serving geophysicists throughout the world.

I would like to thank the SEG staff members for their dedicated support. To Jim Lawnick, my staff liaison, many thanks for having answers to all my questions.

James W. Rector **Second vice president**

The 2006–2007 year marked the continuation of major initiatives that will transform SEG. As our Society surpassed the 28 000-member marker with more than 65% of its members living outside North America, the Executive Committee’s support of SEG Online and its decision to open offices in Beijing and Perth are indicative of SEG’s strong commitment to serve all of its members. SEG Online will have a great impact on the current and future generations of geophysicists.

I served as Executive Committee liaison to several committees, including Continuing Education, Distinguished Lecture, Student Sections/Academic Liaison, SEG Sections and Associated Societies, Youth Education, Project Review, and Scholarship. I have also taken a keen interest in the budget process and SEG Online. I chaired a task force that has addressed online education. While SEG Online will provide the backbone for the globalization and virtualization of our Society, there is much work to be done in creating content and value for our membership. The demands on SEG to become a “one-stop” shop for applied geophysics will likely increase in the coming years.

It has been a rewarding year working with President Leon Thomsen, President-elect Fred Aminzadeh, and the other members of the Executive Committee. I must also single out our Executive Director, Mary Fleming, and her staff in Tulsa for commendation. The members of the Executive Committee (such as myself) often come into their positions because they are well-respected scientists. This scientific ability sometimes does not translate into good management skills. Mary and her staff often have to gently guide the Executive Committee in the right direction. They do this with wonderful aplomb.

Panos G. Kelamis, vice president

This year marked the launching of major initiatives toward building a strong foundation for a global SEG. The Executive

Committee’s historic decision to open offices in Beijing and Perth is indicative of SEG’s strong commitment to serve its international membership and promote the sciences of geophysics around the globe. And this is only the beginning as more offices are being considered, with the Middle East and Europe as the prime candidates to host these offices. The SEG Online initiative is another milestone aiming at providing an e-platform for spreading the knowledge and exchange of ideas in the geophysical arena. SEG Online is expected to have a great impact on the current and future generations of geophysicists, bringing members of diverse backgrounds closer.

I served as Executive Committee liaison to the committees on Gravity and Magnetics, Interpretation, Mining and Geothermal, Technical Standards, Development and Production, and Research and to the International Association of Oil and Gas Producers Geodesy Working Group representative. Residing and working in the Middle East, I concentrated my efforts toward increasing the presence of our Society in this important geographic area, and I am pleased to report the following positive developments.

First, I worked closely with the Executive Committee of the Dhahran Geosciences Society (DGS) on local issues affecting our membership. Second, I assisted in the planning of a visit by Mary Fleming and Bastiaan Bouma in the area. Together, we attended a series of productive meetings with key members of the local chapter of AAPG and discussed various options related to the opening of a Middle East office in Bahrain. Third, and as another indication of SEG’s international expansion and the great importance that it places on the Middle East region, I organized a visit by our President, Leon Thomsen, to Saudi Aramco in Dhahran. During this visit, Leon was accompanied by the chairman of the SEG Foundation, Gary Servos. We conducted meetings with members of Saudi Aramco’s Exploration management, held talks with DGS representatives, and discussed related issues with the faculty of the Geophysics Department at the local King Fahad University of Petroleum and Minerals (KFUPM). The visit at KFUPM demonstrated SEG’s interest in advancing geophysics among future scientists. During this visit in Dhahran, Leon was the master of ceremonies of the first-ever SEG Regional Challenge Bowl in Saudi Arabia, a geoscience quiz for students. Among other prizes, the winning team won an all-expenses-paid trip sponsored by SEG to attend this year’s Annual Meeting in San Antonio, where they will have a chance to compete in the global finals.

My presence in the region also gave me the opportunity to represent SEG as a member of the technical committee of the GEO-2008 Meeting, the most significant biannual geoscientific conference in the region. I also worked closely with the organizing committee of the first Saudi Scientific Meeting on Oil & Gas Production Technologies (OGEP), which is scheduled to take place in Riyadh in January 2008. This is an important regional event which SEG will support, advertise, and promote. In short, the presence of our Society in the vital Middle East region is well positioned, and the future looks bright.

I consider working with my fellow Executive Committee members and my election to the position of vice president of our Society as great honors, and I thank the membership for its trust and support. I pledge to continue working toward SEG's objectives, especially to help make SEG a true international society. Finally, our dedicated business-office people in Tulsa deserve a special acknowledgment for their endless support and professionalism. They are the "backbone" of our Society that provides the essential continuation for running the everyday affairs of SEG.

Bradley A. Birkelo

Secretary-treasurer

I am pleased to report that the financial health of SEG is strong. We finished the year with an operating gain of \$694 968, which was \$1 441 135 above our 2006–2007 budget. The primary reasons for our better-than-budgeted outcome were the success of the 2006 Annual Meeting in New Orleans, increased revenue from NAPE, and a strong showing by our investments over the past year. These results were achieved while also funding 16 additional events and programs that were brought to the Executive Committee over the course of the fiscal year. Factoring in the additional expenses associated with these new programs shows that our operations exceeded our 2006–2007 budget by slightly less than \$2.1 million. While having more money than planned is better than having less, efforts were made this year to more accurately predict the revenues and expenses as we planned for the 2007–2008 budget cycle. As of the writing of this report in early August, the audit of the SEG's fiscal year-end finances is not yet complete, so these numbers are preliminary.

Revenues for SEG totaled \$12 236 326 for the fiscal year, up from \$10 978 019 the previous year. Expenses totaled \$11 541 358, up from \$9 860 785. Revenues were higher from the previous year, in large part due to an increase in our investments of \$487 788, GEOPHYSICS revenue of \$207 101, and Foundation support of SEG programs (SEG Online, DISC, Youth Outreach) and Foundation administrative costs of \$497 608. While revenues from meetings were roughly the same as in the previous year, the previous year was a remarkably good year for our meetings revenue. Expenses increased from the previous year, most notably with SEG Online \$420 606, GEOPHYSICS \$360 106, and Regional Offices \$262 928. In the case of SEG Online and Regional Offices, both of these projects began this fiscal year.

The 2007–2008 budget forecasts an operational deficit of \$1 401 000. The largest piece of this comes from Phase One of SEG Online. This initial building of the SEG's Web infrastructure will cost in excess of \$2 million and will impact the budget for the next four years. Given that this tool represents the primary means to reach all of our members at the same time, consecutive Executive Committees have decided that this program is core to the future of SEG. In effect, this program is being paid for in part by the previous surpluses of the last 10 years.

The second major initiative in this budget is the commitment to open SEG regional offices in China and Australia. These physical presences will allow SEG to carry out programs and deliver services to strategic local markets that are difficult to serve from Tulsa. The budget plans for these offices to generate additional revenue for SEG and return a positive cash flow in three to five years.

The third major initiative is more subtle but every bit as important. The 2007–2008 budget commits to four additional staff members to support programs such as the Distinguished Lecturers and Regional Lecturers, SEG Online, and Meetings. The SEG staff has long "done more with less" in the way of staffing, and with the increased pressure to deliver services and programs worldwide, these additional staff members are necessary in order to maintain the quality of the SEG programs.

The previous surpluses have resulted from a combination of conservative budgeting, sound business operations, a strong business climate in the oil and gas industry, and strong growth in our investments. While we have a great deal of control over the first two of these factors, the last two factors are dependent on many things outside of our control. Eventually, the oil and gas industry will see less robust growth and our investments will see a bear market, and these effects will impact the SEG finances. While this is inevitable, SEG's reserves are currently \$8 099 311 and should allow SEG to weather a significant downturn in the geophysical industry.

One of the important initiatives undertaken by this Executive Committee is the establishment of the Strategic Finance Committee, to be chaired by past-President Rutt Bridges. The SEG leadership has charged this committee with examining current SEG products and services with the objective of reducing future financial risk and dependency. This ad hoc committee will study and suggest modifications to the SEG business office for consideration by future Executive Committees. Most of the standing committees that support the primary business lines are represented on this committee.

In addition to my duties as secretary-treasurer and member of the Finance and Audit committee, I was also appointed as Executive Committee liaison to the Membership, DISC, and Tellers committees. I refer you to the report of Doug Wyatt, Membership Committee chairman, for the Membership Committee report. The DISC subcommittee was chaired by Tad Smith, who also served with me as SEG representative to the Joint SEG-EAGE DISC committee. The Joint SEG-EAGE DISC committee recommended the selection of Bill Abriel as the 2008 Distinguished Instructor and Patrick Corbett as the 2009 Distinguished Instructor. Both of these recommendations were approved by the respective Executive Committees of the SEG and EAGE. In addition, Biondo L. Biondi is currently on his successful 2007 DISC tour and is receiving praise for his efforts.

Finally, I would like to applaud the SEG business office for their dedicated work over the course of the last year. Finance and Operations Director Nancy Carter and Accounting Manager Melanie Laster have my thanks and gratitude for their work which made my job easier. I also thank Finance and

Audit Committee members Susie Peebler, Randy Byrne, Charlie Smith, and chairman Frank Brown for their advice and wisdom this past year.

Yonghe Sun, editor

This report summarizes the major new developments in GEOPHYSICS during the past year, my second and final year as SEG editor. Kees Wapenaar of Delft University of Technology will be the editor in 2007–2009. His strong commitment to efficiency, high scientific integrity, excellent record on education and research, and broad editorial experiences with several international geophysics journals will serve GEOPHYSICS extremely well. He will be assisted by four assistant editors (Steve Arcone, José Carcione, Vladimir Grechka, and Johan Robertsson), more than 50 associate editors, and the staff of SEG's Publications Department.

Publication backlog is now cleared. Thanks to the hard work of the SEG Publications staff and support of the past two Executive Committees, GEOPHYSICS has cleared a backlog of accepted papers by publishing approximately twice as many papers per issue (60) than is normal in five of the past seven issues. The publication process is streamlined, with online tracking and a well-defined turnaround schedule at each stage of review and production. Papers are published daily online within about 2.5 months of acceptance instead of the previous six months, on a bimonthly basis (Figure 1).

Accelerated review and revision schedule is paying dividends. The overall quality of a journal depends in large part on its efficiency. Accelerated review and revision schedules were implemented for GEOPHYSICS during 2005 and enforced starting in early 2006. Since then, the median time from the submission to first decision has been reduced to 7.5 weeks (Figure 2) from the previous 18 weeks in 2004. The median time from submission to acceptance has been reduced to six months (Figure 3) from 13.5 months in 2004.

Thanks to the excellent teamwork of the SEG staff, editors, reviewers, and authors, the median time from submission to publication is roughly 8.5 months (Figure 4), down from the previous 20 months in 2004. A large majority of the accepted papers is published within one year of submission.

The strategic initiatives of the previous editorial teams and SEG publication are yielding fruits. Online manuscript handling is now an integral part of the journal's efficient operation. Previous Editor Gerard Schuster and the editorial team have revitalized the journal by initiating the "GEOPHYSICS Letters" section (edited by the "GEOPHYSICS Letters" team led by Johan Robertsson), the "Software and Algorithm" section (edited by Joe Dellinger), and "GEOPHYSICS Bright Spots" (a column in *TLE* by Steve Hill). GEOPHYSICS special sections/issues have proven highly effective in promoting timely technical exchange on leading-edge research topics and broad participation by academia and industry contributors. The following are the results since 2005.

Seismic Interferometry. A supplement (July–August 2006), edited by Kees Wapenaar, Deyan Draganov, and Johan Robertsson, became an instant classic to both exploration geophysicists and scientists working in related fields. The editors of the supplement are now working on expanding the volume for reprinting as a book to include important contributions that came both before and since the supplement in this rapidly advancing field.

Marine Controlled-Source Electromagnetic Methods. A special section (March–April 2007), edited by Mike Tompkins and Len Srnka, is a very timely collection on new developments and leading-edge applications of CSEM for hydrocarbon exploration. This is the first special section reviewed under the accelerated schedule and completed in record time.

Seismic Modeling. A supplement (September–October 2007), edited by Johan Robertsson, Bee Bednar, Joakim Blanch, Clement Kostov, and Dirk-Jan van Manen, was proposed by Arthur Cheng, Gerard Schuster, and Bee Bednar during the 2006 SEG Summer Research Workshop. This issue is a roaring success, with 49 submissions and 26 accepted papers. The supplement's editorial team, led by Robertsson, along with the CSEM team, has established a superb benchmark for future special issues by completing the reviews for the entire issue within a six-month period.

Seismic Velocity Analysis. A supplement (target issue September–October 2008) is in preparation by editors Tamas Nemeth, Bill Harlan, and Bob Langan. The exact scope for the issue is to be determined. The call for submissions was announced August 2007.

New journal experiment. I proposed that SEG should consider starting a peer-reviewed journal of applied geophysics catering to practicing geophysicists (from oil and service companies around the world) who have participated only moderately in SEG publications (see Figure 5). Figure 6 shows that the contributions to GEOPHYSICS are predominantly from the United States and Europe. There is great potential for SEG as a global geophysics society to consider enhancement of its publication offerings to promote broad technical participation and to encourage multidisciplinary collaborations.

The SEG Executive Committee has approved my proposal to form an exploratory editorial board to solicit and develop articles primarily to create two 2008 GEOPHYSICS supplements, testing the viability and impact of the proposed third SEG journal. This experiment with the supplements will help provide factual data to assess the need for a third journal beyond the wide-ranging opinions and intuitions.

Total number of papers submitted for publication in GEOPHYSICS July 1, 2006–June 30, 2007: 365

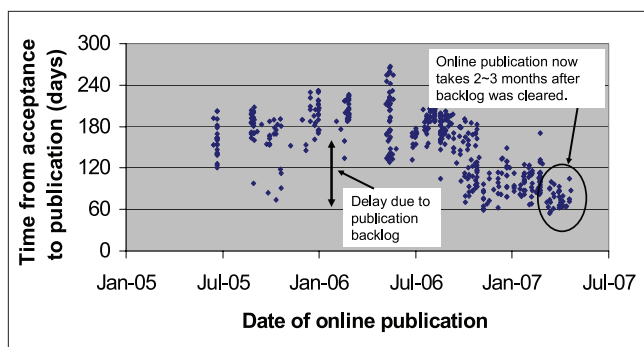


Figure 1. Time from acceptance to online publication. The publication backlog, i.e., delay due to the long queue of accepted papers waiting for publication, is now cleared.

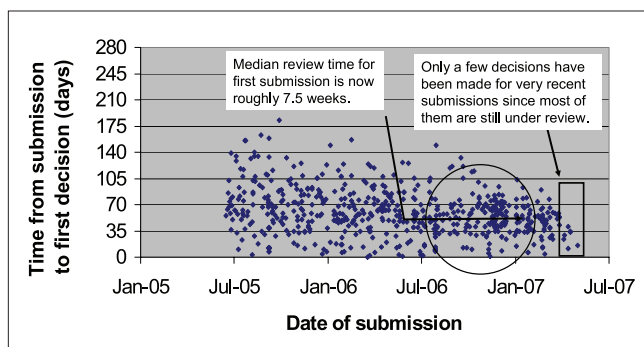


Figure 2. Time from submission to decision for first-pass review. A manuscript often requires one or two passes of reviews and revisions. Second pass usually takes much less time with limited review.

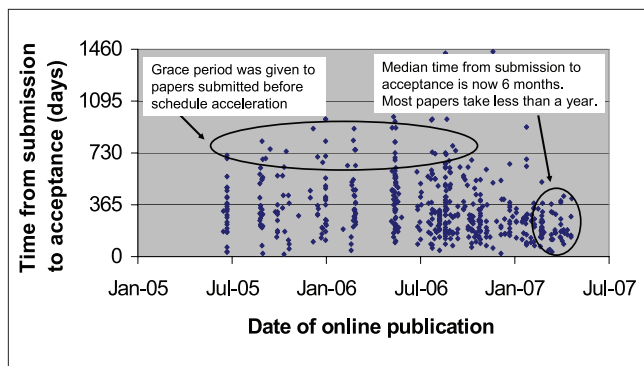


Figure 3. Time from first submission to final acceptance.

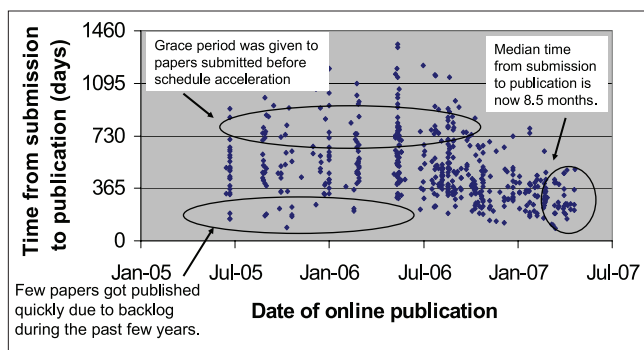


Figure 4. Time from first submission to online publication.

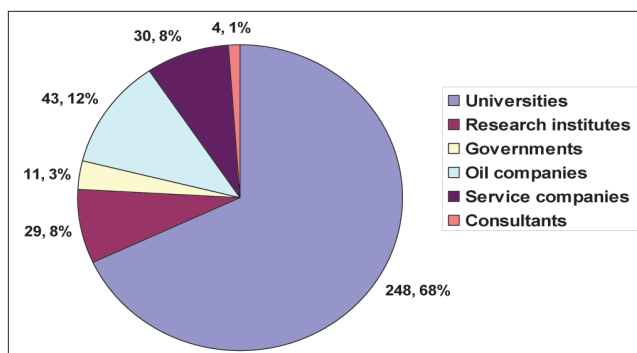


Figure 5. Number of manuscripts by source. Academia sources (universities and research institutes) account for 75% of the submissions, and industry sources (oil and service companies) account for 20%.

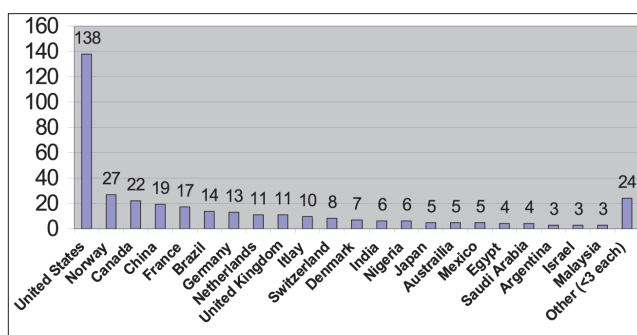


Figure 6. Number of manuscripts by country. U.S. submissions account for nearly 40% of the total, Europe 30%, and Asia 10%. Very few are from the Middle East. Only one submission is from Russia.

Table 1. Origin of papers submitted for publication in GEOPHYSICS by country
July 1, 2006–June 30, 2007

USA	138
Norway	27
Canada	22
China	19
France	17
Brazil	14
Germany	13
Netherlands	11
United Kingdom	11
Italy	10
Switzerland	8
Denmark	7
India	6
Nigeria	6
Australia	5
Japan	5
Mexico	5
Egypt	4
Saudi Arabia	4

Argentina	3
Israel	3
Malaysia	3
Czech Republic	2
Greece	2
Iran, Islamic Republic of	2
Korea, Republic of	2
New Zealand	2
Sweden	2
Turkey	2
Venezuela	2
Belgium	1
Hungary	1
Kuwait	1
Pakistan	1
Romania	1
Russian Federation	1
Slovakia	1
South Africa	1
Total	365

**Table 2. Origin of papers submitted for publication in
GEOPHYSICS by employer
July 1, 2006–June 30, 2007**

Universities	248
Oil companies	43
Service companies and manufacturers	30
Research institutes	29
Governments	11
Consultants	4
Total	365

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	105
2005–06	66
2006–07*	50

* 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
2005–06	181
2006–07	143

Report of the SEAM Corporation Board Chairman

SEAM (SEG Advanced Modeling Project) Corporation **Ken Larner, chairman**

On February 14, 2007, the SEAM Corporation was incorporated as a not-for-profit in the state of Oklahoma, with SEG as sole member, for the purpose of fiduciary, policy, and management oversight of the SEG Advanced Modeling (SEAM) Project, an industrial consortium dedicated to large-scale, leading-edge geophysical numerical modeling.

As stated in its bylaws, “The SEAM Corporation shall advance the science and technology of applied geophysics by, among other things, acting as a leading member of an industry consortium (the “SEAM Consortium”) and engaging in: (1) designing and generating synthetic model 3D and 2D geophysical data that represent challenges to the geophysical community; (2) providing a forum to discuss geophysical problems of interest; (3) advancing the art of modeling and computation by testing and comparing modeling code for accuracy and efficiency; (4) providing data sets for industry benchmarks and educational purposes; and (5) furthering the science of seismology for the public benefit. All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes.”

Members of the SEAM Corporation Board of Directors include Ken Larner (chairman), Arthur Cheng (vice chairman), Leigh S. House (treasurer), William (Bill) L. Abriel, Steve H. Danbom, and Kurt-Martin Strack. In addition, the SEAM Board has formed an Audit Committee under the chairmanship of SEAM Treasurer Leigh S. House, consisting of Steve Danbom and three nonboard members, Bob J. Caine, Jesse Perez, and Anna C. Shaughnessy, who bring business contractual, financial, and management experience.

The SEAM Corporation has contracted Michael (Mike) C. Fehler to assume the position of SEAM project manager. As project manager, Fehler, who brings extensive scientific background in large-scale seismic modeling computation with Los Alamos National Laboratory, will be responsible for day-to-day leadership of all technical aspects of the SEAM Project, including: (1) aiding the SEAM Management Committee, which consists of representatives of the participant companies, in defining features and parameters of geophysical modeling software; (2) contracting for and overseeing the production of geophysical models; (3) archiving and managing distribution of all generated model data; (4) organizing technical workshops for SEAM Corporation member companies; and (5) informing the SEG community about developments of the SEAM Project.

By sharing the high cost of substantial model design and generation, participant companies in the SEAM Project—currently 13 in number—can address large-scale modeling issues at a fraction of the cost of companies doing this alone, thus giving a substantial boost to advancing the art of modeling and computation. The primary technical focus of the two-year SEAM Phase I will be the challenge of 3D subsalt imaging in a Tertiary basin, including issues of seismic-stratigraphic resolution, amplitude response, and heterogeneity in both the postsalt and subsalt sections. Led by chairman Kevin B. Bishop, the SEAM Management Committee is well along in developing the features and parameters of the first geologic model of subsalt structure and stratigraphy beneath near-surface and overburden with sufficient complexity to model seismic noise, including scattering and multiple reflections. The model will include both P- and S-wave velocities as well as bulk density. In addition to seismic modeling, generation of gravity and EM model data is envisioned. The Management Committee could decide to address other technical issues if the budget, dictated by the number of participating companies, allows. Future modeling will address near-surface-induced complications in 3D land seismic data.

Reports of the Standing Committee Chairmen

Advisory

Craig J. Beasley, chairman

Membership in this year's Advisory Committee consisted of the five most recent past presidents: Terry K. Young, Craig J. Beasley, Peter M. Duncan, Mike Bahorich, and Walter S. Lynn. It has been customary for the Advisory Committee to meet at some time during the Annual Meeting; however, lacking any specific agenda items, and each member already enjoying a full complement of meetings, the committee elected not to meet at the 2006 Annual Meeting.

The Advisory Committee has no formal duties other than to advise the serving president and Executive Committee on request. Such requests were made on several occasions, and the committee discharged its duties as requested by SEG President Leon Thomsen. As these matters were of a confidential nature, the details of these deliberations are hereby omitted.

Seventy-Seventh Annual Meeting

John M. Long, general chairman

The 77th Annual Meeting will be held in San Antonio, Texas, September 23–28, 2007. At this time, we have nearly reached our budget for sponsorship and sales of exhibit space. We are expecting an unusually large attendance at this meeting due to many factors, including popular interest in world energy supply and industry interest in new techniques for developing energy resources.

The steering committee consists of Michelle Fullen, vice chairman; Bob Hardage, Technical Program; Ken Helm, Special Programs; Kendall Thomas and Gordon McCoullough, exhibitors; Glenn Kroeger, Applied Science Education Program; Roger Espinosa and James Kiely, International Showcase; Rick Moran, arrangements; and Jamie Long, Spouses' Program.

SEG is proud to announce that this year's Monday morning forum, "Unconventional Resources," includes Jean-Marie Masset, senior vice president of Total; Sverre Strandenes, president of Research and Development, PGS; Steve Dixon, COO, Chesapeake Energy Corporation; and Ray Boswell from the U.S. Department of Energy. Bob Tippee, editor, *Oil & Gas Journal*, will be the moderator. The technical part of the meeting will include 505 oral and 141 poster presentations. Eleven concurrent technical sessions will run from Monday afternoon until Thursday morning. On Wednesday, the Applied Science Program highlight is "A Geophysical Journey

to the Center of the Earth" by one of the world's leading geophysicists and educators, Michael Wysession from Washington University in Saint Louis, Missouri. On Thursday afternoon and Friday, three field trips will take advantage of San Antonio's proximity to excellent rock outcrops. These include a Hill Country rock and winery tour led by Pete Rose, an examination of the Canyon Lake spillway led by Southwest Research Institute, and a tour of rock exposures at local golf courses led by UTSA professor Weldon Hammond.

The International Showcase theme "Latin America, Beyond Borders" will feature exhibitors from Central and South America with presentations that illustrate the business, geophysical, and geologic complexities of their areas. Representatives of several Latin American countries and companies will speak on energy issues at the Global Theatre.

The Spouses' Program includes a talk at the ladies' luncheon by Heloise, author of the nationally syndicated newspaper column "Hints from Heloise." A tour of San Antonio's downtown historical areas and a trip to Gruene Hall are being offered in addition to several seminars that will be held in the hospitality suite.

Social events start with a golf tournament on September 22, held at the Quarry Golf Club just north of downtown. The kickoff event will be the formal presentation of SEG awards on Sunday afternoon followed by the Sunday evening Icebreaker in the Exhibition Hall. The Wednesday night gala, "Fiesta San Antone," featuring a variety of music, food, drink, and dancing, will be held at Sunset Station, just east of the Convention Center.

Hasta la vista.

Constitution and Bylaws

Dan Ebrom, chairman

I would like to thank the committee members for the lively conversations that we have, albeit mostly via e-mail: Roy E. Clark Jr., Jack Kruppenbach, Guy Purnell (vice chairman), Bryan C. DeVault, Walter E. Johnson, Jan Douma, and William (Bill) N. Barkhouse.

This year has seen only one major piece of business—the acceptance of the Geophysical Society of University of Dar es Salaam (GSUD) as a student section of SEG. Most of the Constitution and Bylaws Committee's (C&B) work involved harmonizing the GSUD constitution with the SEG standard student section constitution. The committee suggested a rewrite of the initially proposed GSUD constitution and then accepted the revised GSUD constitution. We extend our wel-

come to our newest student section. Growth of SEG internationally depends on the development of local sections which are the day-to-day face of SEG. The enthusiasm and energy of these new sections, both of students and practicing professionals, needs to be tapped in a way that facilitates creative information sharing, both locally and globally.

Continuing Education

Ronald C. Hinds, chairman

The Continuing Education Committee has had an eventful year. Thirty-one courses were offered in 2007, including seven contract courses. Total enrollment reached more than 600, and Education Weeks were held in north Houston, west Houston, and Calgary. We were particularly pleased to offer successful public courses in Indonesia and Singapore. The committee continues to work to offer more courses outside North America to better serve our expanding worldwide membership. As part of this initiative, the committee is exploring online education to make courses accessible anywhere, anytime. We look forward to developing the online initiative throughout the coming year.

Our flagship offering is the SEG/EAGE Distinguished Instructor Short Course. The 2006 DISC, "Seismic Attribute Mapping of Structure and Stratigraphy," set a new record with 2300 participants at 29 locations. We thank Kurt Marfurt for his time, enthusiasm, and expertise. The 2007 DISC is currently on tour, featuring Biondo L. Biondi. His talk, "Concepts and Applications in 3D Seismic Imaging," has received positive feedback from audiences from Beijing to Houston. Only one-third complete, the 2007 DISC tour has already reached more than 1100 participants. The 2008 DISC instructor, William L. (Bill) Abriel, continues to work on his book for the course "Reservoir Geophysics." His tour will commence in early 2008. Patrick Corbett of the Institute of Petroleum Engineering at Heriot-Watt University has been approved as the 2009 DISC instructor. The DISC subcommittee continues to discuss candidates for the 2010 DISC instructor. We very much appreciate the continuing commitment of the SEG Foundation, which has made it possible to offer a world-class education event at a very affordable price.

In the same vein as online education, the DigitalDISC has conveniently made the DISC available for personal viewing on compact disc. Leon Thomsen's 2002 DISC, "Understanding Seismic Anisotropy in Exploration and Exploitation," was made available in the first week of July to complement the 2001 and 2005 DISCs already in digital format. Two more are in progress. All DigitalDISC presentations can be purchased at the SEG Book Mart or through the online Book Mart at the Tulsa Business Office.

Thanks go to the SEG Professional Development staff—Peter Pangman, Bill Underwood, Candice Chinsethagid, and Cecilia Martin, who help the ideas of the committee become reality. In January, Candice bid farewell to Continuing Education when she moved to the Student Affairs Department,

and at the end of June, Bill Underwood resigned as Professional Development manager. We thank both for their outstanding service to the Continuing Education Committee.

The committee and our programs continue to grow amid change. We look forward to the challenges of 2008!

Development and Production

John R. Waggoner, chairman

The major events for the Development and Production (D&P) Committee in 2006 were the first D&P Forum outside North America and a successful series of Annual Meeting events. In addition, preparation started very early for the 2007 D&P Forum and a theme was chosen for the 2008 D&P Forum.

The 2006 D&P Forum was held in Rio de Janeiro, Brazil, on August 7–11 as the Deepwater Forum cosponsored by the Society of Exploration Geophysicists (SEG), the Sociedade Brasileira de Geofísica (SBGf), and the Latin American Geophysical Union (ULG). Michael Payne chaired the organizing committee and, along with Kristi Smith for logistical and SEG support, did a great job in sometimes difficult circumstances. There are definite challenges in working so closely with organizations that don't have the same ideals and policies as SEG, but compromise and hard work produced an excellent result. The meeting was well summarized in the article "Summary of 2006 SEG/SBGf D&P Forum: Deepwater Challenges in Exploration, Development, and Production" by Michael A. Payne, Edmundo Marques, and John Waggoner, published in the February 2007 issue of *THE LEADING EDGE*, pages 156–157.

At the 2006 SEG Annual Meeting, the D&P Committee hosted both the D&P Luncheon and the Best of D&P Forum workshop. The speaker at the D&P Luncheon was Nader C. Dutta, chief geoscientist, Reservoir Seismic Services, Schlumberger, and member of the U.S. Department of Energy Methane Hydrates Advisory Committee. He spoke on "Natural Gas Hydrates: Detection and Quantification of This Potential Hydrocarbon Resource and Drilling Hazard." The luncheon was well attended, and we thank Dr. Dutta for his fine talk.

For the Best of D&P Workshop, the forum organizing committee ranked the talks given in Rio, and the best speakers were invited to repeat their presentations in New Orleans. In addition to providing increased exposure of the authors' fine work to the broader SEG audience, the intent of the workshop is to expose the broader SEG audience to the format and flavor of a D&P Forum. The workshop was very well attended.

The 2007 D&P Forum, at the end of July on the University of Alberta campus, explored the "Geophysical Challenges of Heavy Oil Development and Production." Larry Lines, Doug Schmitt, and Mike Batzle organized the meeting and preforum field trips.

Finally, the topic for the 2008 D&P Forum will be related to reservoir characterization, although the specifics, including chair, venue, and date, are still being developed.

Distinguished Lecture

William (Bill) L. Abriel, chairman

Bill Fahmy was the 2006 SEG/AAPG Distinguished Lecturer, speaking on the topic "DHI/AVO Best Practices Methodology and Applications," which proved to be a popular talk on the business significance of geophysical analysis. Fahmy traveled extensively throughout North America and to international sites and reached a large number of people. His audiences consisted of a significant number of nongeophysicists who appreciated how he was able to speak to them as well as to the geophysicists.

For the first half of 2007, the SEG Distinguished Lecturer was Len Srnka, speaking on the theory and use of controlled-source electromagnetics. Srnka's lecture was scheduled for many international sites and received a warm turnout for this excellent and timely talk.

Also in the first half of 2007, the first SEG Regional Lecture was presented by Steve Chang for the South and East Asia region. Chang lectured on "Recent Advances in Borehole Geophysics Applications" to audiences in China, India, and Japan. This first regional lecture is the beginning of a program of significantly broadening the international footprint of the SEG lecture program.

The 2007 AAPG/SEG Distinguished Lecture in the second half of 2007 is being presented by Don Lawton of the University of Calgary, on the topic "Anisotropic Depth Imaging and Interpretation of Fold-thrust Structures." Lawton's lectures are primarily international to initiate the joint program of International AAPG/SEG Lecturer, enhancing both organizations' interests in a global reach.

The second half of 2007 has Don Steeples as distinguished lecturer on the topic "Near-surface Seismic Methodology" in which he has gained experience through the years. Although Steeples is scheduled for mainly North American lectures, he is also putting aside schedule time for international presentations.

In the first half of 2008, the distinguished lecturer will be Tad Ulyrch of the University of British Columbia. Ulyrch will present a lecture based on his extensive research and application of signal technology in geophysics.

Also in the first half of 2008, the second of the regional lectures will be presented by Shiv Dasgupta on "Emerging Geophysical Tools for Reservoir Monitoring in Intelligent Fields." Dasgupta will lecture in the Middle East and Africa.

Thanks to the persistence and effort of the SEG Online initiative, SEG's Web site now contains most of the more recent distinguished lectures, which are receiving a significant number of Web visits. As an example, more people visited the Web site for Greg Partyka's distinguished lecture than were able to attend it in person. These recorded presentations are now a proven way to reach the international community and have established the precedent for distinguished lectures.

Exhibitors

Kendall A. Thomas, chairman

Since inception in 1999, the Exhibitors Committee has relayed concerns and ideas of exhibiting companies to the SEG leadership. Committee members Gordon McCoullough, Lynne Asher, Carmen M. Comis, and Liz Ivie were available throughout the year to collect ideas and field questions regarding exhibiting at the meeting and enhancing benefits to exhibitors. The committee also was involved with the Applied Science Program and other volunteer activities.

The committee allows another level of communication between exhibitors and SEG. Comments to improve the Annual Meeting and the exhibitors' experiences have been put in place over the years. The focus for the Exhibitors Committee this year will be to see what technology or enhancements the exhibitors would like to add to the Annual Meeting for better return on their investment. The committee will look at being able to capture more data from booth visitors and to expedite information to qualified customers.

Booth sales for the 2007 Annual Meeting were at 1089 as of July 1. This number has exceeded the final number of booths from the 2005 Annual Meeting in Houston and the 2006 Annual Meeting in New Orleans. We hope to have a record turnout!

Foundation Board of Directors

Gary G. Servos, chairman

SEG President Leon Thomsen has reappointed three directors of the Foundation to an additional three-year term: William (Bill) N. Barkhouse, Brian H. Russell, and Charlie B. Smith Jr. Thomsen also invited Mike Seidner, former chairman of the Scholarship Committee and ExxonMobil manager, to join the Foundation board. Seidner accepted the invitation, expanding the number of board members to 12.

On January 31, 2007, the Foundation Board of Directors held its first meeting of 2007. The board welcomed new and returning members and elected the following officers: Chairman Gary G. Servos, Vice Chairman William (Bill) N. Barkhouse, and Treasurer Charlie B. Smith Jr.

The board also voted to bestow the title of chairman emeritus on Richard (Dick) A. Baile, who served as chairman of the Foundation from January 1, 2002, to December 31, 2006.

This year, the Foundation finds itself in the middle of continued expansion and exciting activities. The 2007 forecast for support of the SEG student and education programs is projected to exceed US\$1.2 million, a record endeavor. Assets of the Foundation exceed \$14 million. The 2006 return on investment was 21.2%. Outstanding results!

The Major Gifts Campaign cabinet, chaired by Bill Barkhouse, continues to exceed all goals and objectives. Many individual members and companies have responded positively, and

the campaign is truly up and running. Suffice it to say that the results are outstanding, and you should follow the success via “seg.org,” “TLE,” and/or “Carrying the Torch,” the quarterly Foundation newsletter.

The mission of the Foundation is to support the programs of your Society. These programs fall into three major categories: student programs, Professional Development, and Youth Outreach. Several highlighted programs reached new milestones during 2007 and deserve mention.

Scholarships. First, the scholarship program has been the bellwether program for almost 50 years and since inception has granted almost 4000 awards totaling more than \$5 million to almost 2000 recipients. This is impressive, but look at the results of 2007 alone. The Scholarship Committee reviewed more than 350 applicants and selected 172 exceptionally qualified recipients to receive awards totaling \$448 350. This includes the new Anadarko/SEG scholarships for undergraduate and graduate students studying in the United States. Sixty of these awards are to students studying outside the United States, and these scholars are studying in 18 countries and represent 32 nationalities—truly global and a sign of the future!

Projects of Merit. Second, in 2007, the Foundation awarded a cumulative total of \$125 650 to 20 Projects of Merit based on the recommendations of the Selection Committee, who reviewed all project submittals. The goal of the annual Projects of Merit Program is to provide support to worthwhile projects that are aligned with the Foundation’s mission. Sixty-five percent (13) of the 20 projects are outside the United States. Two of the 20 are collaborative projects between U.S. and non-U.S. universities and students. The GAC continues to administer the PCs for Students project and several field-camp activities with hands-on learning experiences included in the projects—another sign of the future!

Travel grants. The third program that deserves mention is the expanding Travel Grants Program. This program provides funds to student members (the future of our Society) from around the world so that they may participate in many of the activities and meetings of the Society that would not normally be available to them. The program supports Annual Meeting grants, the SEG/Chevron Student Leadership Symposium, the AAPG/SEG Fall Student Expo, the Summer Research Workshop, and several SEG Challenge Bowl teams that do not have local support. In all, approximately 60 students will receive travel grant support in 2007. Certain qualifications are required for grant support, and the Travel Grant Committee reviews all applications and selects the best-qualified students for each of the programs—an additional sign of the future!

Other programs. All SEG programs are important, and your Foundation continues to support DISC, the Distinguished Lecturer Program, the new Regional Lecturer Program, the newly restructured and improved SEG Web site “SEG Online,” and the Youth Outreach efforts.

What is the future of the Foundation? “A Sign of the Future” has been mentioned several times in this report, so what will be the Foundation’s ongoing role. The overall mission to support the programs of the Society will not change. As the Society becomes increasingly global, the Foundation will become more global and the support will be focused on the membership, wherever they practice the profession of geophysics.

The board of directors of your Foundation wishes to thank everyone who supports the efforts of the Foundation and who is critical to our current and future success. Specifically, the very dedicated Tulsa staff, the 2006–2007 Executive Committee, the Trustee Associates, the Doodlebuggers, the companies you work for and, most important, you the members of the Society of Exploration Geophysicists.

*Advancing Geophysics Today
Inspiring Geoscientists for Tomorrow*

Global Affairs

David M. Pitcher, chairman

Michael J. A. Burianyk, vice chairman

Aldo L. Vesnaver, past chairman

Continued growth in the international portion of SEG’s membership presents both opportunities and challenges that the Global Affairs Committee (GAC) is charged with addressing. In a recent poll to global members, the most important aspect of membership was the access to meetings and continuing education. It is recognized that travel expenses to the annual meetings are unaffordable for many living outside of North America, and the Society needs to have a long-range plan for exposure through international conferences and continuing education. This year has seen the introduction of a new program to address the issue. The Regional Lecturer Program was initiated with Steve Chang presenting his talk, “Recent Advances in Borehole Geophysics Applications,” to audiences in South and East Asia and Shivaji (Shiv) N. Dasgupta presenting “Emerging Geophysical Tools for Reservoir Monitoring in Intelligent Fields” in the Middle East and Africa. In the coming year, additional regions around the world will take part in this program.

A major portion of the winter meeting of the GAC, held in Houston on March 29–30, was dedicated to discussion on membership issues. Sponsorship money for global membership, underwritten by Apache since the program’s inception, ran out this year. SEG was faced with the prospect of losing a significant number of members if new funding was not secured. Fortunately, through the generosity of Bill Barkhouse, Fred Aminzadeh, Kurt-Martin Strack, and others, sponsorship was secured for at least the coming year. The GAC and Membership committees will continue to work together to address this and other membership issues.

Another international issue on which progress has been made is the establishment of international offices, which the GAC has strongly supported. The recent announcement by

Leon Thomsen to open offices in Perth and Beijing is welcome news, and is seen as a critical first step in increasing the exposure of the Society in other parts of the world and increasing services to members in those regions.

On the agenda for this year's GAC/Council workshop at the Annual Meeting is discussion of ways the Society can more closely interact with its affiliated sections. This will include ways to improve communication in addition to establishing expectations for the sections. Council representation is a serious issue. Many sections are not providing voting representatives, and some have not done so for several years. Is there a way to revive inactive sections, or should they lose voting rights? Simon Spitz is leading the Special Projects task force within the committee, and one of the items is to poll sections requesting ideas to improve SEG services.

Other task force leaders to support committees in expanding their services to international members are:

Melvyn E. Best, Continuing Education
 Ralph M. Bridle, Global Spotlight
 Fred K. Boadu, Student Sections
 Mike Burianyk and Mary H. (Missy) Feeley,
 PCs for Students
 María Ángela Capello, K-12
 Arthur Cheng, International Offices
 Klaas Koster, Membership
 Vik Sen, Networking Issues
 Simon Spitz, Special Projects
 Dennis A. Yanchak, Translations

PCs for Students Program. Approximately 25 applications from eligible SEG student sections were received for the 2006 PCs for Students Program. The SEG Foundation provided a grant of \$10 000 during 2006–2007, enabling the purchase of computer systems to the following universities/student sections:

Algeria (pending)—University of Boumerdes
 China—Chinese Academy of Sciences
 Ghana—University of Ghana
 Russia—Novosibirsk State University
 Turkey—Dokuz Eylul University
 Venezuela—Universidad de Oriente

The Foundation has granted the GAC \$15 000 for the upcoming year, allowing for not only more sections to receive systems but to upgrade computers at sections which previously received awards in previous years.

The GAC Web site has benefited from several years of hard work by Vikram Sen. It continues to be upgraded and serves the needs of the committee extremely well. Reports from regional coordinators and country representatives are linked to the GAC Web site.

The GAC continues its close relationship with the International Showcase. This year's focus is on Latin America, a natural fit with the Annual Meeting location in San Antonio. Speakers at the Global Theatre will discuss business and tech-

nological applications in the region.

The committee also arranges speakers for the international luncheons at the Annual Meeting. This year, the following speakers have been arranged:

- Asia/Pacific: Apurba Saha, president SPG-India, ONGC, India, "Role of Geophysics in Management of Mature Fields"
- European/FSU: Federico Arisi Rota Sr., vice president for Global Exploration, Eni, "Using Technology to Create Blue in Mature Area Exploration"
- Latin America/ULG: Guillermo A. Pérez-Cruz, deepwater manager of Pemex Exploracion y Produccion; "Deepwater Exploration in Mexico: Achievements and Challenges"
- Middle East/Africa: Abdulkader M. Afifi, manager of Exploration Technical Services Department for Saudi Aramco, "Middle East Oil and Gas: One Century Later."

The committee continues to grow as the international focus of the Society expands. Many thanks for the hard work of the SEG staff, especially Pamela Terekhova, who makes the committee actually work.

Global Development Advisory David J. Monk, chairman

The Global Development Advisory Committee (GDAC) was formed at the 2006 Annual Meeting to examine the opportunities and potential for SEG in opening offices around the globe and to advise the Executive Committee based on the views of the GDAC members. Committee members are spread through the world and, although none has a specific area of responsibility, most regions are represented within the knowledge base of the committee. This year, the committee reviewed draft plans and detailed business models for several global office opportunities, including China, Australia, India, Russia, and Brazil. Recommendations were made to the Executive Committee on the potential makeup of offices, order of opening offices, best locations, and a variety of other issues related to spreading the "SEG brand." It was clear that SEG could not pursue all opportunities at the same time and initially lacked the staff representation to develop some of the opportunities. GDAC advice was that this position be filled at the earliest possibility, and during the year, the staff position was filled with the appointment of Bastiaan Bouma as director of Global Relations. We now believe that SEG is in position to announce the next steps in implementing the GDAC's advice.

My thanks go to committee members Howard Golden, Alfred Liaw, Paulo Siston, Aldo Vesnaver, and to Arthur Cheng for his cooperation from the Global Affairs Committee.

Gravity and Magnetism

E. Gerald Hensel, chairman

Rao Yalamanchili, 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—in April and 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 Committee's Web page and a dedicated list server which includes geophysicists outside SEG.

Work for the 2007 Annual Meeting is in progress, with Yaoguo Li and Alan Herring putting together a workshop on "Time-lapse Gravity Monitoring of Reservoirs and Aquifers." There will be six invited presentations covering topics including instrumentation, GPS positioning, and case histories in petroleum and groundwater applications. In addition, the workshop will accept contributions in the form of poster presentations. The presentations will be scheduled to facilitate maximum interaction and discussions among the participants. Chuck Campbell is organizing the technical program, which will include morning and afternoon oral sessions and a poster session. The luncheon, organized by Jerry Hensel, will feature Jerry Brady of BP as speaker. His topic will be the 4D surface gravity surveillance of a waterflood at Prudhoe Bay, Alaska.

Our committee is also heavily involved in SEG publication activities. THE LEADING EDGE includes the "Meter Reader" column, organized by Bob Van Nieuwenhuise, as a regular feature. This continues in 2007, with Greg Lyman taking on the task of editor. Work by Stuart Hall, Dale Bird, Pat Millegan, and Jerry Hensel continues on updating L. L. Nettleton's gravity and magnetism monograph book.

The G&M Committee continues improving 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 Columbia University hosted list server. Chuck Campbell oversees these Web activities. Bimonthly dinner talks are organized by committee member Shawn Mulcahy for presentation through the Potential Fields SIG of the Geophysical Society of Houston. Continuing Education activities continue, with Michal Ellen Ruder presenting a gravity and magnetism methods and interpretation short course several times through the year.

The chairmanship of the Gravity and Magnetism Committee is on a two-year rotation. My term as chairman continues until the end of the 2008 Annual Meeting. I'm pleased to present this report to SEG.

Honors and Awards

Walter S. Lynn, chairman

One of the most important functions of our professional society is honoring those who have made significant contributions to the profession and to science. By unanimous agreement of the Honors and Awards Committee and the Executive Committee, the 2007 honorees are:

Maurice Ewing Medal: Roy O. Lindseth for his prodigious contributions to the practice and profession of exploration geophysics over a period of more than 60 years. A testament to Lindseth's achievements is the numerous awards he has received, including three SEG Awards: Kauffman Medal (in 1970), Honorary Membership (in 1984), and the Cecil Green Enterprise Award (in 1989, the first time this award was given).

Honorary Membership:

Bob A. Hardage for his longtime contributions to the science of exploration geophysics and his selfless devotion of time and energy to geophysical education, conferences, and publications

and to

Virgil Barden for his distinguished contributions to exploration geophysics. His scholarly publications span over three decades since 1973, with primary focus on diverse topics in seismic acquisition and processing.

Virgil Kauffman Gold Medal: Terje Eidesmo and Svein Ellingsrud for their pioneering work in the use of controlled-source electromagnetics (CSEM) for direct hydrocarbon indication

and to

Leonard J. Srnka for his significant contributions to the development of controlled-source electromagnetics (CSEM). Srnka's early work, in the 1980s, was instrumental in proving the use of CSEM technology for direct hydrocarbon detection in the marine environment and led to extensive testing of the CSEM mapping worldwide.

Cecil Green Enterprise Award: Not awarded in 2007.

Reginald Fessenden Award: Paul C. Sava for his work on angle-domain wave-equation common-image gathers with particular emphasis on deriving velocity information from the process.

J. Clarence Karcher Award: Robert G. Clapp, Antoine G. Guitton, and Matthew M. Haney for their numerous and significant contributions to exploration geophysics, particularly in the areas of seismic imaging and processing.

Life Membership:

William L. Abriel for his long and distinguished record of contributions to the Society in both the technical and service arenas

and to

James E. Gaiser for his outstanding record of scientific

achievements and contributions to the field of exploration geophysics, especially in the area of multicomponent and converted-wave seismology.

Special Commendation: Katharine Lee Avary, Martha Lou Broussard, Michael M. Deal, Mary Beth Hattaberg, Randi S. Martinsen, Charles R. Noll, Roger M. Slatt, and James V. White for their work to create and sustain the AAPG/SEG Student Expo.

Distinguished Achievement Award: Statoil Research Centre, Norwegian Geotechnical Institute (NGI), Scripps Institution of Oceanography, University of Southampton, and ExxonMobil Upstream Research Company for their significant contributions to the development of controlled-source electromagnetics for the direct indication of hydrocarbons and helping to build this technology into a commercially viable industry.

Best Paper in GEOPHYSICS 2006

Green's function representations for seismic interferometry
Kees Wapenaar and Jacob T. Fokkema

Honorable Mention (GEOPHYSICS)

The virtual source method: Theory and case study
Andrey V. Bakulin and Rodney W. Calvert

Properties of surface waveguides derived from separate and joint inversion of dispersive TE and TM GPR data
Jan van der Kruk, Rita Streich, and Alan G. Green

Induced polarization measurements on unconsolidated sediments from a site of active hydrocarbon biodegradation
Gamal Z. Abdel Aal, Lee D. Slater, and Estella A. Atekwana

Correlation of random wavefields: An interdisciplinary review
Eric Larose, Ludovic Margerin, Arnaud Derode, Bart van Tiggelen, Michel Campillo, Nikolai Shapiro, Anne Paul, Laurent Stehly, and Mickael Tanter

Best Paper in THE LEADING EDGE 2006

High-resolution multicomponent seismic imaging of deep-water gas-hydrate systems
Milo M. Backus, Paul E. Murray, Bob A. Hardage, and Robert J. Graebner

Honorable Mention (TLE)

Application of spectral decomposition to detection of dispersion anomalies associated with gas saturation
Emeka Odebeatu, Jinghua Zhang, Mark Chapman, Enru Liu, and Xiang-Yang Li

Seismic interferometry—Turning noise into signal
Andrew Curtis, Peter Gerstoft, Haruo Sato, Roel K. Snieder, and Kees Wapenaar

Marine electromagnetic methods—A new tool for offshore exploration
Steven C. Constable

Best Oral Paper Presented at 2006 Annual Meeting

Virtual shear check shot with air guns
Andrey V. Bakulin, Alben A. Mateeva, Rodney W. Calvert, and Patsy R. Jorgensen

Honorable Mention (Best Paper)

Detecting hydrocarbon reservoir with seabed logging in deepwater Sabah, Malaysia
Chin Keong Choo, Mark Rosenquist, E. Rollett, Kamal Ghafar, J. Voon, and H. F. Wong

Best Poster Paper Presented at the 2006 Annual Meeting

Local seismic attributes
Sergey Fomel

Honorable Mention (Best Poster Paper)

Edge preserving filtering on 3D seismic data using complex wavelet transforms
Michael A. Jervis

Best Student Paper Presented at the 2006 Annual Meeting

3D magnetic inversion for total magnetization in areas with complicated remanence
Peter G. Lelievre, Douglas W. Oldenburg, and Nigel D. Phillips

Award of Merit (Best Student Paper)

Geomechanical modeling as a reservoir characterization tool at Rulison Field, Piceance Basin, Colorado
Shannon M. Higgins, Thomas L. Davis, and Tom Bratton

Best Student Poster Paper Presented at the 2006 Annual Meeting

Scattering regimes and the influence of heterogeneity on the seismic detection of mineral exploration targets
Elizabeth L'Heureux

Award of Merit (Best Student Poster Paper)

Application of 3D electrical resistivity imaging in an underground potash mine
Robert A. Eso, Douglas W. Oldenburg, and Michael Maxwell

Interpretation

R. William (Bill) Keach II, chairman

The Interpretation Committee (IC) continues to address topics of interest to the many members of SEG. This is done through a variety of methods, including workshops, sponsorship of sessions on best practices, and cooperation with AAPG's Geophysical Integration Committee. Several people serve on both committees—ensuring a cross-fertilization of ideas.

The highlight of the committee's efforts this year was the workshop "How Inaccurate is my Interpretation? A Workshop on Uncertainty," held immediately after the Annual Meeting in New Orleans. Much of the organization was done the previous year under the direction of Verney Green (past chairman). Alistair Brown, Verney Green, and Bill Keach cochaired

the workshop. The topic of uncertainty is a timely one that drew a large group of participants and presenters with 120 participants and eight presenters. The committee is grateful to Chevron, Halliburton, and Schlumberger for their sponsorship of the lunch for all the participants.

Objectives of the workshop were:

- to help seismic interpreters understand and quantify uncertainty
- to present workflow concepts to capture uncertainty in interpretation and depth conversion
- to understand how these affect resource estimates and well prognosis

The workshop consisted of eight individual presenters from academia, service, and oil companies in the morning, followed by a panel discussion in the afternoon. Topics included discussion of uncertainty in interpretation methods, prospect ranking, and field development decisions. The presenters did an outstanding job of covering the stated objectives and provided a strong foundation for the afternoon panel discussion. A key part of the panel discussion was the participation of the audience. Presenters and panel members included James (Jamie) D. Robertson, Rannoch Petroleum; Scott Evans, Halliburton; Verney Green, Chevron; Chris Johnson, University of Utah; Kevin McKenna, Paradigm; Rocky Roden, SMT; William (Bill) L. Abriel, Chevron; Pom Sabharwal, Schlumberger; and Bill Keach, Halliburton.

Meetings Review and Planning

Michael J. A. Burianyk, chairman

The SEG's Meetings Review and Planning Committee in 2007 is chaired by Michael Burianyk. Members are Samir Abdelmoaty, Paul S. Cunningham, Richard M. Cieslewicz, Klaas Koster, and David J. Monk, with Roy Clark as the liaison from the Executive Committee. The MRPC is responsible for providing oversight and recommendations to the Executive Committee on SEG sponsorship and participations in meetings, conferences, and other scientific and industrial fora. Most of the work centers on reviewing applications made to SEG for different levels of sponsorship. The committee assures itself that the organizers are in line with SEG objectives, that they have significant SEG input, that higher levels have appropriate SEG appointed chairs, and that sufficient resources from the SEG business office are available. In 2007, SEG will host, sponsor, or otherwise participate in meetings in Bahrain, Brazil, Canada, China, Italy, Mexico, Russia, South Africa, Turkey, UAE, and the United States. The MRPC in this way acts as institutional memory for SEG and provides different perspectives brought by its members who have long experience serving on other committees and provide important checks and balances for the final decision by the Executive Committee.

However, the real importance of the committee lies in the vision and planning for a long-term SEG strategy for globalization. This year in particular, the committee held strong feelings

on the need for SEG to concentrate its meetings sponsorship in areas where new business offices are needed. Some of the MRPC members advocate taking the lead in getting the SEG involved in many more Level 4 and Level 5 meetings around the world so that the Society can reach out to its global members and local societies and sections. Definitely, MRPC understands the need for increased exposure of SEG in the different regions.

The questions MRPC is charged with answering are not trivial and, to be honest, have not yet been adequately addressed. But it is a young committee that is still finding its feet. As MRPC struggles even with what questions need answering, it is building a foundation for the future.

Membership

Douglas E. Wyatt Jr.

SEG continues to grow both in numbers and in global outreach supporting exploration geophysics. Beyond numbers, SEG is attracting new members who are (1) young and represent the future of the science, (2) global and represent the diversity of international geophysics, and (3) experienced, adding depth and breadth of knowledge to the Society. The overall state of SEG membership growth is excellent.

The increasing globalization of SEG membership has continued. This is primarily true both for new Global-category members and new student members. However, both Active and Associate international members are a noticeable part of our overall growth as an organization. As of June 30, 2007, the total membership of SEG is 26 265. Included are 351 membership applications pending, to which 175 are new member applications and 176 are new student applications. Our current membership breakdown is: Active 8373, Associate 8945, Student 7081, Global 1825, and Corporate 41.

The figures show growth since 1985. In the last five years, there is a slight increase in new U.S. members. Currently, 60% of SEG members live outside the United States (Figures 1–3). Figure 4 shows a membership category breakdown since 1980.

We currently have 50 U.S. student sections and 133 non-U.S. student sections. Our student membership, a large part of our growth, is shown in Figure 5 by region. Our global category of membership by region is shown in Figure 6.

The Membership Committee has worked with the Global Affairs Committee (GAC), the Student Sections/Academic Liaison Committee (SS/ALC), and the SEG Executive Committee (ExCom) to discuss and propose changes to membership categories and benefits. These changes include:

- requirements for and transitioning to Active Membership status
- the Global Membership category and tiered dues structures
- the registration mechanism for international student members
- the status of our Corporate Membership program and reasonable dues increases

Changes are expected in all of these areas for the coming year.

	2003	2004	2005	2006	2007
U.S.	9450	9476	9692	10 194	10 528
Non-U.S. and Canada	7599	9074	11 132	12 018	13 923
Canada	1700	1698	1773	1763	1821

Figure 1. Geographic distribution of members (2003–2007).

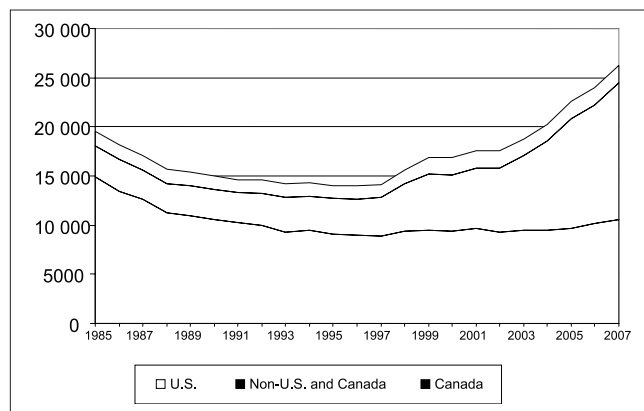


Figure 2. SEG's growing international membership.

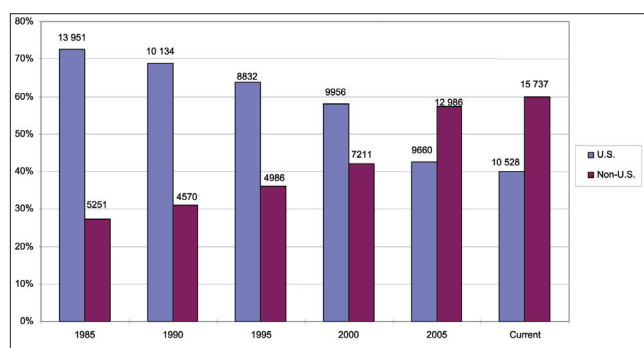


Figure 3. SEG globalization of membership, June 30, 2006.

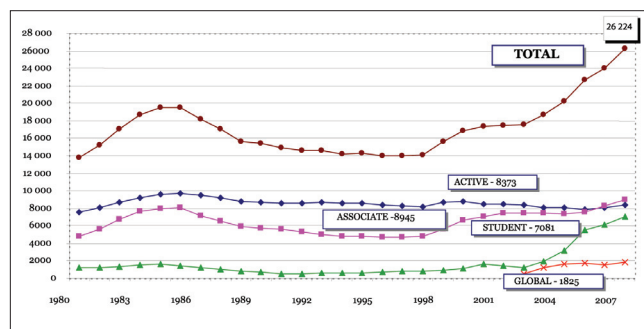


Figure 4. Breakdown of membership category by classification (1980–2007).

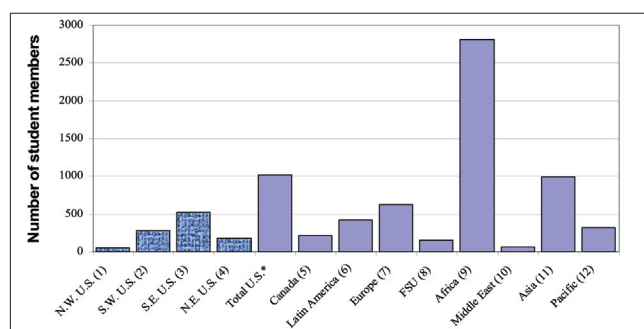


Figure 5. Student members shown by geographic region.

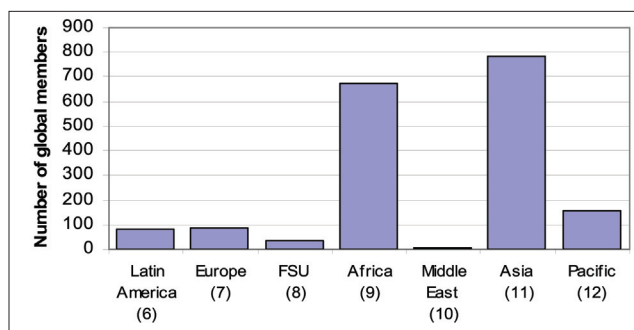


Figure 6. Global category of membership by region.

Mining and Geothermal

Michael W. Zang, chairman

Richard S. Smith, vice chairman

The Mining and Geothermal Committee (M&G) put a lot of effort into the 2006 SEG Annual Meeting in New Orleans, organizing two sessions in the technical program, a luncheon, and two workshops. The technical sessions were coordinated by Mary M. Poulton and Ken E. Witherly. One had a case-history flavor and the second a technology flavor. The first workshop was on “SQUID Technology for Geophysical Exploration,” organized by Richard Osmond and Bill Ravenhurst. The second workshop was “Geophysical Methods and Techniques Applied to Uranium Exploration,” organized by Grant Nimeck and Lawrence Bzdel. The committee also organized a luncheon, with guest speaker Mike Doggett. His speech has since been published in *THE LEADING EDGE* with the title “Wanted—A few good men: The war for talent comes to the mining industry.” At the luncheon, it was announced that the 2006 Hohmann Award for excellence in applied electrical geophysics was awarded jointly to Adele Manzella, of the Institute of Geosciences and Earth Resources, Italy, and Toshihiro Uchida, of the National Institute of Advanced Science and Technology, Japan, for outstanding application of electrical and electromagnetic methods to the study of geothermal resources.

Shortly after the Annual Meeting, the M&G Committee recognized Clare R. O'Dowd, Garnet Wood, Dan Brisbin, and Brian Powell as the authors of the best Mining and Geothermal oral paper at the 2006 SEG Annual Meeting. Their paper title was “Enhancing uranium exploration through seismic methods and potential field modeling at the McArthur River mine site, Saskatchewan, Canada.” The best Mining and Geothermal poster paper was given by Elizabeth L'Heureux, whose presentation was “Scattering regimes and the influence of heterogeneity on the seismic detection of mineral exploration targets.”

Richard S. Smith will be the incoming chairman at the end of the 2007 SEG Annual Meeting in San Antonio.

In March 2007, a committee meeting was held to plan the technical sessions, the luncheon, and workshops for the next “Mining Summit,” to be held at the 2008 SEG Annual Meeting.

THE LEADING EDGE will have a special section on mining in January 2008, and we encourage our colleagues to publish in this issue.

Committee on Nominations

Terry Young, chairman

It has been a pleasure to serve this year as chairman of the Committee on Nominations, which includes SEG's three most recent past presidents and four active members, each representing an SEG section or associated society. This year's committee members are Geza Nemeth (Association of Hungarian Geophysicists); Paulo Roberto P. Siston (Sociedade Brasileira de Geofísica); Tracy J. Stark (Dallas Geophysical Society); Aldo L. Vesnaver (Italian EAGE-SEG Section); and past presidents Craig J. Beasley; Peter M. Duncan; and Terry Young. Excellent SEG staff liaison support was provided by Mandi Duckworth.

The committee met briefly at the 2006 SEG Annual Meeting in New Orleans. Thereafter, because of the geographic diversity of the committee's membership, deliberations were conducted by e-mail and telephone conferences.

The committee submitted the following slate of candidates for election by the membership to the 2007–2008 Executive Committee:

President-elect	Klaas Koster Larry Lines
First vice president	Eugenio Loinger Ivan Simões-Filho
Second vice president	Arthur C. H. Cheng Louise Pellerin
Vice president	Guillaume Cambois Sergio Chávez-Pérez
Secretary-treasurer	Michael M. Deal Dan Ebrom
Editor	Kees Wapenaar

This committee also provides nominations for district representatives to the SEG Council as positions become open. Active members who are not represented by sections are represented on the Council by representatives from the geographic districts corresponding to their mailing addresses. This year, the following candidates were nominated to run unopposed for vacant positions in their districts:

District 1 (one vacancy)	Michael J. Faust
District 2 (one vacancy)	Biondo L. Biondi

District 3 (three vacancies)	Jan Douma Galen E. Treadgold Richard J. Zinno
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District 4 (one vacancy)	Maarten V. de Hoop
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District 7 (two vacancies)	Etienne Robein Serge A. Shapiro
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District 12 (one vacancy)	Karen Romine
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No candidates were nominated by petition for this election.

I thank my fellow committee members for the hard work, time, and diligence they put into seeking this slate of candidates. We are grateful for the willingness of these candidates to serve the Society.

Project Review

Ivan Simões-Filho, chairman

The goal of the annual Projects of Merit Program is to provide support to worthwhile projects that are aligned with the SEG Foundation's mission of encouraging and supporting scientific, educational, and charitable activities of benefit to geophysicists. The SEG Project Review Committee (PRC) has the task of recommending to the SEG Executive Committee which projects they should recommend for funding to the SEG Foundation Board.

Twenty-two projects were submitted this year, totaling US\$206 654 requested budget. The review process was the following:

- The chairman of the PRC reviewed all applications with respect to their compliance with the submittal requirements. Those which were grossly noncompliant were not submitted for review by the PRC members.
- Each PRC member was assigned to review four projects.
- If there was any conflict of interest, e.g., committee members had relationships with the proposer that might have made it difficult for them to render an objective judgment (such as coming from the same company or from a friend, etc.), we arranged a shift of proposals or dismissed the reviewers.
- Committee members had 10 points each to distribute among the projects to which they were assigned. They could assign these points as they wished. For instance, all 10 points could be given to a single project or distributed to two or more projects. This mimics the assignment, to each PRC member of a limited "budget" which they could allocate freely among the project they reviewed.
- Unfortunately, not all PRC members were able to provide timely reviews, so that not every project was reviewed by the same number of reviewers. For this reason, the points assigned to each project were normalized according to the number of reviews received. However, we ensured that every project was reviewed by at least two reviewers.

- The projects were then ranked according to the normalized number of points assigned by the reviewers.

The SEG Foundation Board awarded a cumulative total of \$109 650 to 19 Projects of Merit. A brief description of the awarded projects can be found on the SEG Foundation Web site, <http://foundation.seg.org/projects/>. Each project was awarded a sum ranging from \$2000 to \$10 000.

I would like to thank the members of the committee who generously offered their valuable time and provided their reviews within the tight deadlines. They are Ali Tura, Azra N. Tutuncu, Ferdinand K. Aniwa, Fred Boadu, Jessé Costa, Stephen Bannister, and Vladimir Grechka.

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 necessary in their jobs. This report summarizes works recently published and those that are to be published in the near future.

Reference publications issued in fiscal year 2007 (July 1, 2006, to July 1, 2007) are:

- *3D Seismic Imaging*, by Biondo L. Biondi
- *Concepts and Applications in 3D Seismic Imaging* (2007 DISC book), by Biondo L. Biondi
- *Classics of Elastic Wave Theory*, edited by Michael A. Pelissier, Henning Hoerber, Norbert van de Coevering, and Ian F. Jones
- *Expanded Abstracts* Historical Series on DVD-ROM (1982–2006)
- GEOROM XIII, DVD-ROM archive of GEOPHYSICS (1936–2006) and THE LEADING EDGE (1982–2006)
- CREWES BrAVO AVO and Inversion Collection (published by CREWES; SEG consignment sales)

Reference publications published since July 1 are:

- *Seismic Attributes for Prospect Identification and Reservoir Characterization*, by Satinder Chopra and Kurt J. Marfurt
- *Seismic True-Amplitude Imaging*, by Jörg Schleicher, Martin Tygel, and Peter Hubral
- *A Practical Understanding of Pre- and Poststack Migrations*, Volume 1 (Poststack), 2007 edition, by John C. Bancroft
- *A Practical Understanding of Pre- and Poststack Migrations*, Volume 2 (Prestack), 2007 edition, by John C. Bancroft
- *Expanded Abstracts* Historical Series on DVD-ROM (1982–2007)

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; Michael A. Pelissier, Geophysics Reprints; Lawrence M. Gochioco, Continuing Education Course Notes; David Fitterman, Geophysical Monographs; Steve Hill, Geophysical Developments; and Gene Scherrer, Geophysical References.

Publications Policy

Stephen J. Hill, chairman

The SEG Executive Committee created the Publications Policy Committee in April 2006. The SEG Publications Policy Board addresses a range of policy issues that fall outside the focus of any current SEG publications-related committees or involve more than one such committee. It focuses on strategic issues such as member publications benefits, intersociety publishing initiatives, publication pricing policies, and questions of commercialism and conflicts of interest in publications. The board recommends action to the Executive Committee as necessary.

Committee members are: chairman of THE LEADING EDGE Editorial Board (Don Herron); chairman of the SEG Online Committee (Susan Peebler); chairman of the Publications Committee (Satinder Chopra); chairman of the Translations Committee (Sergio Chávez-Pérez); assistant editor of GEOPHYSICS (Johan Robertsson); two members at large (Joe Dellinger and Mike Schoenberger); and the Editor, serving in an ex-officio capacity (Yonghe Sun).

The following lists the committee's activities:

- 1) We endorsed continuation of current page charges for GEOPHYSICS.
- 2) We endorsed adding ASEG to the online archive. (After this endorsement, ASEG rejected SEG's proposal, although dialog between the societies is continuing toward the air of high integration between ASEG and SEG online archives.)
- 3) We served as a sounding board for the "third journal" proposal.
- 4) We endorsed increasing the member charge for receipt of the paper version of GEOPHYSICS from US\$25 to US\$35 a year.
- 5) We endorsed including EAGE publications in the LookUpstream search engine that currently covers SPE, AAPG, and SEG publications.

Research

Kurt-Martin Strack, chairman

The main activities of the Research Committee (RC) are organizing postconvention workshops and summer research workshops.

The 2006 SEG/EAGE Summer Research Workshop in Snowbird, Utah, was on "Subsalt Exploration and Develop-

ment: Imaging, Interpretation and Drilling. What Have We Learned?" The chairman of the organizing committee was Biondo L. Biondi.

EAGE hosted the joint Summer Research Workshop in 2007 held in Antalya, Turkey, titled "Seismic Noise: Origins, Prevention, Mitigation, Utilization." Chris Krohn, Necati Gulunay, and Shuki Ronen were the organizers. It was a great success.

Our workshop activities have increased. After our January meeting, the RC began planning for two summer workshops in 2008 titled "Emergent and Challenging Issues in Rock Physics: Rock this House!" and "Deliberate Exploration of Unconventional Resources," coorganized with EAGE.

Postconventions workshops the RC selected for the 2007 Annual Meeting are:

- "New Resistivity Tools and Their Business Impact?," organized by Ian Zhang, Tom D. Barber, and Qiang (John) Zhou
- "Shale Petrophysics and Seismic Geomechanics," organized by Colin M. Sayers, David N. Dewhurst, Haibin Xu, Ali Tura, and Ran Bachrach
- "Reliability of Seismic Attributes after Depth Migration," organized by Sergio Chávez-Pérez and Nader C. Dutta
- "Are We There Yet? Carbonate Rock Physics Workshop," organized by Ayaka Kameda, Ronny Hofmann, and Mark G. Kittridge
- "CO₂ Sequestration Monitoring," organized by Stephan Gelinsky, Cengiz Esmersoy, Lianjie Huang, David E. Lumley, and Arthur Cheng
- "The Usage of Soft Computing Methods in the Energy Industry," organized by Dave A. Wilkinson, Stewart A. Levin, Matthias G. Imhof, and James S. Schuelke
- "Smart Oil Field—Geophysical Methods for Reservoir Surveillance—Passive Aggressive Seismic," organized by Dave A. Wilkinson

Sessions the RC selected for this year's Annual Meeting are:

- "Recent Advances and the Road Ahead," by Arthur Cheng and Kurt-Martin Strack
- "Beyond the Horizon," by Yoram Shoham, Dirk Smits, and Ran Bachrach

The RC is also supporting the SEG Advanced Modeling Program (SEAM)—SEG's new 3D modeling initiative which has become a nonprofit corporation.

We streamlined our Web site and are reviewing our membership roster.

Reviews

David C. Bartel, chairman

The Reviews Committee continued in established form in 2006–2007. The committee publishes reviews of recently pub-

lished books of geophysical interest in *THE LEADING EDGE*. Not only do these books help keep the SEG membership current in geophysics, but we also review books of more general interest to geoscientists. This gives the committee a continuing presence to the entire SEG membership.

The committee operates by e-mail, allowing any member around the globe to participate. We are a global committee with one-third of our members outside the United States. Book lists are sent to members of the committee several times a year. The SEG business office forwards the selected books to the reviewers, and the reviews are sent by e-mail to me for forwarding to the SEG office.

For the reporting period (June 2006–May 2007), the committee reviewed 25 books with reviews by 16 people. Three books had two reviews. Submitted reviews appear quickly in *THE LEADING EDGE* after submittal. A special effort has been made over the last two years to get new SEG publications quickly out for review (and subsequent publication of the review) by working more closely with the SEG Publications Department. I think we have made successful progress during the last year. Most of the books available for review come directly from publishers soliciting a review. Specific books are sometimes requested from publishers as well.

I thank Merrily Sanzalone of the SEG Publications Department for her help in handling the logistical side of the review process, mailing the books to reviewers, and obtaining review copies of new books. Thanks also to Dean Clark, Sylvie Dale, Jennifer Cobb, and Julie Colley for the quick transitions from e-mailed reviews to finished product in *THE LEADING EDGE*. Finally, thanks to all 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: **DBartel@chevron.com**.

Scholarship

Gokay Bozkurt, chairman

The mission of the Scholarship Committee is to encourage the study of geosciences by recognizing the best and brightest students worldwide with SEG scholarships. Our vision is to institute the SEG scholarship program as a globally acknowledged symbol of excellence in geophysics by reaching and recognizing the top talent around the world.

Our success in this endeavor is possible only with the generous contributions of our donors. I am ecstatic to report on an exceptional year, with a number of records set in the SEG scholarship program's long existence. This year, we have witnessed the largest disbursement of scholarship awards in the SEG Foundation's 50-year history—172 students receiving a record US\$448 350! This is a 55% increase compared to last year and close to a 70% increase from the year before. The scholarship program maintains a very strong "baseline" of core funds through endowed contributions, sponsored scholarships, and general donations. In addition to these sources, this

year's record funding level is due to the new Anadarko/SEG scholarships for undergraduate and graduate students. We are grateful for all our donors whose contributions have a global impact, evidenced by the record number of applications submitted for consideration this year.

The competition for these prestigious SEG awards was fierce. We have received 577 applications from students around the globe, 362 of which met general eligibility criteria and qualified for review by the Scholarship Committee. The committee met on March 29, 2007, to finalize the selection of the most deserving candidates and decided on the fund distribution, honoring donor-specified guidelines.

Globalization efforts are high on the SEG Scholarship Committee's agenda. We have made significant strides in our goals of reaching students all over the world and encouraging global participation to our program. This year's SEG scholars represent 32 nationalities (compared to 24 last year), and they are pursuing their degrees at universities in 18 countries around the world. (This number was nine for 2005 and 13 for 2006). The global distribution of SEG scholars is definitely in line with the current makeup of SEG membership. Of the 172 students selected for the awards, 73 (42%) are United States citizens, and 99 (58%) are citizens of other countries. This compares well with 38% of SEG members residing in the United States versus 62% elsewhere.

In addition to these achievements, we have created a Globalization Advisory Subcommittee composed of international participants to evaluate the global reach/effectiveness of the scholarship program. The subcommittee held its first teleconference meeting in June, with future meetings scheduled. The subcommittee will advise the Scholarship Committee on regional educational systems and grading methods, allowing the committee to better evaluate scholarship applicants' academic credentials on a global basis. It will also recommend ways of increasing the number of scholarship applications worldwide and incorporation of Southern Hemisphere students into the predominantly Northern Hemisphere scholarship award cycle.

The SEG scholarship program has significantly expanded in the past several years. In anticipation of the continued growth of the program, we have allowed flexibility for the expansion of the Scholarship Committee as well. This year, we have completely overhauled the existing Scholarship Committee Policy and Procedures document, making necessary adjustments so we can appoint additional members into the group, to keep pace with the growing number of applications received and scholarships awarded.

SEG scholarships are merit-based awards, and the Scholarship Committee members spend countless hours of personal time in the quest of finding the most deserving candidates who demonstrate outstanding academic qualifications. It is an eight-year commitment which involves meticulous evaluation of hundreds of applications each year, as well as maintaining the link between SEG and the award recipients. The committee members are responsible for monitoring the academic progress of an assigned group of scholarship recipients, ensuring their eligibility for renewal on a yearly basis. This interaction allows the committee member to serve as a mentor as well. I would like to thank the committee members (Robert E. Van Nieuwenhuise, Martin Stupel, Wenjie Dong, Catherine Thibault, Alex D. Bridge, Steven L. Roche, and David McAdow) for their diligent work in evaluating and ranking scholarship applicants.

Having received the SEG scholarship as an international graduate student from Turkey, I am very proud and honored to have served on the Scholarship Committee over the past several years. Special recognition goes to SEG business office personnel Brian Young, Katie Burk, Cindy Blackshear, Debbie Starnes, and Peter Pangman for their dedication and hard work for the success of this program. I would like to express my appreciation to the Foundation's liaisons (Gary G. Servos and Rodney L. Cottrell) for their continued support. Last but not least, the SEG scholarship program would not be in existence without the generous contributions of our donors. Thank you!

SEG Scholarship Sponsors for the 2007–2008 Academic Year

AGIP	\$1000	Jack, Ian/BP Amoco	\$5000
Anadarko Petroleum Corporation	\$115 500	KEGS Ontario	\$2000
ARCO	\$2000	KEGS, Phillip Hall of Memorial	\$2000
Born Memorial, Ted	\$1000	LaCoste, Lucien	\$11 200
Butler, John R.	\$1000	Lammlein, David R.	\$2500
ChevronTexaco E&P	\$2000	Landmark Graphics	\$13 000
Cottrell, Rodney	\$11 000	Mazza Memorial, Thomas	\$1000
Dallas Geophysical Society	\$4000	McBride Memorial, Barbara	\$2000
Dallas Geophysical Society, Karen Kellogg Shaw Memorial	\$7000	McBurney Memorial, Charles G.	\$4000
Dawson, L. Decker, and C. Newton Paige/ Permian Basin Geophysical Society	\$1000	Paradigm	\$5000
Denver Geophysical Society	\$11 250	Schlumberger	\$2000
Excel Geophysical Services	\$1000	SEG 75th Anniversary Scholarship	\$3700
ExxonMobil Upstream Research Company	\$8000	SEG Endowed Scholarship	\$1225
Forrest, Michael C.	\$2950	SEG Foundation	\$80 500
Geophysical Society of Alaska	\$1000	Shell E&P	\$2000
Geophysical Society of Houston	\$1000	Sheriff, Margaret S.	\$14 000
Geophysical Society of Houston, Carlton-Farren Award	\$5000	Sheriff, Robert E.	\$14 000
Geophysical Society of Oklahoma City	\$2000	Smith, Charlie and Jean	\$20 000
Geophysical Society of Tulsa	\$4600	Thomsen, Leon/BP/EAGE/SEG	\$4500
Gregg, Mark and Debra	\$3250	Thomsen, Leon/BP/SEG/EAGE	\$4500
Harrison, Jim and Ruth	\$2000	Tilley, Aubra	\$10 075
Havens, P. C./Seismic Exchange, Inc.	\$5000	Veritas DGC	\$2750
Hewitt, Jene and Marvin	\$1000	Ward, Shirley A. and Stanley H.	\$30 750
Hilterman, Fred	\$1000	WesternGeco	\$5000
Hohmann Memorial, G. W.	\$4000	WesternGeco, Carl Savit Award	\$6250
Hron Memorial, Frantisek	\$1000	WesternGeco, Henry Salvatori Award	\$5000
Hunt, J. Richard and Shirley	\$10 000	White Memorial, J. E.	\$850
		Worthington, David	\$1000
		Wrolstad Memorial, Keith	\$1000

SEG Foundation Scholarship Recipients for the 2007–2008 Academic Year

Name	University	Award
Ludmila Adam	Colorado School of Mines	SEG Foundation General Scholarship
Emmanuel Adeleke	Ladoke Akintola University of Technology	Shell E&P Scholarship
Oluwatosin Caleb Akinpelu	University of Toronto	SEG Foundation General Scholarship
Hassan Al Ramadhan	King Fahd University of Petroleum and Minerals	SEG Foundation General Scholarship
Chelsea Allison	Cornell University	GSH/Charlie and Jean Smith Scholarship
Miguel Sipuikinene Angelo	University of Oklahoma	Geophysical Society of Tulsa Scholarship
Jourdan Anoka	Colorado State University	WesternGeco Scholarship
Mehmet Serkan Arca	University of Arizona	ChevronTexaco E&P Scholarship
Niranjan Aryal	Oklahoma State University	Geophysical Society of Tulsa Scholarship
Oladotun Awosemo	Obafemi Awolowo University	Landmark Graphics Scholarship
Gboyega Ayeni	Stanford University	Thomsen/BP North America Scholarship
Carlos Becerra	Universidad Industrial de Santander	SEG Foundation General Scholarship
Jyoti Behura	Colorado School of Mines	SEG Foundation General Scholarship
Rachel Berkowitz	University of Cambridge	Rodney Cottrell Scholarship
Edward Bertrand	University of Alberta	Landmark Graphics Scholarship
Aifei Bian	China University of Geosciences, Wuhan	SEG Foundation General Scholarship
Trevor Bollmann	University of Missouri, Rolla	SEG/J. Richard and Shirley Hunt Scholarship
Xiang Ying Boon	University of Texas at Austin	Anadarko/SEG Scholarship
Shamik Bose	University of Oklahoma	Aubra Tilley Scholarship
Jeremy Brown	Colorado School of Mines	Shirley A. and Stanley H. Ward Scholarship
Samuel Bydlon	Pennsylvania State University	Anadarko/SEG Scholarship
Benjamin Byerly	University of Oregon	Keith Wrolstad Memorial Scholarship
Jun Cao	University of California, Santa Cruz	WesternGeco/Henry Salvatori Memorial Scholarship
Alexander Carter	University of Chicago	Anadarko/SEG Scholarship
Lorenzo Casasanta	Politecnico di Milano	SEG Foundation General Scholarship
John Ceron	University of South Carolina	GSH/Carlton-Farren Scholarship
Hui Chang	University of Texas at Dallas	ExxonMobil Upstream Research Company Scholarship
Kevin Christie	University of Wisconsin, Madison	Ted Born Memorial Scholarship
Kelley Classen	University of Calgary	SEG Foundation General Scholarship
Stephen Coomber	University of Witwatersrand	Lucien LaCoste Scholarship

Name	University	Award
Joanna Cooper	University of Calgary	Landmark Graphics Scholarship
Catherine Cox	Colorado School of Mines	Anadarko/SEG Scholarship
Tiffany Cox	Carleton College	SEG Foundation General Scholarship
Kristofer Davis	Colorado School of Mines	Denver Geophysical Society Scholarship
Feng Deng	University of Texas at Dallas	SEG/David R. Lammlein Scholarship
Fabian Domes	Heriot-Watt University	Ian Jack/BP Amoco Scholarship
Daniela Donno	Politecnico di Milano	WesternGeco/Carl Savit Scholarship
Benjamin Drenth	University of Oklahoma	Anadarko/SEG Scholarship; Rodney Cottrell Scholarship
Xiang Du	University of Calgary	SEG Foundation General Scholarship
Inmaculada Dura-Gomez	University of South Carolina	Landmark Graphics Scholarship
Lauren Edgar	Dartmouth College	Anadarko/SEG Scholarship
Paul Edigbue	Federal University of Technology, Akure	AGIP Scholarship
Amobi Ekwe	University of Nigeria, Nsukka	Veritas DGC Scholarship
Elebiju Elebiju Olubunmi	University of Oklahoma	GSH/Charlie and Jean Smith Scholarship
Robert Eso	University of British Columbia	Shirley A. and Stanley H. Ward Scholarship
Amanda Fabian	University of South Carolina	SEG/P. C. Havens Scholarship
Yuanzhong Fan	Colorado School of Mines	Mark and Debra Gregg Scholarship
Shanna Farrell	Montana Tech	Anadarko/SEG Scholarship
Taiwo Fawumi	Federal University of Technology, Akure	SEG Foundation General Scholarship
Melvin Fillerup	University of South Carolina	Rodney Cottrell Scholarship
Thomas Fournier	University of Alaska, Fairbanks	Geophysical Society of Alaska Scholarship
Shelby Frost	Winona State University	SEG Foundation General Scholarship
Toshiko Furukawa	University of Utah	SEG Foundation General Scholarship
Juliana Gay	University of Oklahoma	Aubra Tilley Scholarship
Fissaha Gebreyohannis	Saint Mary's University	Shell E&P Scholarship
Matteo Giboli	Politecnico di Milano	WesternGeco/Carl Savit Scholarship
Bonnie Gillan	University of Montana	Rodney Cottrell Scholarship
Carmen Gomez	Stanford University	GSH/Charlie and Jean Smith Scholarship
Cory Grady	Colorado School of Mines	Schlumberger Scholarship
Derek Grimm	Colorado School of Mines	Denver Geophysical Society Scholarship
Elliot Grunewald	Stanford University	SEG 75th Anniversary Scholarship
Monica Guerra	University of Colorado at Boulder	SEG/Denver Geophysical Society Scholarship
Brett Hamilton	University of Waterloo	KEGS Ontario Scholarship;
		SEG Foundation General Scholarship
Brianne Hamm	Colorado School of Mines	SEG Foundation General Scholarship
Benjamin Haugen	University of Colorado at Boulder	Denver Geophysical Society Scholarship
Kevin Hayley	University of Calgary	SEG Foundation General Scholarship
Jeshurun Hembd	Texas A&M University	Anadarko/SEG Scholarship
Emily Hinz	Boise State University	ARCO Scholarship
Chad Hogan	University of Calgary	Jim and Ruth Harrison Scholarship
R. Chadwick Holmes	Columbia University	SEG Foundation General Scholarship
Tiancong Hong	University of Texas at Austin	SEG Foundation General Scholarship
Shuo Hou	University of Texas at Austin	Dallas Geophysical Society Scholarship;
		SEG Foundation General Scholarship
Shari Houston	New Mexico Institute of Mining and Technology	ExxonMobil Upstream Research Company Scholarship
Jerad Hughes	Colorado School of Mines	Anadarko/SEG Scholarship
Brittany Huhmann	Washington University	Anadarko/SEG Scholarship
Diana Husmann	Massachusetts Institute of Technology	ExxonMobil Upstream Research Company Scholarship
Cezar Iacob	University of Bucharest	SEG Foundation General Scholarship
Priyank Jaiswal	Rice University	SEG Foundation General Scholarship
Tamara Jeppson	Utah State University	Anadarko/SEG Scholarship
Nathan Johnson	University of Oklahoma	Geophysical Society of Oklahoma City Scholarship
Merrick Johnston	Colorado School of Mines	SEG Foundation General Scholarship
Karl Kappler	University of California, San Diego	Shirley A. and Stanley H. Ward Scholarship
Mason Kass	Colorado School of Mines	Shirley A. and Stanley H. Ward Scholarship
Hesammuddin Kazemeini	Uppsala University	L. Decker Dawson and C. Newton Page/ Permian Basin Geophysical Society Scholarship
Kathleen Keranen	Stanford University	Anadarko/SEG Scholarship
Nader Kooli	Heriot-Watt University	Thomsen/BP United Kingdom Scholarship
John Korbin	New Mexico Institute of Mining and Technology	SEG Foundation General Scholarship
Dana Lazar	University of Bucharest	SEG Foundation General Scholarship
Xiang Li	Peking University	WesternGeco/Carl Savit Scholarship
Guofeng Liu	Institute of Geology and Geophysics, Chinese Academy of Sciences	WesternGeco/Henry Salvatori Memorial Scholarship
Yongxia Liu	Institute of Geology and Geophysics, Chinese Academy of Sciences	SEG Foundation General Scholarship

Name	University	Award
Wentao Ma	Tongji University	WesternGeco/Henry Salvatori Memorial Scholarship
Patricia MacQueen	University of Oregon	SEG/P. C. Havens Scholarship
Alireza Malehmir	Uppsala University	SEG Foundation General Scholarship
Virginia Maris	University of Utah	Shirley A. and Stanley H. Ward Scholarship
Milena Marjanovic	Columbia University	SEG Foundation General Scholarship
Bongani Mashele	University of Houston	John R. Butler Scholarship
Stephanie Mason	University of Rochester	Anadarko/SEG Scholarship
Jason McCrank	University of Calgary	SEG Foundation General Scholarship
Michael McMillan	University of British Columbia	Shirley A. and Stanley H. Ward Scholarship
Sean McWhorter	Texas A&M University	GSH/Charlie and Jean Smith Scholarship
James Miller	University of Oklahoma	Charles G. McBurney Memorial Scholarship
Brandon Milliard	University of Montana	SEG Foundation General Scholarship
Soo-Kyung Miong	University of Calgary	SEG Foundation General Scholarship
Peyman Moghaddam	University of British Columbia	Michael C. Forrest Scholarship
Christopher Monk	Texas A&M University	GSH/Charlie and Jean Smith Scholarship
David Myer	University of California, San Diego	G. W. Hohmann Memorial Scholarship
Mostafa Naghizadeh	University of Alberta	Frantisek Hron Memorial Scholarship
Stephen Nei	Princeton University	WesternGeco Scholarship
Marcela Novo	Pontificia Universidade Catolica	SEG Foundation General Scholarship
Tuty Narijan	University of Gadjah Mada do Rio de Janeiro	Jene and Marvin Hewitt Scholarship
Adrienne Oakley	University of Hawaii	SEG Foundation General Scholarship
Caroline O'Hara	Pennsylvania State University	SEG Foundation General Scholarship
Erdi Olmezogullari	Dokuz Eylul University	Michael C. Forrest Scholarship
Diana Parada	University of Oklahoma	Aubra Tilley Scholarship
Victor Pena	University of Oklahoma	Geophysical Society of Tulsa Scholarship
Adetokunbo Peter	Federal University of Technology, Akure	SEG Foundation General Scholarship
Ross Polutnik	University of Alberta	SEG Foundation General Scholarship
Nurfiana Rachmawati	University of Gadjah Mada	Michael C. Forrest Scholarship
Elsbeth Reading	University of Missouri, Rolla	SEG/J. Richard and Shirley Hunt Scholarship
Carl Reine	University of Leeds	SEG Foundation General Scholarship
Haitao Ren	University of Houston	Margaret S. Sheriff Scholarship
Jordan Rhodes	University of Northern Colorado	Denver Geophysical Society Scholarship
Catherine Robin	University of Toronto	SEG Foundation General Scholarship
Zoron Rodriguez	University of Calgary	SEG Foundation General Scholarship
Joseph Romani	Colorado School of Mines	SEG Foundation General Scholarship
Stephen Rose	Washington State University	WesternGeco Scholarship
Eva-Maria Rumpfhuber	University of Texas at El Paso and University of Oklahoma	Dallas Geophysical Society Scholarship
Kyle Rybacki	University of Missouri, Rolla	Anadarko/SEG Scholarship
Yogesh Saini	University of Petroleum and Energy Studies	SEG Endowed Scholarship
Rafael Sanguinetti	University of Houston	Geophysical Society of Houston Scholarship
Rituparna Sarker	Colorado School of Mines	Shirley A. and Stanley H. Ward Scholarship
Matthew Saul	Curtin University of Technology	SEG Foundation General Scholarship
Stephanie Scheiber	University of Witwatersrand	Veritas DGC Scholarship
Kathryn Sechrist	University of Georgia	SEG/P. C. Havens Scholarship;
Lily Seidman	Smith College	SEG Foundation General Scholarship
Jeffrey Shoffner	University of Nevada, Reno	Anadarko/SEG Scholarship
Jeffrey Shragge	Stanford University	SEG Foundation General Scholarship
Catherine Sinclair	University of Adelaide	GSH/Charlie and Jean Smith Scholarship;
Janae Singer	Montana Tech	Fred Hilterman Scholarship
Steven Sloan	University of Kansas	SEG Foundation General Scholarship
Sandor Sule	University of Saskatchewan	SEG/P. C. Havens Scholarship
David Sunwall	Montana Tech	Excel Geophysical Services Scholarship
Andrei Swidinsky	University of Toronto	SEG Foundation General Scholarship
Eric-Martial Takam Takougang	University of Simon Fraser	Anadarko/SEG Scholarship
Arslan Tashmukhambetov	University of New Orleans	KEGS/Phillip Hallof Memorial Scholarship
Tiffany Tchakirides	Cornell University	SEG Foundation General Scholarship
Maria Tepliakova	Moscow Lomonosov State University	Paradigm Scholarship
Dileep Tiwary	University of Oklahoma	Barbara McBride Memorial Scholarship
Charles Ugbor	University of Nigeria, Nsukka	SEG Foundation General Scholarship
Ahamefula Utom	Ebonyi State University	SEG Foundation General Scholarship
Laura Valdmanis	Hobart and William Smith College	Anadarko/SEG Scholarship

Name	University	Award
Bryce Wagner III	University of Texas at Austin	ExxonMobil Upstream Research Company Scholarship
Karen Weitemeyer	University of California, San Diego	Anadarko/SEG Scholarship
Monika Wilk	AGH University of Science and Technology	Jene and Marvin Hewitt Scholarship
Brian Williams	Montana Tech	G. W. Hohmann Memorial Scholarship
David Wilson	Colorado School of Mines	Anadarko/SEG Scholarship
Anne Wintzer	University of Florida	SEG Foundation General Scholarship
Kevin Wolf	Stanford University	Landmark Graphics Scholarship
Anastasia Yanchilina	Creighton University	Anadarko/SEG Scholarship
Syed Zaman	Colorado School of Mines	J. E. White Memorial Scholarship
Liyan Zhang	China University of Petroleum, Beijing	SEG Foundation General Scholarship
Yingsong Zhang	Tsinghua University	David Worthington/SEG Scholarship
Rui Zhang	University of Houston	SEG Foundation General Scholarship

SEG Online

Susan Peebler, chairman

As James Rector profoundly editorialized to SEG members in the “President’s Page” of *TLE* (June 2007), “SEG Online will change the face of our profession. Properly nurtured and supported, it will become the repository of knowledge and the basis for technical communication and education within our industry. It is the future of our Society.”

Thanks in a large part to the efforts and decisive actions of this year’s Executive and Finance committees, as well as the SEG staff, the SEG Online Committee was able to have more impact on the Society this year by moving past the extensive analysis and discussion from early in the year to one of action and accomplishment.

Starting in 2006, the role of the SEG Online Committee focused entirely on the SEG Web site’s content and design. In this regard, the committee played a vital and active role in shaping the look and feel of the Web site’s new design, helping our key contractor, CSC, to redefine the “new face of SEG” to one of a more modern, high-tech, global nature.

What you will see in September is the implementation of Phase 1. Phase 1 represents the necessary underlying infrastructure changes, manifested as a cleaner, more streamlined look and feel, a more logical organization of topics and access to technical reference materials, and easier to use collaboration tools for the SEG communities. In addition, one login will allow members access to both the SEG Web site communities and the SEG Digital Library.

Subsequent phases will bring more dramatic improvements and are currently being further defined, based on early feedback from the user community.

Below is a timeline of activities and key decisions for the year:

October 2006 (Annual Meeting)

- Executive Committee approved allocating \$1.9 million toward the development of the new SEG Online Web site.
- SEG Online Committee reviewed top three vendor choices selected by PricewaterhouseCoopers (PWC) and the SEG Online Steering Committee.
- Met CSC and Documentum personnel and extensively reviewed CSC’s proposal at Digital Prospectors’ offices.

November 2006

- Recommended to approve CSC as contractor of choice to develop Phase 1 of SEG Online.
- Response by committee to eight questions posed by SEG President Leon Thomsen and President-elect Fred Aminzadeh regarding the evaluation of CSC as contractor of choice.
- CSC meeting with Leon Thomsen and Fred Aminzadeh to review concerns.
- Approval by the Executive Committee to use CSC for designing and building Phase 1 of the Web site.

December 2006

- Kick-off Creative Workshop with CSC and its design team.

January 2007

- Reviewed presentation and recommended MultiView to build “google-like” search tool and buyer’s guide.

February 2007

- Reviewed results from the December Creative Workshop and defined the visual design and branding requirements. Reviewed results of one-on-one interviews and card sorting exercise to define the look and feel requirements of SEG Online. Defined “User Profile Needs” representing all existing and future membership constituencies (accurately defined by Ted Bakamjian).

March 2007

- Selected final “look and feel” Web site design from choices by CSC’s creative group. Reviewed new online collaboration and workflow processes based on input from the Project Review Committee.

April 2007

- Reviewed usability testing results from netXperience group. Resolved conflicting issues based on feedback from user testing.

June–August 2007

- Ongoing system and user acceptance testing; internal SEG staff testing.

September 2007

- Targeted release date of Phase 1.

This has been one of SEG’s most expensive but transformational endeavors.

Already the project has momentum within the SEG Foundation with several key service and international oil companies expressing intent to donate significant funds toward the continued development of SEG Online.

Student Sections/Academic Liaison

Matthias G. Imhof, chairman

In 2006–2007, the Student Sections/Academic Liaison Committee (SS/ALC) was actively involved in new initiatives and supporting other SEG activities. As always, the biggest event was the hugely successful Student Reception at the 2006 SEG Annual Meeting in New Orleans. Mock casino tables were set up, which proved to be great entertainment for students, sponsors, and guests. Other activities included support for the SEG/Chevron Student Leadership Symposium and the Challenge Bowl.

Currently, there are 180 SEG student sections all over the world and more than 120 active sections. Over the past

months, SS/ALC members were able to reestablish contact with more than 20 sections. The activities the SS/ALC are preparing to engage in are as follows: First, we are beginning a discussion to better define the needs of the student members and address how to serve them best. Second, every student section has a faculty adviser. Recently, the contact between the SS/ALC and the faculty advisers was very informal. In response, we are working to keep the advisers more involved. Last, the SS/ALC is strengthening its membership with more diversity, for example, by increasing its global membership and inviting participation of students and faculty advisers.

I would like to thank Candice Chinsethagid and Jenny Cole of the SEG Global Affairs department for all their hard work and initiative with regard to student affairs.

Any member who would like further information or would like to participate is welcome to contact me via e-mail: Matthias.Imhof@exxonmobil.com.

Technical Standards

Jill C. Lewis, chairman

The committee chair for the Technical Standards Committee was taken over by Jill Lewis of Troika International. Thanks go to Ted Mariner for all his effort and support over the past two years and the transition period. Bob Heath of Ascend Geo has taken on the role of vice chairman.

Following the ratification and posting of SEG-D 2.1, the group held an initial meeting for the formation of a SEG-D 3.0 subcommittee at the KestrelIDM office in Woking. Thank you, KestrelIDM, for the loan of this room. The meeting was attended by a mixture of oil companies and contractors, with a lively discussion. It was proposed that SEG 3.0 be simplified and include positioning for both source and receivers, thereby enabling the inclusion of data types such as EM, wireless, tele-metric, OBC, etc.

After this initial meeting, a draft document was put together by Rune Hagelund of WesternGeco, and various conference calls were held. Stewart Levin of Halliburton has now taken over the SEG-D subcommittee. With the assistance of Hagelund, Levin has driven this effort farther forward, and those who wish to view all the draft documents and discussions may go to: <ftp://ftp.troika-int.com/segfield/>.

At the SEG Annual Meeting in New Orleans, it was decided to set up a positioning subcommittee which is now chaired by Barry Barrs of ExxonMobil, and Saudi Aramco agreed to work on keeping the SPS format in line with the SEG-D developments as it did with the SEG-D 2.1.

Two meetings were held at the recent EAGE meeting in London, thanks to ArkEx of Cambridge and VeritasCGG. During this well-attended meeting, it was decided that the proposed structure for SEG-D 3.0 with positioning for every source and receiver will be put forward to SEG for ratification and that other data types will be added in the future. An EM group is being formed which will propose the necessary parameters for that data type. The ability to add new data types

will be applied to passive seismic, wireless, etc.

Anyone may join the SEG-D, Positioning, or EM discussion groups by sending an e-mail with your request to jill@troika-int.com. You will be put onto a discussion-group reflector site. Your details will be kept completely confidential, and you may request to be removed at any time.

Users of the SEG-D and SEG-2 formats have noticed some typos on the original formats, and it was requested that these be corrected without going through the SEG ratification process. SEG has agreed that this can be done if it does not affect any implementations that may have taken place.

Tellers

Kent West, chairman

Survey & Ballot Systems, Inc. (SBS) was contracted to conduct the SEG election again this year. SBS designed and distributed an online Web ballot and/or a paper ballot to each voting SEG member. 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.

Official ballots were sent out on June 12 to 7863 active members eligible to vote in this year's election. Of these eligible voters, 5722 were sent a paper ballot in addition to an e-mail from SBS with personalized login information and specific instructions to vote electronically. Fifteen hundred eighty-seven voters were sent electronic voting information only, and 554 voters received only a paper ballot.

The annual election had a participation rate of 25.3%. The final results include 1990 returned ballots received on or before July 31. Of those ballots, 1299 were received via Web voting and 692 paper ballots were returned by mail. One member duplicated the vote by using both the paper and Web method of voting. Only the Web vote was counted as valid, giving a total of 1990 valid ballots for this election. This figure does not include 39 ballot envelopes that were deemed invalid; 37 members failed to sign their return envelopes, and two envelopes contained no ballot.

The election results are as follows:

2007–2008 SEG Executive Committee

President-elect	Larry Lines
First vice president	Eugenio Loinger
Second vice president	Louise Pellerin
Vice president	Guillaume Cambois
Secretary-treasurer	Dan Ebram
Editor	Kees Wapenaar (elected for a two-year term)

District Representatives

District #1	Michael J. Faust
District #2	Biondo Biondi
District #3	Jan Douma, Galen E. Treadgold,

	and Richard J. Zinno
District #4	Maarten V. de Hoop
District #7	Etienne Robein and
	Serge A. Shapiro
District #12	Karen Romine

THE LEADING EDGE Editorial Board

Don A. Herron, chairman

The technical topics covered in *TLE* as special sections in 2007 were: low-frequency seismic, controlled-source electromagnetics (CSEM), geomechanics, borehole geophysics/VSP, sequence stratigraphy integrating seismic, near-surface/seismic to radar, subsalt exploration, and AVO. Only one region, the Lower 48 of the United States, was the focus of the special section in the February issue, and the October issue features a special section on the electronic geophysical year (eGY). In January, THE LEADING EDGE Editorial Board selected its nominee for best paper in *TLE* for 2006 and forwarded its recommendation to the Honors and Awards Committee. In view of the broad range of topics to be covered in 2007, the board can look forward to a challenging task in choosing the best paper in *TLE* for 2007.

There will be only one change to the board for the upcoming year, and that will be Reinaldo Michelena replacing Don Herron, who is completing his term. As author of this report, Herron is not in a good position to thank himself for his effort, but he does express his sincere gratitude to Ali Tura, his predecessor as chairman, for handing over to him a board that was functioning so well, and to all of the present and past board members and editorial staff in Tulsa, with whom it was both an honor and pleasure to work. The coming year will see *TLE*'s first female chairman (chairwoman, chairperson, or as one of her coworkers suggested, chairhuman?), Rebecca Latimer, who also has served the board for five years as coordinator of *TLE*'s regular Interpreter's Corner feature. If anyone knows her way around *TLE*, it's Rebecca.

In 2007, the board began to conduct its meetings via teleconference and online connection. This was born out of necessity because of inclement weather in Tulsa in January, causing the regularly scheduled winter meeting to go forward using electronic communication. This worked out so well that the board planned and held its spring meeting in May in the same manner. This form of communication may be the wave of the future, for the *TLE* board at least, and no doubt Leon Thomson (SEG president and an avid fan of teleconferences) is very pleased with the board.

In recognition of *TLE*'s 25th anniversary in 2007 as one of the world's premier technical publications, *TLE* included several articles about its history in this year's issues (starting in June) and will hold an anniversary celebration at the SEG Annual Meeting in San Antonio for all current and former board members. The next 25 years should be equally challenging and even more rewarding.

Two changes to the format of *TLE* in 2007 were specifical-

ly intended to encourage feedback and commentary from the readership. The first of these involved moving the "Signals" (aka letters to the editor) feature forward in the magazine to a more visible position—now all that's needed is for more unprovoked readers to write letters to the editor. The second improvement is the addition of a new feature, "The Back Page," which first appeared in July on the last page of the magazine (where else?), in the style of international news magazines such as *Time* and *Newsweek*. Thanks to board member Steve Hill for this excellent idea.

It is worth repeating that *TLE*'s success would not be possible without the tireless efforts of the business staff in Tulsa: Dean Clark, Sylvie Dale, Jennifer Cobb, Julie Colley, Mel Buckner, Ian Danziger, Tonia Gist, Ted Bakamjian, Kathy Gamble, Merrily Sanzalone, Jim Lawnick, and Mary Fleming. In particular, the board extends its thanks and best wishes to Sylvie Dale, who has moved from *TLE* to a new position as SEG's Online Editor, and welcomes her replacement Julie Colley. The entire business staff is also to be thanked several times over for bearing with the foibles and peculiarities of some members of the editorial board (not the least of whom is this author).

As measured by advertising sales, *TLE*'s financial health is very good. Using one year's data (April 2006 to April 2007), *TLE* is 6.2% over last year's actual ad revenues and 19% over the projection for this fiscal year (projections are conservative numbers due to the possibility of market fluctuations). Thanks to Mel Buckner for providing these data and for all of his hard work in lining up the advertising that is essential to *TLE*'s financial wellbeing.

Translations

Sergio Chávez-Pérez, chairman

The Translations Committee has continued to expand its focus from just identifying works in languages other than English that SEG should publish in English to identifying SEG publications that SEG should translate into other languages (e.g., Spanish, Russian, Turkish, Portuguese, Chinese, Arabic, and Japanese are very important).

The prime example has been Robert Sheriff's geophysical dictionary. A Turkish translation is complete and will be online along with the English version in a few months. We are about to begin the Spanish translation and are in the process of getting an agreement with the Brazilian Geophysical Society to continue with a Portuguese translation.

We kept close contact with the Global Affairs Committee (GAC) and intend to keep sharing our interest and struggle with "the art of failure," as Michael Burianyk, vice chairman of the GAC, refers to the translation process. There are still differences of opinion about how much we really need translations of SEG material into other languages, but the need keeps arising not only in books but in *TLE* articles, International Showcase publicity, and Distinguished Instructor Short Course (DISC) materials (including DigitalDISC) as well.

Youth Education

María Ángela Capello, chairman

As of February 2007, the SEG Executive Committee voted approval for SEG Youth Education (YE) to be the global designation encompassing all primary-secondary SEG programs and activities, including the SEG Geoscience Center. The objective of the SEG Youth Education Committee is to interest youth in the study of the geosciences and to encourage future careers in geosciences.

SEG YE focuses its operating activities into four major areas: youth programs, youth education outreach, ISEF (International Science and Engineering Fair) subcommittee and any other SEG-sponsored science fairs and awards, and historical preservation.

Youth programs. Under the direction of Administrator Susan Henley, educational hands-on activities, teacher resources, and exhibits are developed, evaluated, and tested with student groups touring the Geoscience Center (GC). During the school year, groups are required to be fourth-grade level and older in order to attend the GC educational tours. During June, July, and August, the age requirement changes to allow age five and older to attend summer programs. Last year, more than 3000 students received hands-on instruction in geophysics, geology, planetary geology, energy and environmental issues, and oil and gas technology, with the assistance of docents.

Susan Henley and SEG YE committee member Becky Hoover were honored in March at the "Salute to Women in Energy" event held in Tulsa, Oklahoma, recognizing women in industry as well as energy educators from all over the United States.

The GC is in its sixth year of hosting Boy and Girl Scout geology, paleontology, geoscience careers, and oil and gas technology badge classes on site and in the community. The GC continues to have an active student intern program for both high school and college students, now in its fifth year. Paid summer internships are funded by the SEG Foundation.

In May, the GC hosted one day of the four-day annual American Oil & Gas Historical Society Energy Education Conference, attended by more than 50 industry, energy educational learning center, and nonprofit geosociety representatives with a hands-on activity workshop. SEG YE original materials were included in the resource materials given to all attendees.

The developing educational curriculum guides the future development and evaluation of new educational programs and projects at the center and what is made available online to SEG members and the general public. This curriculum, developed by geoscientists, teachers, and industry representatives, targets the needs of both industry and educational institutions.

Youth education outreach. Global Affairs Committee members continue to support the Youth Education effort with vol-

unteers willing to translate educational materials. These members bring samples of rocks, minerals, and fossils from their geographic area to each Annual Meeting to enhance the growing collection of worldwide hand specimens.

As the SEG Online project progresses, the expansion of geoscience educational resources available to SEG members and other interested parties will be greatly increased with a more formal distribution network. Materials will still be available for shipment, but most will be easily downloadable, and plans are in motion to have video clips with live demonstrations of activities. This will help educators and others who coordinate and supervise the distributed hands-on activities at remote sites.

In addition, a "Globe Trotter Trunk" unveiling is being planned for the San Antonio Annual Meeting, to acquaint all members with the array of earth science materials available through the YE Web site and by loan of a trunk in the continental United States when shipping and handling fees are paid. As SEG continues to open global offices, these trunks will be made available through all satellite offices.

SEG YE was for the third time the single largest exhibitor at the biannual international children's festival Kids World in Tulsa, a four-day event with 24 000 visitors. Exhibit space was set up as a labyrinth with 15 hands-on geoscience activities and many static exhibits for youth visitors to experience. This event required more than 300 volunteer hours a day for four days, and was a consortium of 12 geoscience organizations under the SEG umbrella. Attendance in the SEG YE labyrinth was tracked through more than 9000 "geo-giveaways" and did not include adult attendees.

Science fairs and awards. SEG continued its support of the International Science and Engineering Fair (ISEF), held in Albuquerque, New Mexico, this year. Richard Nolen-Hoeksema, SEG ISEF subcommittee chairman, led the 42nd SEG judging team and administered awards to winners including top SEG winner Hannah Louise Wolf, 17, of Allentown, Pennsylvania. The 2006 winner Jonathan Bell, 17, attended the SEG New Orleans Annual Meeting and met many geophysicists. He was honored with a plaque at the Honors and Awards ceremony and attended the Icebreaker, the Trustee Associate luncheon, the SEG Challenge Bowl, and the Student Reception. Wolf will attend the San Antonio Annual Meeting.

The ISEF Committee is seeking additional members for the judging team and hopes to interest global members. Changes to the SEG ISEF award structure continue to be evaluated after all ISEF special award organizations were notified that increases will be required to remain in alignment with other sponsoring organizations.

Historical preservation. The YE Committee also oversees the SEG historical collections, available at the Geoscience Center and online. As SEG Online progresses, more of the collections will be available on the SEG Virtual Museum.

SEG will return all of the remaining Smithsonian artifacts this year that were originally loaned in 1989 and 1990 through

the efforts of longtime SEG member Craig Ferris, the moving force behind the original SEG Foundation Museum. Many of the items are artifacts/instruments that SEG now has duplicates of or that do not enhance the collection.

The historical “Decades” kiosks seen on the convention floor in Houston during the SEG 75th Anniversary Annual Meeting have been set up on a rotating basis in the lobby of the SEG business office in Tulsa, Oklahoma, outside the doors of the Geoscience Center.

The *Exploration Geophysics–Petroleum Industry Timeline/Geoscience–Geophysics Timeline* (authored by Youth Education committee member John Stockwell) is now in its second edition. This publication was originally distributed to all SEG members via insert in the *SEG@75* special publication of *TLE*. In fall 2007, it will be included in all Earth Science Week toolkits for teachers, with an annual distribution of 16 000–20 000 worldwide by the American Geological Institute (AGI). The *SEG Timeline* is also available through the online Book Mart and at the Annual Meeting.

SEG YE continues to show great leadership. This multifaceted effort to advance Youth Education is a valuable component of the Society. SEG is recognized as a leader in youth geoscience educational efforts. Through the foresight and essential support of membership, this dedication to youth education will in time bring new talent, ideas, and excitement to the industry.

Report of the Ad Hoc Committee Chairman

eGY 2007–2008

Ralph W. Baird, chairman

The purpose of the ad hoc committee is to recommend to the SEG Executive Committee the role that SEG should play and how to participate in activities related to the 2007–2008 Electronic Geophysical Year (eGY) and what activities to plan to honor the 50th anniversary of the International Geophysical Year (IGY). The committee may plan the second International Geophysical Year (IGY-2) activities independent of those planned by eGY, International Polar Year (IPY), International Year of the Planet Earth (IYPE), and International Heliophysical Year (IHY).

An eGY is planned for 2007–2008 as a 50-year sequel to the highly successful IGY. The central objective is to bring the management of geoscientific information worldwide into the 21st century through an e-Science approach and the development of virtual observatories. The challenge in 1957–1958 was to acquire and make available to the world community the observational data required to build a comprehensive understanding of the Earth and its processes. That challenge remains and is yet more pressing because of the growing demands we place on our natural resources and environment.

The Executive Committee passed the following resolution: “SEG, noting the approach of the 50-year anniversary in 2007 of IGY, which was outstandingly successful in advancing our knowledge of the Earth and geospace through the provision of comprehensive geoscientific observational data, noting the vast increase in observational data since the IGY, much of them available in near real-time, and the limitations on progress posed by the ever-growing problems of data storage, maintenance, and access, noting the unprecedented potential of modern information management methodologies, based on the Internet, to overcome these limitations through sharing of information, software, and hardware, and supports the adoption of 2007 as the eGY—to be used as a focus for providing ready access to geoscientific data and processing capability using the electronic means now at our disposal.”

Committee members are Ralph W. Baird, Arthur Cheng, David Forel, Robert A. Greenwald, Jack D. Hall, John Kelly, Fae Korsmo, Wayne Pennington, Gabriel Perez, Scott C. Sechrist, Brian R. Spies, and Barbara Thompson.

Members of the ad hoc committee participated in the following events, representing the membership of SEG:

- Capitol Hill Visits Day, Washington, D.C., September 13, 2006. SEG supported the AGI and AGU in their sup-

port of continued funding of the National Science Foundation.

- eGY General Meeting, Boulder, Colorado, March 13, 2007. SEG was well represented, including specific recommendations to the working groups of the eGY.
- The International Year of Planet Earth (IYPE) named SEG member Ralph W. Baird as senior adviser to assist IYPE (sanctioned by the United Nations). Meetings were held with IYPE leadership in Washington, D.C.
- The U.S. Postal Service produced a postage stamp to acknowledge the IPY 2007–2009; an unsuccessful attempt was made to add an eGY/IGY-2 postage stamp.
- The SEG president requested that SEG be an added sponsor to the IGY Gold History Program, to recognize SEG members who participated in the 1957–1958 IGY.
- THE LEADING EDGE has a special section in October 2007 dedicated to the Electronic Geophysical Year. Invited papers are in progress for this issue.
- The committee established a direct communication with the American Geological Institute (AGI) Education/Public Outreach (E/PO) group in Washington, D.C. In addition, committee members participated in providing advice about Earth Science careers to the National Science Teachers Association.

The following are additional recommendations to the SEG Executive Committee by the eGY 2007–2008 ad hoc committee:

- Create a technical session at the 2008 SEG Annual Meeting titled “The Electronic Geophysical Year.”
- Suggest that the theme or umbrella slogan of the 2008 SEG Annual Meeting be “Electronic Geophysical Year.”
- Associate the following existing SEG initiatives to be eGY initiatives/activities: the SEG.org Global Project, the Virtual Geoscience Center, the Humanitarian Applications of Geophysics Initiative, and the Numerical Modeling Consortium Initiative.
- Prepare an SEG resolution endorsing data stewardship by creating a committee to establish guidelines for data stewardship. The AAPG guidelines are recommended in lieu of a new committee.
- Identify an event of great visibility for October 4, 2007, in commemoration of the successful launch of the Russian satellite Sputnik. Formalize an advertising campaign titled, “Where Will You Be on October 4, 2007?” to attract SEG membership to this noteworthy event. Sputnik was actually launched on October 5, Russian time.

- Begin a notification process through the SEG Global Affairs Committee to include announcements at local society meetings of the existence and purpose of the eGY and how SEG members shall benefit from eGY. All initiatives by United States associations are recommended to be duplicated by each international association/SEG affiliate.
- Notify the SEG Exhibitors Committee that the 2007 and 2008 Annual Meetings shall have a booth dedicated to the activities of the eGY, IPY, IHY, and IYPE as they relate to the IGY-2. Historical data shall be exhibited about IGY 1957–1958. The committee shall invite representatives from the four groups to present materials at the booth(s).

Reports of the Representatives

AGI Government Affairs Program Advisory

Leigh S. House, representative

The American Geological Institute (AGI) is a nonprofit organization whose 43 members are earth science professional societies, one of which is SEG. SEG support of AGI is based on our U.S.-based membership. SEG monitors and influences the AGI Government Affairs Program (GAP) through representation on the Advisory Committee for this program. Some high-visibility activities that the GAP has helped organize include Earth Science Week, the Congressional Science Day visits, and a new television miniseries on the earth sciences and scientists. This report concentrates on the AGI Government Affairs Program; a separate report is provided on the overall activities of AGI.

To learn about earth sciences in the United States and government policy relating to them, browse the GAP Web site www.agiweb.org/gap/, which contains a wealth of timely, pertinent information about topics of interest to the earth sciences. AGI promotes lobbying, in the sense of educating government officials about earth sciences and how earth-science knowledge can be used in better public planning. SEG itself does not “lobby” or take position statements on political issues, but AGI provides education to lawmakers and promotes the use of sound science in public policy, and it does so actively. It publishes position statements and provides testimony to the U.S. Congress on issues of importance to the earth-science community. It has conducted several information sessions to which lawmakers and their staff members (in Washington, D.C.) are invited: These have been remarkably successful, in part due to their sometimes uncanny timing in covering events of current interest, such as hurricanes. 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 learn about quickly (these are mostly about legislative actions). You can subscribe to these alerts, monthly reviews, and special updates by sending an e-mail to govt@agiweb.org.

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 44 member societies in AGI, and our support of AGI is based on

our U.S.-based membership. In addition to publishing the monthly journal *Geotimes*, an excellent general-interest earth-science publication, AGI performs several functions to support the earth-science community in the United States (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 Geo-science Program, oversee a few specific functions of AGI. AGI is active in special areas, including outreach promotion of Earth Science Week, curriculum guides for K–12, the Image Bank (an online collection of earth-science photos), operation of *GeoRef* (the electronic database of publication references), and government affairs (see separate report).

Some highlight activities of AGI during the past year include the hiring of a new director, Patrick Leahy, who has most recently served as associate director for geology at the U.S. Geological Survey, the establishment of a Congressional Fellowship, and the completion of a four-part television series *Faces of the Earth*, which will have its broadcast premier on Discovery Science channel in late 2007 (AGI owns all footage taken to create the shows, and this can be used by member societies through agreements for their own movies or documentaries).

AGI also conducted a Leadership Forum for the member societies, concentrating on communicating earth science to policymakers, and cosponsored a Congressional Visits Day, arranging for meetings between people from member societies and representatives from their congressional delegations, in which they were encouraged to support research in the earth sciences and were reminded of the importance of geology in our economy and daily lives.

API Central Committee for Telecommunications Clifford H. Ray, representative

I attended the two regular meetings for the API Telecommunications Committee this year. The fall meeting was held in Washington, D.C., on October 24–25, 2006, and the spring meeting was held in Houston, Texas, on April 24–25, 2007. An update on radio spectrum issues of importance to the oil and gas industry at the FCC was reviewed. Items that may be of interest to SEG members are:

- 1) On November 7, 2006, the FCC released a Notice of Proposed Rulemaking seeking comments on various issues

concerning the impact of communication towers on migratory birds. The NPRM asks whether the evidence concerning the impact of towers on migratory birds is sufficient to justify FCC action. Comments were due May 23, 2007.

- 2) For the last two years, we have reported that API's pleadings were successful in preventing the FCC from adopting a proposal to allow unlicensed operation in the band 3650–3700 MHz. However, opposition to this position has continued to press for exclusive licensing and spectrum auctions. API is continuing to oppose the use of auctions for this spectrum. Thus far, the commission has still not begun issuing licenses and has not responded to the Petitions and Opposition/Comments.
- 3) As previously reported, the commission adopted a Report and Order (Order) in October 2004 governing the operation of Access broadband over power-line (BPL) systems. The Petition for Reconsideration of the Order filed by the API in February 2005 to require 30 days' prior notice be made public for evaluation, before any new or modified BPL deployments are made, was rejected by the commission.
- 4) The issue that pertains to a Notice of Proposed Rulemaking adopted by the FCC on May 13, 2004, to allow unlicensed devices to operate in unused broadcast TV spectrum is still under consideration before the commission. API has urged the commission to prohibit operations in the 470–512-MHz band in all regions of the country. On October 12, 2006, the FCC adopted a First Report and Order and Further Notice of Proposed Rulemaking in which it allowed fixed low-power devices to operate on TV channels in areas where those frequencies are not being used for TV or other incumbent licensed services. The FCC also declined to permit the operation of personal/portable devices in the 470–512-MHz band (TV channels 14–20), leaving for further consideration the issue of whether fixed devices might be used in that band. The API responded by participating in comments filed by the Land Mobile Communications Council reiterating the concern that low-power devices would interfere with land mobile operations on TV channels 14–20 as well as Southern Louisiana-Texas Offshore Zone operations on TV channels 15–17. The comments also encouraged the commission to open a rulemaking proceeding to expand the markets in which channels 14–20 are available for land mobile use. Final commission action is not expected in the near future.
- 5) The FCC released a Third Memorandum Opinion and Order and Third Further Notice of Proposed Rulemaking and Order in this proceeding on December 23, 2004. In it, the FCC maintained January 1, 2013, as the final migration deadline for Industrial/Business Radio Pool licensees to migrate to 12.5-kHz equipment. The agency also revised the Interim Deadline that restricts the filing of applications for new operations and applications for modification of licenses that would expand existing 25-kHz systems to January 1, 2011. Further, the commission exempted Part 90 paging-only frequencies from the narrow banding requirements.

The mission of the API Telecommunication Committee is to support the oil and gas industry's effective management and implementation of telecommunication technologies, resources, regulatory, and legislative efforts. Membership on the API Telecommunication Committee provides SEG an opportunity to be informed on current regulatory and legislative matters that may affect the use of radio spectrum for geophysical purposes. It has been my privilege to serve on this committee for the last seven years. I would like to thank Fairfield Industries for continuing to bear the expenses for SEG and my participation on this committee.

International Association of Oil and Gas Producers (OGP)

Geodesy Working Group

Jill C. Lewis, representative

The International Association of Oil and Gas Producers (OGP) is the custodian of the P1 and P2 formats, and it has been agreed that these are in need of update. After several calls and two meetings, it seems that the OGP wishes to receive advice from the contractors as to the necessary parameters required in the new SEG-D 3.0 format. Barry Barrs of Exxon-Mobil, along with other members of the SEG-D subcommittee, are looking into this.

A major drive to move this initiative forward will commence over the next several months, with the hope of having a proposal on the table for the SEG in San Antonio.

NAPE Advisory

Chris O. Tutt, representative

NAPE (formerly North American Prospect Expo) was founded in 1993 to provide a marketplace for the buying, selling, and trading of oil and gas prospects and producing properties (added in 1998) via exhibit booths. NAPE brings state-of-the-art prospects and properties from the United States and around the world, advanced technology, and energy capital formation all together in one location, creating a pure marketplace to establish strategic alliances for doing business and initiating purchases and trades.

NAPE has a summer and a winter exposition. Booth registration for the summer meeting is running about 30% ahead of last year. Attendance should run about 6000, and the meeting will be held August 23–24, 2007, at the George R. Brown Convention Center in Houston, Texas. NAPE is comprised of American Association of Professional Landmen (AAPL), Independent Petroleum Association of America (IPAA), SEG, and the American Association of Petroleum Geologists (AAPG) as limited partners.

Summer NAPE is designed to augment winter NAPE, providing double the opportunity to showcase prospects and properties, gain company exposure, and increase networking.

National Petroleum Council Global Oil and Gas Study (NPC) Mike Bahorich, representative

As the SEG representative for the exploration technology portion of the National Petroleum Council Global Oil and Gas Study, I participated with a group of industry experts in discussion and debate about the benefit of various emerging technologies. This effort led to a report to the U.S. government on which exploration technologies are likely to influence future U.S. hydrocarbon supplies.

Offshore Technology Conference (OTC) Board of Directors Jack Caldwell, representative

The 2007 Offshore Technology Conference, the world's largest offshore event, was held April 30–May 3 at Reliant Center in Houston, Texas. The theme for this year's conference was "Transforming the Industry." Attendance at the 2007 Offshore Technology Conference (OTC) reached a 25-year high of 67 155, as offshore professionals from 110 countries met to learn about the latest technology to develop more oil and natural-gas resources from beneath the ocean. Attendance for 2007 increased 13% from 59 236 attendees in 2006. OTC's exhibition expanded for the first time into the adjacent Reliant Stadium and added more outdoor exhibit space in 2007. The show included 2500 companies from more than 30 countries, up from 2382 in 2006. Total exhibit space was nearly 530 000 square feet, about the size of 13 football fields, and there continues to be a waiting list of exhibitors, even though more space was opened up this year.

SEG is a sponsoring organization of the Offshore Technology Conference. The relationship dates to 1969, 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 13 members to 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.

Special mention should be made about one SEG member who was the first person to propose the OTC, back in the early

1960s, and who helped make it happen. I did not see him at this year's conference, and it was the first OTC he has ever missed. His name is Alf Klaveness, and it has been an honor and a pleasure for me to know him and work with him for many years. He has been a giant in the offshore industry, and all who work in the industry owe him a debt of gratitude.

SEG and its members accrue several benefits through participation in the Offshore Technology Conference. First, it is a place where participants can broaden their views of the technology and technical advances that are required to make the oil and gas industry what it is. Second, besides the big-time hardware that is on view and being discussed in technical sessions, there are reservoir engineering technical sessions that are, without question, relevant to what most geoscientists are working on today. Third, the geoscience sessions have been technically strong for years. Fourth, as with almost any well-attended industry meeting, it is a good place to network. Fifth, this meeting provides about 5% of the total annual income for SEG.

On the flip side, SEG and its members help make OTC the success that it is. First, there are the members who work on the Technical Program Committee. Joe Reilly was chairman and Klaas Koster was vice chairman of the 2007 SEG program subcommittee. In addition to Reilly and Koster, members of the 2007 SEG/OTC Technical Program subcommittee included William (Bill) N. Barkhouse, Dan Ebrom, Don Herron, John MacDonald, David Monk, Joshua (Shuki) Ronen, Larry Scott, Gene W. Sparkman, and Ali Tura. Second, these people who have an official responsibility in turn arm-twist other members into actually giving the papers on which the suggested technical sessions were predicated. Third, there is the local section of SEG, the Geophysical Society of Houston, which supplies volunteers who help staff the Arrangements Committee, which handles various necessary chores for the meeting. For his leadership role with respect to this activity in the recent past, Roy Clark deserves special mention. Fourth, there are numerous unrecognized members who do deeds of consequence but of which there is no record. Fifth, the Society provides a member on the Board of Directors, and the Board works hard to keep the OTC on its mission and, in actuality, trying to improve on its performance of its mission.

This year's OTC offered special sessions on significant industry topics, such as the changing roles of national oil companies and international oil companies, the industry's preparation for the upcoming hurricane season, the realities facing OPEC, and emerging areas for offshore development, in addition to 300 technical presentations. OTC's "Spotlight on New Technology" program highlighted 14 innovative technologies that are already making the industry more effective.

The OTC Board has initiated activity to determine what OTC's role might be in the development of young professionals within the industry and in the encouragement and creation of interest by students in grades K–12 in the earth sciences in general and the energy industry in particular. With those issues in mind, OTC held "The Next Wave" event to address issues important to industry professionals under the age of 35. The

first Energy Education Institute brought 100 Houston-area elementary and secondary teachers to OTC for a workshop on bringing energy topics to their classrooms. Based on the enthusiasm displayed by the participants in both of these activities, they were quite successful. OTC will evaluate the evaluations of the participants and make changes as necessary, so that these two key events will evolve over time to become more and more useful to the attendees.

The 2008 OTC, "Waves of Change," takes place May 5–8, 2008, at Reliant Center at Reliant Park in Houston. For more information on OTC in general or about the upcoming OTC, visit www.otcnet.org.

As your representative on the OTC Board of Directors, I welcome any comments, suggestions, and/or critiques (positive or negative) that you may have. My e-mail address is jgcaldwell@sbcglobal.net.

OTC Technical Program

Joseph M. Reilly, chairman

Founded in 1969, OTC is the world's foremost event for the development of offshore resources in the fields of drilling, exploration, production, and environmental resources.

OTC brings together industry leaders from more than 110 countries who want to explore how technology, best practices, emerging trends, and proven methods are impacting the landscape of the offshore oil and gas industry. OTC is held annually at Reliant Center in Houston. The theme for this year's conference was "Transforming the Industry." OTC's exhibition expanded for the first time into the adjacent Reliant Stadium and added more outdoor exhibit space in 2007. The show included nearly 2400 companies from more than 30 countries, up from 2229 in 2006. Total exhibit space was nearly 530 000 square feet, or about the size of 13 football fields. Attendance at the 2007 OTC reached a 25-year high to 67 155.

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OTC also held "The Next Wave" event to address issues important to industry professionals under the age of 35. The first Energy Education Institute brought 100 Houston-area elementary and secondary teachers to OTC for a workshop on bringing energy topics to their classrooms.

The SEG is one of 12 sponsoring professional societies of the technical program. The SEG/OTC 2007-sponsored program highlighted the latest geophysics technology and included papers on regional and global geology, business issues, and

environmental challenges. This represented a shift in focus from prior years and was a deliberate attempt to attract a wider industry audience to our technical sessions. We are very pleased to report that all sessions enjoyed a near-capacity attendance and high audience participation.

The SEG/OTC technical sessions began with "Advances in Geophysics and Reservoir Monitoring." This included talks on the latest developments on bottom-cable (OBC) technology and new techniques in time-lapse analysis and inversion. This was followed by a session "Seeing the Deep Reservoir: Recent Discoveries and New Seismic Imaging Technologies." The opening talk is from one of the leading companies exploring the Lower Tertiary trend in the deepwater Gulf of Mexico. This was one of the first public-domain presentations on this exciting new play. This was followed by a series of papers on wide-azimuth towed streamer, on-bottom nodes and the latest advances in over/under streamer technology. The author-audience spontaneous dialogue centered around a lively discussion of streamer versus on-bottom multicomponent technology.

The third SEG/OTC technical session was "The Tectonic Earth: Impact on Offshore Oil and Gas Operations." The authors of these talks ranged from leaders in academic research in tsunami and earthquake prediction to worldwide experts in geohazard assessment and industry specialists working on these topics. The session began with two presentations on tsunami and seismic triggering of submarine landslides. This was followed by three talks specifically focused on the February 10, 2006, magnitude-5.2 Gulf of Mexico earthquake and the magnitude-6.0 event on September 11, 2006. This session subtopic represented a continuation of the technical discussions which were initiated at the SEG 2006 workshop on the same phenomenon. Audience participation was very energetic and the authors were interviewed by the *Houston Chronicle*, which resulted in a lengthy article in the newspaper on this important topic.

SEG/OTC subcommittee also coordinated the Topical Luncheon: "A Technical Challenge for the Greater Gorgon Project: CO₂ Sequestration." This is an area of developing importance for the industry, and the presentation is an early look at one operator's experience with the CO₂ challenges associated with one of the world's largest new offshore projects.

Finally, the April *TLE* special session on "Wide-Azimuth Seismic Acquisition" represented our customary edition featuring papers from the authors of the SEG/OTC-sponsored sessions and their colleagues. This year's topic was one of the hottest new concepts presented at SEG 2006.

Members of the 2007 SEG/OTC Technical Program subcommittee included Joseph M. Reilly (chairman), Klaas Koster (vice chairman), William Barkhouse, Dan Ebrom, Don Herron, John MacDonald, David Monk, Joshua (Shuki) Ronen, Larry Scott, Gene Sparkman, and Ali Tura.

Society of Petroleum Engineers (SPE)
Oil and Gas Reserves
Matthew J. Mikulich, representative

During this past year, I attended the fall Oil and Gas Reserves Committee (OGRC) meeting in San Antonio in September 2006 but was not able to attend the spring meeting, which was held in Dallas in April 2007. I also reviewed various drafts, now known as the “SPE/WPC/AAPG/SPEE Petroleum Resources Management System” (PRMS), forwarded to all committee members and observers. In addition, on behalf of the OGRC, I made two presentations at international professional meetings discussing the new PRMS.

The primary activity of the OGRC over the last year was completing the new PRMS and the glossary. Draft No. 11 was presented to the SPE board for final approval in March 2007. A secondary objective was to have a subcommittee work on training for experts on the new system. Other objectives were to get endorsement of the associated societies and to coordinate with other international finance groups such as International Accounting Standards Board (IASB). Now that the PRMS is finalized, these latter functions will move to the highest priorities.

I have received copies of letters from SEG President Leon Thomsen which indicate his interest in SEG becoming more active in OGRC activities and, in particular, in getting more visibility for geophysical methods in booking reserves. While I agree with these objectives and in fact was a principal mover in getting Chevron to use seismic data in booking reserves back in the mid-1990s, that is not the direction the OGRC has been moving. The PRMS is simply a “cupboard” advising where to put the various kinds of reserves, not advising what technology is used to define reserves. There is little discussion of technology, engineering, or otherwise in the PRMS or by the OGRC. OGRC is now moving in another direction to achieve universal buy-in of the new system by other entities and “mapping to Combined Reserves International Reporting Standards Committee (CRIRSCO) for the IASB.”

When I was appointed representative for SEG, I thought that the OGRC would be involved in defining the SPE position on global reserves, that is, how many barrels are out there, where they are located, etc., and how technology would be used. I addressed these issues with the chairman, but these have never been OGRC objectives as defined by the SPE board, and the committee has had many other priorities. Currently, the OGRC does not have a mandate on these issues and will not take them up.

Observation/recommendation: If SEG wishes to have SPE include geophysical data in booking reserves, a different strategy must be employed. One possibility is to set up an SEG committee to discuss the issue with the SPE board and the OGRC to see if SPE is amenable. With SPE’s concurrence/feedback, the SEG committee would draft a document that can be presented the OGRC for discussion, etc. It may be possible to get it

attached as an addendum to the PRMS over time. There may also be other avenues to accomplish this, but it will not happen until the OGRC has this as a mandate from the SPE board, and the current membership of the OGRC does not have the expertise to do it. Neither will it happen with one SEG representative to the OGRC.

Financial Statements

SEG Foundation December 31, 2006 and 2005 (With Independent Auditors' Report Thereon)



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

8282 S. Memorial Drive, Suite 110 • Tulsa, Oklahoma 74133

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SEG Foundation

We have audited the accompanying statements of financial position of SEG Foundation (a not-for-profit corporation) as of December 31, 2006 and 2005, and the related statements of activities and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits 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 audits provide 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, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

June 13, 2007

SEG FOUNDATION

Statements of Financial Position

December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 776,298	1,216,698
Investments (Note 2)	3,495,317	3,123,585
Accounts receivable	26,118	72,591
Interest receivable	55,426	41,354
Promises to give (Note 3)	888,595	193,435
Prepaid expenses	1,175	558
Doodlebugger inventory	3,008	5,264
Property and equipment at cost, less accumulated depreciation of \$2,411 in 2006 (Note 4)	138,969	131,736
Endowment promises to give (Note 3)	180,187	70,650
Endowment investments (Note 2)	<u>6,883,827</u>	<u>5,170,591</u>
Total assets	\$ <u>12,448,920</u>	<u>10,026,462</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities-</u>		
Accounts payable	<u>10,992</u>	<u>91,410</u>
Net assets:		
Unrestricted	3,210,005	3,607,794
Temporarily restricted (Note 5)	2,163,909	1,086,017
Permanently restricted (Note 6)	<u>7,064,014</u>	<u>5,241,241</u>
Total net assets	<u>12,437,928</u>	<u>9,935,052</u>
Total liabilities and net assets	\$ <u>12,448,920</u>	<u>10,026,462</u>

See accompanying notes to financial statements.

SEG FOUNDATION

Statements of Activities

For the Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Changes in unrestricted net assets:		
Revenues:		
Contributions	\$ 194,135	724,496
In-kind donations	207,461	321,028
Interest and dividends	166,988	134,208
Sale of Doodlebuggers	3,753	2,500
Net gain on investments	<u>398,984</u>	<u>113,987</u>
Total unrestricted revenue	971,321	1,296,219
Net assets released from restrictions	<u>713,816</u>	<u>1,719,271</u>
Total revenues	<u>1,685,137</u>	<u>3,015,490</u>
Expenses:		
Program expenses	738,933	624,819
Supporting expenses	352,113	332,998
Fundraising expenses	<u>245,323</u>	<u>178,810</u>
Total expenses	<u>1,336,369</u>	<u>1,136,627</u>
Net assets from Double Impact Program transferred (Note 1)	<u>-</u>	<u>(8,175)</u>
Net assets transferred (Note 8)	<u>(746,557)</u>	<u>-</u>
Increase (decrease) in unrestricted net assets	<u>(397,789)</u>	<u>1,870,688</u>
Changes in temporarily restricted net assets:		
Contributions	1,077,465	69,034
Interest and dividends	229,240	162,073
Net gain on investments	580,646	137,305
Net assets released from restriction	(713,816)	(431,613)
Net assets transferred (Note 8)	<u>(95,643)</u>	<u>-</u>
Increase (decrease) in temporarily restricted net assets	<u>1,077,892</u>	<u>(63,201)</u>
Changes in permanently restricted net assets:		
Contributions	980,570	450,475
Net assets released from restriction (Note 7)	-	(1,287,658)
Net assets from Double Impact Program transferred (Note 1)	-	8,175
Net assets transferred (Note 8)	<u>842,203</u>	<u>-</u>
Increase (decrease) in permanently restricted net assets	<u>1,822,773</u>	<u>(829,008)</u>
Increase in net assets	2,502,876	978,479
Net assets at beginning of year	<u>9,935,052</u>	<u>8,956,573</u>
Net assets at end of year	\$ <u>12,437,928</u>	<u>9,935,052</u>

See accompanying notes to financial statements.

SEG FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Increase in net assets	\$ 2,502,877	978,479
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation and amortization	2,411	-
Net gain on investments	(979,630)	(251,292)
Endowed pledge contributions	(170,000)	(90,300)
(Increase) decrease in:		
Accounts receivable	46,473	(21,471)
Interest receivable	(13,892)	697
Promises to give	(695,160)	(142,574)
Prepaid expenses	(617)	(558)
Doodlebugger inventory	2,256	1,504
Increase (decrease) in:		
Accounts payable	<u>(80,418)</u>	<u>67,907</u>
Net cash provided by operating activities	<u>614,300</u>	<u>542,392</u>
Cash flows from investing activities:		
Purchases of property and equipment	(9,644)	-
Proceeds from sales and maturities of investments	3,922,172	5,214,731
Purchases of investments	<u>(5,027,691)</u>	<u>(5,100,184)</u>
Net cash provided (used) by investing activities	<u>(1,115,163)</u>	<u>114,547</u>
Cash flows provided by financing activities -		
Endowment pledge receipts	<u>60,463</u>	<u>19,650</u>
Net increase (decrease) in cash and cash equivalents	(440,400)	676,589
Cash and cash equivalents, beginning of year	<u>1,216,698</u>	<u>540,109</u>
Cash and cash equivalents, end of year	\$ <u><u>776,298</u></u>	<u><u>1,216,698</u></u>

See accompanying notes to financial statements.

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature 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:

- **Professional Development Programs:** Programs that support practicing geophysicists and to further the science of applied geophysics.
- **Student Support Programs:** Programs that encourage and inspire the participation of university and college students in the geosciences.
- **Youth Outreach Programs:** Programs designed to engage youth from six to seventeen years of age in the geosciences.

(continued)

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In 1998 the Foundation 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 \$8,175 of contributions during 2005. 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, 2006 and 2005, the Foundation had cash and cash equivalents in excess of federally insured limits by approximately \$632,717 and \$1,074,019, respectively.

Investments

Investments consist of trading securities of fixed income investments and equity investments and are carried at fair value at December 31, 2006 and 2005. 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.

Investment returns are allocated to net assets classifications based upon a percentage of the balance of net assets held in each classification. Returns on permanently restricted assets are allocated to temporarily restricted net assets and expended according to donor restrictions. Returns on temporarily restricted net assets and unrestricted/board designated assets are allocated to unrestricted/board designated assets.

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 Years Ended December 31, 2006 and 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property & Equipment

Property and equipment are stated at cost. The Foundations policy is to capitalize all major expenditures above \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Exhibits in the Geoscience Center include art and museum artifacts . The 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

Reclassifications have been made for 2005 to compare to 2006 presentation. 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.

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 2 – INVESTMENTS

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

	<u>2006</u>	<u>2005</u>
Fixed income securities:		
U.S. Government notes	\$ 1,268,292	1,291,387
Corporate bonds	913,847	934,957
Certificates of Deposits	1,232,507	946,175
GNMA certificate	<u>2,011</u>	<u>7,419</u>
	3,416,657	3,179,938
Equity Investments:		
Common stocks	<u>6,962,487</u>	<u>5,114,238</u>
	10,379,144	8,294,176
Endowment investments	<u>6,883,827</u>	<u>5,170,591</u>
Investments	\$ <u><u>3,495,317</u></u>	<u><u>3,123,585</u></u>

NOTE 3 – PROMISES TO GIVE

The Foundation is currently in the first phase of a multi-phase major gifts campaign, *Advancing Geophysics Today, Inspiring Geoscientist for Tomorrow*, that will advance programs for the benefit of the Society's members and the Society at-large. One million dollars in funds have been reserved through December 31, 2010 by the Society to encourage donations by matching individual gifts of \$5,000 to \$50,000. Gifts may be pledged over a period of five years. These pledges are included in the major gifts campaigns promises to give.

The Trustee Associates promises to give are contributions that have been pledged over five years by a group of donors that support the general operations of the Foundation.

Scholarship promises to give consist of donor contributions to scholarship program pledged over five years.

(continued)

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 3 – PROMISES TO GIVE (continued)

At December 31, unconditional promises to give consist of the following:

	<u>2006</u>	<u>2005</u>
Major gifts campaign	\$ 1,021,157	204,518
Trustee Associates	44,025	55,967
Scholarships	<u>3,600</u>	<u>3,600</u>
	1,068,782	264,085
Endowment promises to give	<u>180,187</u>	<u>70,650</u>
Promises to give	\$ <u>888,595</u>	<u>193,435</u>

At December 31, the unconditional promises to give are due as follows:

	<u>2006</u>	<u>2005</u>
Less than one year	\$ 380,647	168,114
One to five years	<u>688,135</u>	<u>95,971</u>
	\$ <u>1,068,782</u>	<u>264,085</u>

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

NOTE 4 – PROPERTY & EQUIPMENT

A summary of property & equipment at December 31, 2006 follows:

	<u>2006</u>	<u>2005</u>
Computer equipment	\$ 9,644	-
Exhibits	<u>131,736</u>	<u>131,736</u>
	141,380	131,736
Less accumulated depreciation	<u>2,411</u>	<u>-</u>
	\$ <u>138,969</u>	<u>131,736</u>

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2006</u>	<u>2005</u>
Professional development	\$ 234,891	397,332
Student support	1,802,044	654,433
Youth outreach	60,687	34,252
General operations	<u>66,287</u>	<u>-</u>
	\$ <u>2,163,909</u>	<u>1,086,017</u>

NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS

Net assets consisting of endowments were permanently restricted for the following purposes at December 31,:

	<u>2006</u>	<u>2005</u>
Professional development	\$ 470,811	470,811
Student support	4,935,465	4,435,489
Youth outreach	289,941	263,942
General operations	<u>1,367,797</u>	<u>70,999</u>
	\$ <u>7,064,014</u>	<u>5,241,241</u>

The permanently restricted net assets are held in various investments and as promises to give at December 31, 2006 and 2005.

NOTE 7 – NET ASSETS RECLASSIFICATION

The Foundation held \$1,287,658 as permanently restricted net assets that consisted of contributions to assist in the construction of the office building currently owned by the Society. The cost of the building was funded solely by the Society. In the prior year ending December 31, 2005 the Foundation petitioned the courts to release the net assets from their original donor restrictions and to be redirected by the Foundation board of directors. The courts approved the release.

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 8 – NET ASSET TRANSFERS

There were donors who requested that their previous donations be redirected by the foundation. The Foundation transferred approximately \$746,557 from the unrestricted net assets to permanently restricted net assets.

New donor agreements for contributions greater than \$25,000 were offered to donors. This agreement allowed for a portion of the earnings of permanently restricted contributions to be used for investment portfolio management fees, expenses related to the restrictive purpose of the endowment, amounts held for future expenses and amounts to be transferred back into the endowment fund in permanently restricted net assets. Per formulas and percentages set forth by the agreement and the board of directors approximately \$98,774 was transferred from the temporarily restricted net assets to permanently restricted net assets. In addition there was \$32,912 released from temporarily restricted net assets to unrestricted net assets for management fees.

NOTE 9 – FUNCTIONAL CLASSIFICATION OF EXPENSES

For the year ended December 31, 2006:

	<u>Program Expenses</u>	<u>Support Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Grants	\$ 236,412	6,157	-	242,569
Projects	53,203	-	-	53,203
DISC program	80,489	-	-	80,489
Scholarships	290,850	14,079	-	304,929
Student support	6,925	25,000	-	31,925
Administrative fees	-	263,135	86,136	349,271
Facility rent	71,054	21,321	-	92,375
Professional fees	-	-	81,257	81,257
Travel & meetings	-	14,503	44,594	59,097
Other	-	7,918	33,336	41,254
	<u>\$ 738,933</u>	<u>352,113</u>	<u>245,323</u>	<u>1,336,369</u>

(continued)

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 9 – FUNCTIONAL CLASSIFICATION OF EXPENSES (continued)

For the year ended December 31, 2005:

	<u>Program Expenses</u>	<u>Support Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Grants	\$ 138,345	-	-	138,345
Projects	58,330	-	-	58,330
DISC program	93,877	-	-	93,877
Scholarships	258,850	-	-	258,850
Student support	1,496	-	-	1,496
Administrative fees	-	228,654	178,517	407,171
Facility rent	71,051	21,324	-	92,375
Professional fees	-	66,411	-	66,411
Travel & meetings	-	9,349	-	9,349
Other	<u>2,870</u>	<u>7,260</u>	<u>293</u>	<u>10,423</u>
	<u>\$ 624,819</u>	<u>332,998</u>	<u>178,810</u>	<u>1,136,627</u>

NOTE 10 – RELATED PARTY TRANSACTIONS

During prior years the Society provided substantially all of the administrative and financial services, office space and equipment to the Foundation as an in-kind contribution. Effective July 1, 2006 the Foundation is reimbursing the Society for the majority of its administrative expenses. The estimated amount of the in-kind contribution from the Society is \$207,460 and \$321,028 for 2006 and 2005, respectively, and has been included as an in-kind donation and program and supporting expenses.

(continued)

SEG FOUNDATION

Notes to the Financial Statements

For the Years Ended December 31, 2006 and 2005

NOTE 10 – RELATED PARTY TRANSACTIONS (continued)

In addition the Foundation and Society support each other with contributions and the Society provides services for which they are reimbursed by the Foundation. Those transactions for the years ended December 31, are as follows:

	<u>2006</u>	<u>2005</u>
Contributions to the Society	\$ 225,000	118,425
Contributions from the Society	\$ 228,609	300,739
Reimbursement to the Society for fundraising services	\$ 70,919	56,361
Reimbursement to the Society for administration of DISC program	\$ 80,489	93,867
Reimbursement to the Society for administrative expenses	\$ 93,856	-

Included in accounts receivable at December 31, 2006 and 2005 is a receivable of \$14,911 and \$1,518, respectively, due from the Society. Included in the major gifts promises to give at December 31, 2006 and 2005 are promises to give of \$105,430 and \$129,423, respectively. Included in accounts payable at December 31, 2006 and 2005 is a payable to the Society of \$3,066 and \$53,375, respectively.

Society of Exploration Geophysicists June 30, 2007 and 2006
(With Independent Auditors' Report Thereon)



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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Society of Exploration Geophysicists

We have audited the accompanying consolidated statement of financial position of the Society of Exploration Geophysicists (the "Society") as of June 30, 2007 and 2006, and the related consolidated statement of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Society of Exploration Geophysicists as of June 30, 2007 and 2006, 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.

August 27, 2007

SOCIETY OF EXPLORATION GEOPHYSICISTS

Consolidated Statements of Financial Position

June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 1,863,406	2,089,557
Short-term investments	677,958	529,069
Accounts receivable, less allowance for doubtful accounts of \$3,086 in 2007 and \$1,877 in 2006	1,385,975	575,356
Inventories	582,461	587,124
Prepaid expenses	559,195	287,291
Accrued interest receivable	<u>34,500</u>	<u>31,189</u>
Total current assets	<u>5,103,495</u>	<u>4,099,586</u>
Investments	6,207,901	5,783,709
Property and equipment:		
Land	489,605	489,605
Building	8,079,862	8,060,750
Software development	2,078,454	-
Furniture, fixtures and equipment	<u>1,106,838</u>	<u>916,786</u>
	11,754,759	9,467,141
Less accumulated depreciation	<u>4,610,851</u>	<u>4,208,874</u>
Net property and equipment	<u>7,143,908</u>	<u>5,258,267</u>
Other assets	<u>2,793</u>	<u>2,793</u>
	\$ <u>18,458,097</u>	<u>15,144,355</u>

See accompanying notes to consolidated financial statements.

SOCIETY OF EXPLORATION GEOPHYSICISTS

Consolidated Statements of Financial Position (Continued)

June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,060,520	686,236
Current portion of capital lease obligation	33,517	33,517
Deferred revenue	<u>5,249,436</u>	<u>2,950,895</u>
Total current liabilities	6,343,473	3,670,648
 Deferred revenue	 25,771	 51,306
 Capital lease obligation	 <u>16,316</u>	 <u>44,830</u>
 Total liabilities	 <u>6,385,560</u>	 <u>3,766,784</u>
 Unrestricted net assets:		
Undesignated	11,941,537	11,246,571
Board designated	<u>131,000</u>	<u>131,000</u>
Total net assets	<u>12,072,537</u>	<u>11,377,571</u>
	\$ <u>18,458,097</u>	<u>15,144,355</u>

SOCIETY OF EXPLORATION GEOPHYSICISTS

Consolidated Statements of Activities

For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Membership dues	\$ 1,238,202	1,167,969
Conferences and meetings	5,130,296	5,249,475
Publication sales and advertising	2,753,296	2,388,838
Professional development	614,472	573,676
Investment income	959,812	472,024
Building lease operations	1,049,851	1,079,030
SEG Online	202,122	-
Other	<u>325,822</u>	<u>47,008</u>
Total revenues	<u>12,273,873</u>	<u>10,978,020</u>
Expenses:		
Membership record services	398,564	334,994
Conferences and meetings	2,431,054	2,441,314
Publications and advertising	2,916,335	2,483,073
Professional development	805,887	805,132
General and administrative	2,265,025	2,306,927
Building lease operations	969,160	910,398
Application development	956,223	-
Special projects	<u>345,594</u>	<u>26,497</u>
Total expenses	<u>11,087,842</u>	<u>9,308,335</u>
Increase in net assets before contributions to Foundation	1,186,031	1,669,685
Contributions to Foundation	<u>(491,065)</u>	<u>(552,450)</u>
Increase in net assets	694,966	1,117,235
Unrestricted net assets, beginning of year	<u>11,377,571</u>	<u>10,260,336</u>
Unrestricted net assets, end of year	\$ <u>12,072,537</u>	<u>11,377,571</u>

See accompanying notes to consolidated financial statements.

SOCIETY OF EXPLORATION GEOPHYSICISTS

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Increase in net assets	\$ 694,966	1,117,235
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation and amortization	401,976	391,314
Net realized/unrealized gain on investments	(655,028)	(228,966)
(Increase) decrease in assets:		
Accounts receivable	(810,619)	191,151
Inventories	4,663	(144,810)
Prepaid expenses	(271,904)	(79,777)
Accrued interest receivable	(3,311)	(4,043)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	374,281	390,853
Deferred revenue	<u>2,273,009</u>	<u>(200,858)</u>
Net cash provided by operating activities	<u>2,008,033</u>	<u>1,432,099</u>
Cash flows from investing activities:		
Purchases of property and equipment	(2,287,617)	(159,691)
Purchases of investments	(1,296,053)	(2,192,605)
Proceeds from sale of investments	<u>1,378,000</u>	<u>1,369,000</u>
Net cash used in investing activities	<u>(2,205,670)</u>	<u>(983,296)</u>
Cash flows from financing activities –		
Principal payments on capital lease obligation	<u>(28,514)</u>	<u>(26,421)</u>
Net cash used by financial activities	<u>(28,514)</u>	<u>(26,421)</u>
Net increase (decrease) in cash	(226,151)	422,382
Cash, beginning of year	<u>2,089,557</u>	<u>1,667,175</u>
Cash, end of year	\$ <u>1,863,406</u>	<u>2,089,557</u>
Cash paid for interest	<u>5,004</u>	<u>7,096</u>

See accompanying notes to consolidated financial statements.

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2007 and 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESNature 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 professional development programs and technical meetings, and providing other informational services.

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.

Principles of Consolidation

The consolidated financial statements include the accounts of the Society and its subsidiary, SEG Advanced Modeling Corporation. All intercompany balances and transactions have been eliminated.

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, 2007, and 2006, 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. Investments in joint ventures are valued at cost.

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2007 and 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property 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. Expenditure 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.

Software Development

The Society is developing software, SEG Online, for its memberships' use. Direct costs associated with the development of SEG Online are capitalized and are amortized over the estimated product life on the straight line basis. Unamortized costs are carried at the lower of book value or net realizable value.

Net Assets

The Executive Committee of the Society has designated \$131,000 of net assets for future building improvements as of June 30, 2007.

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.

Transactions with Foundation

The Society leases building space and provides administrative services to the Foundation. Contributions to the Foundation for these services were as follows:

	<u>2007</u>	<u>2006</u>
Administrative services	\$ -	233,874
Rent	35,529	92,375
Major gift campaign	456,076	226,201
Foundation projects	-	-
	<u>\$ 491,605</u>	<u>552,450</u>

Accounts receivable due from the Foundation was \$64,789 at June 30, 2007 and accounts payable due to the Foundation was \$38,912 at June 30, 2006. The Society charged the Foundation \$59,961 in 2007 and \$69,824 in 2006 for reimbursement of personnel costs related to fundraising activities. Building lease operations revenue includes \$35,529 and \$92,375 for the in-kind rent contributions in 2007 and 2006.

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions with Foundation (Continued)

The SEG Executive Committee and Foundation Board decided to discontinue imputing rent for the Geoscience Center square footage as of December 31, 2006. As of July 1, 2006, Foundation administrative services provided by SEG are reimbursed monthly by the Foundation. In 2007 the Foundation contributed \$202,122 to the Society for development costs of SEG Online.

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.

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 reported period. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

At June 30, 2007 and 2006, investments were as follows:

	2007	
	Cost	Market
Cash management fund	\$ 40,810	40,810
Certificate of deposit	1,662,000	1,685,904
Federal agency securities	450,000	439,267
Equity investments	1,608,051	3,004,961
Joint ventures	250,000	250,000
Corporate bonds	1,463,174	1,464,917
	\$ <u>5,474,035</u>	6,885,859
Less short-term investments		<u>677,958</u>
Long-term investments		\$ <u>6,207,901</u>

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2007 and 2006

NOTE 2 – INVESTMENTS (CONTINUED)

		<u>2006</u>	
		<u>Cost</u>	<u>Market</u>
Cash management fund	\$	55,287	55,287
Certificate of deposit		1,341,000	1,370,216
Federal agency securities		350,000	337,641
Equity investments		2,251,437	3,329,128
Joint Ventures		250,000	250,000
Corporate bonds		<u>1,213,437</u>	<u>1,220,506</u>
	\$	<u>6,580,161</u>	<u>6,312,778</u>
Less short-term investments			<u>529,069</u>
Long-term investments			\$ <u>5,783,709</u>

The Fair valued of fixed income securities at June 30, 2007 by maturity, are shown below:

Due in less than one year	\$	586,712
Due after one year through five years		1,963,013
Due after five years through ten years		<u>1,040,363</u>
	\$	<u>3,590,088</u>

Investment income in the accompanying consolidated statements of activities includes the following:

		<u>2007</u>	<u>2006</u>
Interest and dividend income	\$	304,784	177,947
Gain on investments		<u>655,028</u>	<u>228,966</u>
	\$	<u>959,812</u>	<u>406,913</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 \$363,956 in 2007 and \$331,725 in 2006.

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2007 and 2006

NOTE 3 – PENSION AND SALARY REDUCTION PLANS (CONTINUED)

Subsequent to June 30, 2006, the Society amended both benefit plans. As of August 1, 2006, the Society will continue to sponsor the defined contribution pension plan for persons employed as of July 31, 2006 until July 31, 2011. For employees hired August 1, 2006 and after, no defined contribution pension plan will be sponsored.

As of August 1, 2006, the Society will continue to sponsor the salary reduction plan for persons employed as of July 31, 2006 until July 31, 2011. For employees hired August 1, 2006 and after, and all employees after July 31, 2011, the Society's contributions to this plan are computed based on 6% of salaries and a one-for-one matching contribution of employees' contributions, up to a maximum of 3% of salaries.

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, 2007:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2008	\$ 771,393
2009	637,341
2010	476,589
2011	191,065
2012	<u>31,053</u>
	\$ <u>2,107,442</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, fixtures and equipment) was \$43,990, net of accumulated depreciation of \$94,925 at June 30, 2007.

(continued)

SOCIETY OF EXPLORATION GEOPHYSICISTS

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2007 and 2006

NOTE 4 – LEASING ARRANGEMENTS (CONTINUED)

Minimum future rental payments under capital lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 33,517
2009	<u>19,552</u>
	53,069
Less imputed interest	<u>(3,235)</u>
Present value of future minimum lease payments	49,834
Current portion	<u>33,517</u>
Long-term capital lease obligation	\$ <u>16,317</u>

NOTE 5 – COMMITMENTS

The Society has pledged \$1,000,000 to match contributions to the SEG Foundation campaign - Advancing geophysics today Inspiring geoscientists for tomorrow. Matching funds are for individual contributions received by December 31, 2011 for amounts of \$5,000 up to \$50,000. As of June 30, 2007, \$743,051 has been contributed by the Society for this campaign.