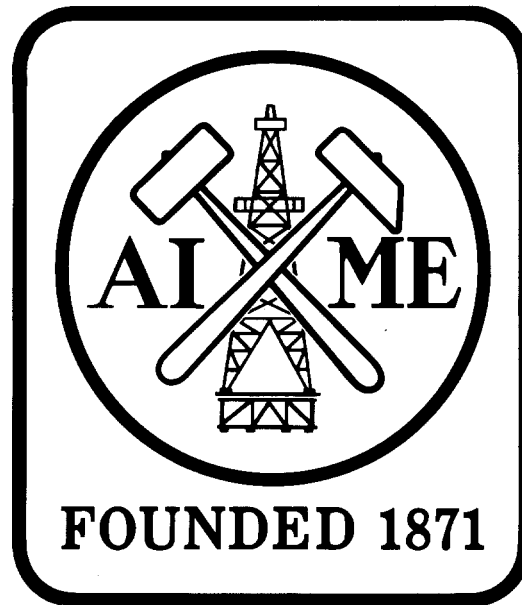


American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc.

# 2005 ANNUAL REPORT

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**TMS**





## Report of the 2005-2006 President

Alan W. Cramb

In 2005, AIME continued its evolution to a Society that is fiscally sound and sustainable. Following a path that was planned by President George H. Sawyer (now, sadly deceased) and successfully implemented by President Rob Wagner and President Robert Freas, I can say with great pride that AIME will continue much beyond this current board's time and its legacy will continue. The last five years have been very difficult, but the days of uncertainty are over, and this and past boards have completed their most important task and ensured the future of AIME as a vital, viable organization with the ability to serve its members.

The board of the AIME has successfully moved to two conference calls and one annual meeting to conduct its business. This mode of operation appears quite efficient and has led to a number of advances:

- During the past year the board has established updated Operating Practices, including a regular financial review process with enhanced reporting and new investment options to encourage robust growth in its endowments.
- AIME continued its streamlining and cost reduction with initiatives like the termination of the AIME pension plan in July and a split out of the AIME savings plan to reduce administrative burden and allow strategic flexibility at the Member Society level.
- AIME also supported projects led by other Engineering Founder Societies like the Engineering Management Certification Initiative, the Engineering R&D Symposium held in Washington, D.C., and Global Principles of Professional Conduct. In addition, guidelines for the future role of AIME are under discussion.
- Staff continued its work to improve the AIME website and utilize it as a storehouse for archiving important AIME documents. The offices and offsite storage continue to be purged and the inventorying of the library is progressing. Staff will be looking to digitize AIME endowment files and Transactions in the near future, as well as develop a formal document retention and destruction policy.
- New awards and scholarship enhancements were instituted to continue the great tradition of recognizing the top contributors in the industries and supporting promising young students. This work will move forward in 2006.
- The AIME Board will also be holding strategy sessions to crystallize AIME's future mission and goals.

As you can see by the above activities, the year ahead will be a delicate balancing act. While the Board is excited about establishing new ventures for the AIME, it is also stressing the importance of recognizing the rich history that has brought AIME where it is today.

### **In Memoriam**

It is with a great sense of loss to AIME that I note the deaths of AIME Past President (2002) and Honorary Member (2004), Mr. George H. Sawyer, and AIME Honorary Member (1975), Mr. Nathaniel E. Promisel, in December 2005. We were also saddened to hear of the passing of the first ISS President, Melvin E. Nickel (Honorary Member 1979) on September 7, 2005. Other AIME Honorary Members that were laid to rest include Morris Cohen (1981), Basil Kantzer (1991), Melvin Nickel (1979) and Robert L. Whiting (1988). Additionally, AIME lost longtime staff member, Ernest O. Kirkendall, who documented the Kirkendall Effect on interdiffusion. Their personalities and contributions to the industries will be missed.

### **Personal Notes**

As a young engineer, in my first job after graduation, my first boss was Norman T. Mills who became President of the AIME in 1985. He was a society believer and to work for Mr. Mills meant that you would join a professional society. At that time I joined ISS only to find it was part of AIME. AIME was well known to me because, as a graduate student I had attended the annual AIME/TMS meetings, which, at that time, were held jointly with SME. As part of the presidency of AIME I had the opportunity to visit all of the major annual meetings of our member societies and I found each meeting to be exciting, very professionally run and very welcoming to the President of the AIME.

Our societies history is long - from its humble beginnings in 1871 by 22 mining engineers in Pennsylvania to today's over 100,000 members – and the AIME has endured by serving its members and allowing groups of professionals with a common purpose to gather, share knowledge and become friends. With time we have developed awards to honor our leaders and it was with this purpose that I visited the various meetings – it was my task to hand out the AIME awards. If anyone wishes to know if AIME is alive and vital – then all one has to do is go to these award ceremonies where the best and the brightest are recognized. I found each society embraces the legacy of AIME and honors its past by awarding the AIME awards as the highlight of their awards banquet. I would like to thank SPE, AIST, TMS and SME for their gracious hospitality and for keeping alive the legacy of AIME. My only regret was that I missed the scotch breakfast (now a supper) at the SME meeting – it sounded like a lot of fun.

As was written by Isaac Newton in a letter to Robert Hooke in 1675, “If I have seen further it is by standing on the shoulders of giants.” Being a member of AIME is “to stand on the shoulders of giants”. I hope as we move forward that we do not forget the legacy of the past and that AIME was founded by people who wished to meet and talk and share knowledge and friendship. Many think that leaders are born and I do not wish to join that debate, but leaders are also forged by challenge and a willingness to complete important tasks. AIME is home where leaders can develop their skills and learn the meaning of another of Isaac Newton's great quotes: “Tact is the act of making a point without making an enemy.” In these days of team building and cooperative ventures, AIME should become more important in the future than in the past. Our individual societies can become greater by cooperation than isolation and AIME can serve this function.

In closing, I have enjoyed working with the board, the executive directors of our societies, and the excellent staff of AIME: Michele Gottwald and Rick Rolater. I would like to thank everyone for their hard work and support and wish the next AIME president, Mr. James Jorden, continued success as he takes over the leadership of this great organization.

A handwritten signature in dark ink, appearing to read "Dr. Alan W. Greub". The signature is written in a cursive, flowing style.

## AIME 2006 Officers and Trustees

### PRESIDENT AND TRUSTEE



James R. Jordan  
(SPE – Term ends 2008)

Jim Jordan has worked with Quicksilver Resources, Inc., a technology-driven oil and gas production company, as a consultant in formation evaluation since 1998. Jordan received a BS degree (with honors) in petroleum engineering from the University of Tulsa in 1957 and joined Shell Oil Co. upon graduation. He held petrophysical engineering positions of increasing responsibility, as well as several management positions prior to retiring from Shell in May 1995. Jordan joined the Society of Petroleum Engineers in 1956. He has held over 30 Society-wide positions on both technical and administrative committees. Jim was elected SPE President in 1984 and SPE Foundation President in 1996-1997. He was a member of the AIME Board of Trustees during 1983-1985 and 2000-2002. Jordan holds two patents, has written several published articles in the petroleum engineering technology field, and is co-author of Well Logging I and Well Logging II, parts of the SPE monograph series. In 1985, he was inducted into the University of Tulsa College of Engineering Hall of Fame. Jim received the Society of Petroleum Engineer's Distinguished Service Award in 1988, DeGolyer Distinguished Service Medal in 1991, and AIME/SPE Honorary Membership in 1995. He has served on industry advisory committees for the petroleum engineering departments at both the University of Tulsa and Colorado School of Mines. Following retirement from Shell, Jordan resumed academic studies and earned a Master of Arts in Theological Studies from Austin Presbyterian Theological Seminary in May 2004.

### PRESIDENT-ELECT AND TRUSTEE



Dan J. Thoma  
(TMS – Term ends 2009)

Dan J. Thoma received his BS degree in Metallurgical Engineering from the University of Cincinnati. During that time, he worked at NASA-Lewis Research Center in Cleveland, OH. He continued his education at the University of Wisconsin at Madison, where he received his MS and PhD degrees in metallurgical engineering. Dr.

Thoma has been employed at Los Alamos National Laboratory since 1992, where he is currently the team leader and project leader for Alloy Design and Development within the Metallurgy Group in the Materials Science and Technology Division. Dr. Thoma is very active in professional society activities. He is a current member of TMS, ASM, MRS, and ACerS. Within TMS he has served two terms on the Board of Directors as programming director. In addition, he is the chair of the Solidification Committee and serves on the Powder Materials Committee and the Nuclear Materials Committee. He has also served on the Education Committee and MPMD. Dr. Thoma is the 2003 TMS president.

### PRESIDENT-ELECT DESIGNATE AND TRUSTEE



**Michael Karmis**  
(SME – Term ends 2010)

Dr. Michael Karmis is the Stonie Barker Professor of the Department of Mining and Minerals Engineering and the Director of the Virginia Center for Coal and Energy Research at Virginia Tech. His broad research interests are in mine planning and design, ground control and the sustainable development of energy and natural resources. He has authored more than 150 scientific papers, reports, Proceedings volumes and textbooks and has directed numerous research projects funded by government agencies and the private sector. A Professional Engineer in the U.S.A. and a Licensed Engineer (Eur Ing) in Europe, Dr. Karmis has been active in consulting with the minerals industry, consulting companies, government organizations and legal firms. He served as the 2002 President of the Society for Mining, Metallurgy and Exploration (SME) and the 2002/03 President of the Society of Mining Professors. He is a Distinguished Member of the SME, a Fellow of the Institute of Quarrying and a Fellow of the Institute of Mining and Metallurgy. He has received numerous recognitions and awards by major scientific, professional and industrial organizations.

## PAST PRESIDENT AND TRUSTEE

### Alan W. Cramb

(AIST – Term ends 2007)



Alan W. Cramb is the Posco Professor of Iron and Steelmaking and Head of the Department of Materials Science and Engineering at Carnegie Mellon University (CMU). Dr. Cramb received his PhD from the University of Pennsylvania in 1979 and was employed first by the Inland Steel Company (1979-81) and then by the Bethlehem Steel Company at the Homer Research Laboratories (1981-86). In 1986 he joined Carnegie Mellon University and became a co-director of the Center for Iron and Steelmaking in 1990. His research interests include casting processes, solidification, clean steel manufacture and the processing of titanium alloys. He is the author of over 140 publications, holds 2 patents, was the recipient of the AISI Medal in 1985 and 1986, and the Robert Woolston Hunt Award of ISS in 1987. He was named an Iron and Steel Society Professor in 1992 and was awarded the Benjamin Richard Teare Award at CMU for excellence in engineering education in 1995. Dr. Cramb was the recipient of the Posco Chair for Iron and Steelmaking in 1997 and was President of the Iron & Steel Society in the year 2000. Most recently, he was made a Fellow of the Iron & Steel Society (2000) and named the John Elliott lecturer in 2002.

## OTHER TRUSTEES



### Gregory J. Hildeman

(TMS – Term ends 2007)

Gregory J. Hildeman is a Program Manager for Technology Transfer and has been with Alcoa at the Alcoa Technical Center in Pennsylvania for 26 years. He is currently responsible for deployment of casting technology to international locations. Greg was Manager of the Ingot and Solidification Division for 15 years and was responsible for leading Alcoa's research in recycling, melting, metal treatment, casting and solidification. During his career, Greg has learned to think globally about development and transfer of technology and best practices to Alcoa's plants as well as to performing this work in a safe and environmentally friendly manner. Greg Hildeman has a BS in metallurgical engineering from University of



Wisconsin-Madison, an MS degree in metallurgical engineering from UW-Milwaukee and received an ScD degree in Metallurgy from the Massachusetts Institute of Technology. He is the author or co-author of 16 papers in the field of metallurgical engineering, editor of two books and holds 11 patents in areas such as aluminum powder metallurgy alloys and processing, cathodes for electrolysis, and ingot casting processes. Greg has been an active member of TMS since 1981. He has recently served as the TMS Financial Planning Officer and has been a member of the Financial Planning Committee, Public and Governmental Affairs Committee, Chair of the Powder Metallurgy Committee, a *JOM* Advisor and member of the Publications Coordinating Committee.



**Donald E. Ranta**  
(SME – Term ends 2008)

Don has over 30 years of experience primarily in the exploration for and development of mineral deposits in North and South America, Africa, the Southwest Pacific, and the CIS. He has served in executive positions with Echo Bay Mines and Phelps Dodge Corp. and in managerial positions with AMAX, Climax Molybdenum, Gulf Mineral Resources, and Kennecott. From 1993 through 1997, he was Vice President of Echo Bay Mines where he managed the global exploration program with a professional staff of 40 geoscientists. His exploration teams have been responsible for the discovery or acquisition of a number of major ore deposits. From 1997 through 2002, he worked as a founding partner and officer of both Union Hill and NRX Global, two entrepreneurial companies providing financial and technical services to the mining industry. Don holds three degrees in Geological Engineering--a BS from the School of Mines and Metallurgy/University of Minnesota, an MS from the Mackay School of Mines/University of Nevada, and a PhD from the Colorado School of Mines. He was the President of the Society for Mining, Metallurgy, and Exploration (SME) for the year 2000.



**Theodore F. Lyon**  
(AIST – Term ends 2009)

Theodore F. Lyon began his career with Conoco, Inc. in the petroleum refining and petrochemicals business, in which he held various maintenance, operations, and project management positions. He has held various operations, management, and executive positions, including Vice President of

Eichleay Engineers & Constructors, Inc. Ted is currently Managing Director of Operations - Iron and Steel for Hatch Associates Consultants, Inc. In this capacity, he has global responsibility for operations for the Iron and Steel Business Unit of Hatch. This involves project development, process design, operations support, and project delivery for steel industry projects around the world. Additionally, Ted has responsibility for the operations of Hatch's Pittsburgh, PA office. Lyon earned both his B.S. degree in mechanical engineering (1980) and an M.B.A. (1993) from the University of Pittsburgh. He is a registered professional engineer in Pennsylvania, Michigan, Mississippi, and Louisiana.



### Arlie Skov

(SPE – Term ends 2010)

Arlie M. Skov retired to Santa Barbara CA after a 42-year career with Sohio Petroleum, BP Exploration, and Arlie M. Skov, Inc. He earned a BS degree in Petroleum Engineering at the University of Oklahoma (with special distinction) in 1956, and attended the Basic Advanced Management program at the University of Virginia in 1966.

His career included several engineering and management postings at Sohio and BP, including Manager, Special Projects, Assistant Chief Engineer, Manager Production Planning (for the development of the giant Prudhoe Bay oil and gas field on the North Slope of Alaska), Manager New Technology Development, Director Production Technology, and Senior Consultant. His areas of expertise include reservoir engineering, improved oil recovery, reserves estimation, field development, arctic technology, planning, and economics. Mr. Skov has been an active member of SPE and AIME for over five decades, joining while in college. He was elected to several offices, including Section Chairman, in the Oklahoma City Section. He also served on the society-wide Board of Directors of SPE from 1971 to 1974, and as member and chairman of many committees, both *ad hoc* and standing. He served as President of SPE in 1991, and as President of the SPE Foundation 2004-05. He has also served on several AIME Committees, most recently as Chair of the AIME Hoover Gold Medal Award Committee in 2005. He served on the AIME Board in the Seventies and again in 1995-96. Mr. Skov was named an SPE Distinguished Member in 1985, received the SPE Distinguished Service Award in 1988, and was named an Honorary Member of SPE and AIME in 1998. In 2005, he attained membership in SPE's Legion of Honor. He also served on the National Petroleum Council from 1996 to 22002 at the invitation of three US Secretaries of Energy.





## J. Rick Rolater

(AIME Executive Director and Secretary)

J. Rick Rolater, AIME Executive Director, began this assignment on April 1, 2003. Since 1996, he has been a self-employed as a dealer in collectible mineral and fossil specimens as owner of Splendor of Nature Gallery. His prior experience includes founding and serving as CEO of several companies including Discovery Channel Stores, Provident Bancorp of Texas, Paragon Communication Systems, and Rolater, Ducote & Company CPAs.

Following graduation from the University of North Texas with a BBA in Accounting, he worked as a CPA with Arthur Young & Co. and as a financial advisor.

## **AIME Past Presidents (Active List)**

2004 – Robert C. Freas	1978 - Wayne L. Dowdey
2003 – Robert H. Wagoner	1977 - H. Arthur Nedom
2000 - Robert E. Murray	1976 - Julius J. Harwood
1999 - Paul G. Campbell, Jr.	1974 - Wayne E. Glenn
1998 - Roy H. Koerner	1967 - Walter R. Hibbard, Jr.
1997 - Leonard G. Nelson	
1996 - Donald W. Gentry	
1995 - Frank V. Nolfi, Jr.	
1994 - Noel D. Rietman	
1993 - G. Hugh Walker	
1992 - Roshan B. Bhappu	
1991 - Milton E. Wadsworth	
1990 - Donald G. Russell	
1989 - Howard N. Hubbard, Jr.	
1988 - Thomas V. Falkie	
1987 - Alan Lawley	
1986 - Arlen L. Edgar	
1985 - Norman T. Mills	
1984 - Nelson Severinghaus, Jr.	
1983 - Edward E. Runyan	
1982 - Harold W. Paxton	
1981 - Robert H. Merrill	
1979 - William H. Wise	

## **Report of the 134th Annual Meeting St. Michael's, MD – August 2005**

AIME celebrated its 134th Annual Meeting in St. Michael's, MD, August 13 & 14, 2005. The meeting venue was Harbortowne Resort. Following the meeting, Mr. Alan W. Cramb, AIST, was installed as 2005 AIME President.

AIME no longer holds a separate Annual Banquet and Awards Ceremony. AIME awards are presented at the Member Society Awards Banquet of the recipient. 2004 President, Robert C. Freas, attended the SME (St. Louis), TMS (San Antonio), and AIST (Cleveland) banquets to confer the AIME awards, while 2005 President, Alan W. Cramb, attended the SPE (San Antonio) banquet to confer the AIME awards. The winners of the honors and awards and AIME honorary members are listed on the following pages. The AIME keynote session was held at the AIST annual meeting (the Society of the AIME President at the time). The following is from the AIST Annual Meeting Program regarding the AIME Keynote Session:

The 2006 AIME Keynote and J. Keith Brimacombe Memorial Lecture is May 1, 2006 at 8:30 a.m. in the Music Hall of the Cleveland Convention Center. The guest lecturer is Dr. John Stubbles, who will speak on the development of the mini-mill industry. John Stubbles was educated in England, receiving a bachelor of science degree (with first class honors) in metallurgy from Manchester University in 1954, and a Ph.D. in chemical metallurgy from London University in 1957. After six years in academia, he joined the Youngstown Sheet and Tube Co., and for the next 36 years he managed technical activities at both integrated companies and a minimill. In 1999, he retired to become a private consultant to the steel industry and organizations such as the Steel Manufacturers Association (SMA) and the U.S. Department of Energy. He was active in the Iron & Steel Society for more than 40 years (Distinguished Member in 1984, Elliott Lecturer in 1995 and Howe Lecturer in 1997) and is now a member of AIST.

The 135<sup>th</sup> AIME Annual Meeting will be held in Napa Valley, CA in August of 2006.

## Recipients of Honors and Awards Presented by AIME in 2005

### 2005 Honorary Members

**Farouk A. Kenawy** **SPE**

*In recognition of his contributions to the petroleum engineering profession, and his career long efforts to expand understanding and collaboration among petroleum professionals worldwide.*

**Fernando Samaniego-Verduzco** **SPE**

*For his exceptional contributions to the industry's technical literature, particularly in the analysis of finite-conductivity fractures; and for his enduring support of the Society's mission.*

### James Douglas Gold Medal

**No 2005 Recipient**

### William Lawrence Saunders Gold Medal

**F. Steven Mooney** **SME**

*For his vision and leadership in creating and building a leading global supplier of molybdenum - the Thompson Creek Metals Company - and for his dedicated support of minerals education as a Trustee of the Colorado School of Mines.*

### Charles F. Rand Memorial Gold Medal

**No 2005 Recipient**

### Anthony F. Lucas Gold Medal

**Stephen A. Holditch** **SPE**

*No citation received*

### Erskine Ramsay Medal

**Raja V. Ramani** **SME**

*To recognize his professional service to the coal mining industry as an outstanding educator and researcher, with emphasis on his contributions in mine ventilation, simulation and mathematical programming, innovative mining methods, and the management issues of health, safety and productivity.*

### Robert H. Richards Award

**John O. Marsden** **SME**

*For his many contributions in operations, research, process development, and service, John Marsden is a quintessential minerals industry professional. Importantly, also, he has been willing to share his knowledge and experience through publication and service to professional societies and to many boards.*

### Benjamin F. Fairless Award

**No 2005 Recipient**

### Hal Williams Hardinge Award

**Peter W. Harben** **SME**

*For outstanding achievement and service to the profession by describing the geology of worldwide industrial minerals deposits; setting an industry standard with the Industrial Minerals Handybook; and making significant contributions to the field of industrial minerals marketing and research.*

# Recipients of Honors and Awards Presented by AIME in 2005

## Robert Earll McConnell Award

No 2005 Recipient

## AIME Distinguished Service Award

No 2005 Recipient

## Environmental Conservation Distinguished Service Award

**Paul Ziemkiewicz**

**SME**

*In recognition of outstanding service, foresight, and innovation in mine and land reclamation and water quality improvement, including research leadership and policy advisory.*

## Frank F. Aplan Award

**D.R. Nagaraj**

**SME**

*For his outstanding and innovative long-time achievements in the design, development and commercialization of novel flotation reagents and in advancing the art and science of flotation reagents.*

## Mineral Economics Award

No 2005 Recipient

## Mineral Industry Education Award

**John Sturgul**

**SME**

*In recognition of his life-long dedication to research, his innovative approaches to teaching and technology transition, and his significant original contributions to knowledge in mine design using computer simulation tools.*

## Rossiter W. Raymond Memorial Award

**Matthew R. Barnett**

**TMS**

*A Taylor Model Based Description of the Proof Stress of Magnesium AZ31 During Hot Working*

**Christopher R. Clarkson**

**SPE**

*Application of a New Multicomponent Gas Adsorption Model to Coal Gas Adsorption Systems*





## AIME Honorary Members (Active List with Year of Election)

**Honorary Membership is awarded in appreciation of outstanding service to the Institute or in recognition of distinguished scientific or engineering achievement in fields embracing, broadly speaking, the activities of AIME and its Member Societies.**

Farouk A.	Kenawy	2005	SPE	Kermit E.	Brown	1990	SPE
Fernando	Samaniego-Verduzco	2005	SPE	G. William	Knepshield	1990	AIST
Donald W.	Peaceman	2004	SPE	Michael	Prats	1990	SPE
Peter D.	Gaffney	2003	SPE	Arlen L.	Edgar	1989	SPE
Rajagopal S.	Raghavan	2003	SPE	Douglas W.	Fuerstenau	1989	SME
Jacques	Bosio	2002	SPE	H.J.	Gruy	1988	SPE
Edgar C.	Capen	2002	SPE	Norman T.	Mills	1988	AIST
John P.	Hirth	2002	TMS	Joseph G.	Richardson	1988	SPE
Sadad I.	Al-Husseini	2001	SPE	Edward E.	Runyan	1988	SPE
W. John	Lee	2001	SPE	Nelson	Severinghaus, Jr.	1988	SME
Donald W.	Gentry	2000	SME	David A.	Zegeer	1988	SME
John L.	Gidley	2000	SPE	Ben H.	Caudle	1987	SPE
Dennis E.	Gregg	2000	SPE	Lawrence B.	Curtis	1987	SPE
Noel D.	Rietman	1999	SPE	William A.	Griffith	1987	SME
R. Lyn	Arcscott	1998	SPE	Donald G.	Russell	1987	SPE
John K.	Hammes	1998	SME	Edmund C.	Babson	1986	SPE
Arlie M.	Skov	1998	SPE	Donald A.	Dahlstrom	1986	SME
Robert C	Earlougher, Jr.	1997	SPE	R. Charles	Earlougher	1985	SPE
Necmettin	Mungan	1997	SPE	Robert H.	Merrill	1985	SME
Khalid	Aziz	1996	SPE	William H.	Wise	1985	AIST
Thomas V.	Falkie	1996	SME	Wayne L.	Dowdey	1984	SME
Morris E.	Fine	1996	TMS	William N.	Poundstone	1983	SME
James R.	Jorden	1995	SPE	H. Arthur	Nedom	1982	SPE
Hossein	Kazemi	1995	SPE	Julius J.	Harwood	1981	TMS
John M.	Campbell, Sr.	1994	SPE	Wayne E.	Glenn	1980	SPE
Orville D.	Gaither	1994	SPE	Michael	Tenenbaum	1980	TMS
Charles L.	Bare	1993	SPE	Nathaniel	Arbiter	1976	SME
Marvin L.	Katz	1993	SPE	John C.	Calhoun, Jr.	1976	SPE
Charles S.	Matthews	1993	SPE	Harrison H.	Schmitt	1973	SME
Frank F.	Aplan	1992	SME, TMS	William	Fraser	1947	
Howard N.	Hubbard, Jr.	1992	AIST				
Alexander	McLean	1992	AIST				
Harold W.	Paxton	1992	TMS, AIST				
M.R.J.	Wyllie	1992	SPE				
Basil P.	Kantzer	1991	SPE				
T. Don	Stacy	1991	SPE				
Marshall B.	Standing	1991	SPE				

## Legion of Honor 50-Year Members – Class of 1955

*AIME is particularly proud to honor the following people whose membership in the Institute spans a fifty-year period. To all of these people, AIME owes gratitude for their loyalty and appreciation for their faith in its standards. Many have held high office in the AIME ranks and have devoted their time and talents to its continued growth and prestige. They stand to serve as outstanding inspirations for all members. This year 393 Society members have been added to the Legion of Honor Fifty-Year Members.*

### Society for Mining, Metallurgy, and Exploration (SME)

C. R. Adelmann, Jr.	Jack V. Everett	Bruce S. Karinen	Glenn H. Sides
Herbert J. Ashe	Alexandra T. Filer	Vaughn R. Knapp	William Skinner
Richard W. Banghart	Elwin L. Fisk	John G. Kuhn	Andrew L. Smith
F. Bautista	Paul H. Floyd	Thomas R. Lake	William M. Stoll
Clarence P. Bingham	Joseph E. Fowells	Hon C. Lee	Peter H. Sweeney
Samuel D. Brady, III	Walter J. Garmoe	J. David Lowell	Gordon P. Taylor
Donald B. Buddecke	Byron C. Hardinge	W. Dean McDougald	Mercer F. Thompson
Wayne H. Burt	Roy J. Helfinstine	Cole E. McFarland	Peter F. Torreano
Archie L. Carver	Robert W. Houglan	Edmond L. Nugent	Gardner W. Vose
Paul L. Cloke	G. Ben Huber	Charles G. Preble	Albert C. Walkup
William D. Collins	King H. Ives	Ralph H. Ratliff	Stewart R. Wallace
Thomas A. Corcoran, Jr.	Wayne D. Jackson	Franklin Robertson	Paul R. Waller
John J. Cowin, Sr.	Herbert S. Jacobson	Thomas M. Robertson	Russell A. Wyman
J. R. Daniel	H. Bradley Johnson	Robert L. Russell	James A. Younger
John F. Emerson	Raymond E. Johnson	Harrison S. Scott	

### The Minerals, Metals, and Materials Society (TMS)

Stanley Abkowitz	Peter J. Ensio	Thaddeus B. Massalski	Melvin A. Sharp, Jr.
John A. Alexander	Cabell B. Finch	Arthur E. Morris	Norman S. Stoloff
Charles J. Baroch	C. J. Fincham	Robert G. Moss	Robert E. Sullivan
George Bollwerk	Tasuku Fuwa	F. A. Newell	Charles A. Sutherland
Allan K. Booth	Robert S. Gentz	Olaf G. Paasche	Peter Tarassoff
H. H. Brandt	Robert B. Gordon	George J. Peer	John D. Turnbull
J. G. Byrne	Henry B. Gorman	Edward G. Price	John P. Vaikutis
R. F. Cherkovich	Wilbur J. Guay	Ray S. Richards	Johannes Weertman
Lee J. Cuddy	C. F. Harris	Harry C. Rogers, Jr.	John D. Wood
David Dew-hughes	Jack Keverian	Harry Rosenberg	Joseph C. Wyman
William H. Dresher	David A. Kinneberg	Allen S. Russell	William V. Youdelis
Wasil W. Dyrkacz	Paul R. Kruesi	Fumihiko Saegusa	William F. Zelezny
William H. Eason	Stanley V. Margolin	Donald P. Seraphim	

### Association for Iron and Steel Technology (AIST)

James L. Abbot	Richard Frank Draus	Robert D. Hayes	McBeth Sample
John C. Campbell	John O. Edstrom	George A. Jedenoff	John F. Turner
Terence E. Dancy	Frederick A. Epps	Peter B. Mackenzie	Richard S. Wilkins
Pesi N. Dastur	Gordon H. Geiger	Stanley V. Margolin	

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### Society of Petroleum Engineers (SPE)

Bob G. Agnew	Joseph T. Carlin	Alexander Erickson	G.R. Hollabaugh
G. Thane Akins	Roy F. Carlson	C.L. Franke	C.P. Hopcraft
Roy E. Anderson	Marvin R. Carter	F. Fred Fulkerson	John Horn
Ernest Angelo, Jr.	Robert D. Carter	W.L. Gabelmann	J.M. Humble
A.W. Augustson	Robert F. Cashen	Harold R. Galloway	Hassel E. Hunter
Kenneth J. Barr	M.L. Cashion, Jr.	Thomas M. Garland	William L. Huskey
Oscar Noel Barron	David M. Caskey	Norman E. Garner	Robert N. Johnson
Bruce O. Barthel	Leland B. Cecil	Jim L. Gaskill	Joe L. Johnson, Jr.
Robert W. Bax	Donald Chase	Robert L. Gatliff	Tom T. Jones
Roy A. Baze	John L. Clanton	Douglas Z. Gayle	Clinton W. Josey, Jr.
Arthur L. Bear	Charles O. Clark	Fred D. Gealy, Jr.	Gilbert G. Jurenka
Jon H. Bear	Millard F. Clegg, Jr.	Robert W. Gentry	W.T. Kelly
Donald L. Bell	Noel A. Cleland	John Lynn Gidley	Joe D. Kenworthy
Larry N. Bell	Noah Cohen	Dale D. Gilliam	Donald F. Keptra
Peter J. Benn	Francis R. Conley	Ernest C. Gimblet	Earl M. Kieke
Thomas H. Benton	Claude E. Cooke, Jr.	Jack S. Griggs	C.L. King
Richard O. Berg	John W. Coolidge	Henry H. Gruver	William R. King
R.D. Blaicher	James G. Corbett	Jack J. Grynberg	William M. Koehler
John R. Blomberg	Durwood E. Corley	William R. Guffey	Marlin F. Krieg
August J. Bogart	Richard D. Corrie	William F. Guyton	James A. Latham
Jerry E. Bowen	Jack G. Courtney	George H. Hacke	Rowland Laxson
Stanley V. Bowen	W.C. Cracknell	Edward E. Hagan	Arthur J. Le Breton
Walter A. Boyd, Jr.	M.G. Crain	John A. Hammack	Edgar L. Leissner
James P. Boylan	Walter L. Crandall	Lyman L. Handy	Ronald E. Lohee
Fred H. Brinkman	Jon F. Crawford	Eugene H. Hanks, Sr.	Cecil E. Lohn
Joseph D. Bristow	Jerry R. Crocker	John R. Harris	Frank J. Madison
Stanley G. Britton	J.R. Curry	Roland W. Hart	Mario Maneffa
Richard E. Broschat	J. Monroe Cutler	William H. Hartsell	Ira A. Marshall, Jr.
James S. Brown	Benjamin A. Dalton	Thomas B. Harvey	Max M. Martin
Jerry C. Brown	W.F. Daniels	Edwin G. Hays	Norman R. McAnnally
Richard C. Brown	Ned R. Daniels	Kenneth C. Heald, Jr.	Henry G. McCleary
Harry D. Brown	George E. De Bord	Harold K. Heberling	Martin R. McCoy
Jerry D. Bullock	Pete De Frank	Francis J. Hebert	Sidney R. McHaney
Paul D. Bushong, Jr.	Harold A. Demirjian	George B. Heckler	A.H. Melsheimer
O. Doyle Butler	J.T. Dewan	E.H. Heider	Norbert E. Methven
Harry G. Byars	Jack L. Douglass	James B. Henry	Morgan Mickleberry
Jack L. Byrd	James Dunnam	Eugene F. Herbeck	
O.J. Caldwell	Patrick J. Early	John F. Herbig	
L.H. Callaway, II	Arlen L. Edgar	John J. Hill	
Carl M. Canfield	John C. Ellis	Dean R. Hoffman	

## Legion of Honor 50-Year Members – Class of 1955

*AIME is particularly proud to honor the following people whose membership in the Institute spans a fifty-year period. To all of these people, AIME owes gratitude for their loyalty and appreciation for their faith in its standards. Many have held high office in the AIME ranks and have devoted their time and talents to its continued growth and prestige. They stand to serve as outstanding inspirations for all members. This year 393 Society members have been added to the Legion of Honor Fifty-Year Members.*

### Society of Petroleum Engineers (SPE) Continued

Franklin R. Midkiff  
Terrell V. Miller  
Frank H. Miller  
Carroll Montgomery  
John H. Moore  
Preston L. Moore  
Howard B. Moreland  
John D. Mullins  
Walter F. Muzacz  
William H. Myers, Jr.  
Lawrence e. Nagle  
Ronald H. Newman  
James R. Nichols  
Daniel A. North  
Donald A. Olivier  
E.A. Olson, Jr.  
B.D. O'Neal  
James W. Owens  
Raymond W. Parker  
John W. Paxton  
W.S. Payne, Jr.  
Joseph L. Pearce, Jr.  
Ward C. Pearl  
E.S. Pennebaker  
H.J. Perkins  
Gerald L. Peterson  
Stanley C. Phipps  
James E. Pianta

Henry F. Pohlmann  
George Popover  
W.R. Porteous  
Richard E. Powers  
Richard Pringle  
Calvin M. Rayes  
John R. Rayne  
Philip W. Reed  
Sam Regier  
William A. Rehm  
W.A. Reiter, Jr.  
James L. Relph  
James C. Remsberg  
Joe C. Richardson, Jr.  
Arthur M. Rigg  
W.E. Robins, Jr.  
Robert E. Robinson  
Frank W. Robl  
Paul E. Schauer, Jr.  
Norman W. Schulz  
Glenn A. Schurman  
F.A. Schurtz  
John L. Schweizer  
John D.T. Scorer  
Richard D. Seba  
Charles W. Seely  
Carle F. Sharp, Jr.  
Thomas P. Shaw

Carl W. Sherman  
James E. Shoup  
E.R. Sidwell  
Clarke N. Simm  
Walter J. Sleeper, Jr.  
Conley P. Smith  
Floyd A. Smith  
Dwight K. Smith  
Robert D. Snow  
Johnny A. Spannagel  
Donald G. Spindler  
Robert P. Spriggs  
C.E. Spruell  
Hansen Hall Steele  
Roland B. Stelzer  
Douglass M. Stewart  
W.M. Sturdevant  
Paul W. Sturm  
Vane E. Suter  
Vincent P. Sweeney, Jr.  
Marlin R. Taylor  
L. Paul Teague  
A.D. Thomas  
Bill E. Thomas  
John S. Thorne, Jr.  
Roy B. Tillerson  
Craig A. Tips  
Alex Todasco

Claude A. Tongish  
Hugo Tribin  
J. Michael Trotter  
Kye Trout, Jr.  
C.E. Trowbridge  
Albert L. Valentine  
W.C. Vercellino  
Frank E. Voler  
P. Gene Vontungeln  
Leroy W. Wade  
L. Coy Warren  
F.L. Weigand  
Richard Wheeler, Jr.  
Richard Wheeler, Jr.  
Paul W. Whitaker  
Billy J. White  
E.J. Wictor  
Richard H. Wildmyer  
Robert L. Williams  
Charles D. Williams  
Roy D. Williams  
Gerald E. Wilson  
R.K. Winters  
J.E. Wirsching  
William B. Wise  
Quentin E. Wood  
Paul R. Zeman  
Philip Zuvanich



***The Woman's Auxiliary to the American Institute of Mining,  
Metallurgical, and Petroleum Engineers, Inc.***

**P.O. Box 270728**

**Littleton, Colorado 80127-0013**

**Tele: 303-948-4263**

**Fax: 303-948-4264**

**E-mail: waaime@aimehq.org**

November 2005

**President's Report**

Dear WAAIME Members:

I will try my best to update you about the restructuring of the WAAIME National Office and our National Board of Directors, as well as trying to answer questions several members have asked their Section Chairmen and me.

Our National Treasurer and National Finance Chairman have worked very hard to cut expenses as we do not have monies for a large board. Therefore, each Board Member has taken two or three positions. I am very proud of these BEAUTIFUL ladies! Not only are they doing their own projects, but assist other Board Members with THEIR projects. They always have warm hearts and kind words and concern for each other. This is what the WAAIME is all about. A National President having this support is most fortunate.



Let us talk monies. The Golden Jubilee Fund was started in 1924 when a group of ladies called upon the mining companies in New York City. These calls resulted in company donations of \$110,000. These donations were set as restricted funds to only run the WAAIME office. Now, to make sure that this fund had money coming in, thereby never depleting it, when a student made a payment, 25% of that money would return to the fund. With interest and 25% of the student payment, this fund would be self-maintaining. We would have no need to dip into any of the other funds. The worth of that fund today would be \$928,225.00, but in 1997, it vanished.

In 1974, the Isabel and Laurin Kemp Endowment began with \$10,000.00, growing to \$67,729.00. The Kate Kemp 1954 unrestricted \$3,000.00 grew to \$32,810.00. The total of both funds, \$100,539.00, is gone. The Smith fund of \$65,805.00, 1971-? The Krumb fund of \$45,226.00, 1963-? The Kihlstedt fund of \$16,750.00, 1956-? Gone.

Ladies, how does one replace these monies? I cannot remember voting to remove them from the restricted list.

Now to the question that so many members have asked: "but we have \$7.5 million dollars at 2% interest." That gives us \$150,000.00, far less than the WAAIME annual budget. We cannot touch the principal. We must contain our spending and try to stay within the interest framework. With the students' repayments, we are able to award future students.

Office restructure: Our cost of one employee, \$50,000 and rising, as we have had to pay health insurance (up to \$450.00) per month, 401K fund, etc. The office can be run with a part-time employee for two days per week and no contract.

Ladies, I hate to paint a doom and gloom outlook, but I will tell you I am not a happy camper. We must look ahead and figure out how to set the wheels in the right direction.

It is the responsibility of the Board to maintain the present worth of endowments. These endowments were left by our benefactors in order that their names would perpetuate. As a Board, we have the responsibility to cut our spending. I will call upon the Treasurer and Finance Chairman to re-evaluate the budget.

The student repayments are coming in at a steady flow; to date, the amount is \$39,000.00 at the time I write this message. The SLF Chairman and Treasurer have been very busy working with the Sections to update the student database, indeed a most difficult task. The Sections have been great by assisting with this task. We of the National Board, thank the Sections for their dedications to the SLF and EFT programs.

Respectfully submitted, Iris J. Whinnen/Owen

*AMERICAN INSTITUTE OF MINING,  
METALLURGICAL,  
AND PETROLEUM ENGINEERS, INC.*

**FINANCIAL STATEMENTS**

**December 31, 2005**



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**Board of Directors  
American Institute of Mining, Metallurgical, and  
Petroleum Engineers, Inc.  
Littleton, Colorado**

**Independent Auditors' Report**

**We have audited the accompanying statement of financial position of the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. (AIME) as of December 31, 2005, and the related statements of activities, statement of changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the AIME's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from AIME's 2004 financial statements and, in our report dated March 16, 2005, we expressed an unqualified opinion on those financial statements.**

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

**In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. as of December 31, 2005, and changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.**

**March 16, 2006**

**BONDI & Co. LLC**

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND  
PETROLEUM ENGINEERS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2005

(With Summarized Comparative Totals at December 31, 2004)

	2005	2004
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 47,694	\$ 110,633
Accounts Receivable	4,101	24,083
Prepaid Expenses and Other Assets	15,668	98,505
Total Current Assets	67,463	233,221
PROPERTY AND EQUIPMENT, NET (Note 3)	1,246	5,730
OTHER ASSETS		
Loans Receivable from SME Foundation (Note 5)	10,000	15,000
Investments - At Fair Value (Note 2)	10,427,939	10,049,751
Total Other Assets	10,437,939	10,064,751
TOTAL ASSETS	10,506,649	10,303,702
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	3,415	18,796
Pension Liability		408,201
Total Current Liabilities	3,415	426,997
NET ASSETS		
Unrestricted	7,295,576	6,868,058
Temporarily Restricted (Note 6)	2,609,734	2,410,724
Permanently Restricted (Note 7)	597,923	597,923
Total Net Assets	10,503,233	9,876,705
TOTAL LIABILITIES AND NET ASSETS	\$ 10,506,649	\$ 10,303,702

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND  
PETROLEUM ENGINEERS, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

(With Summarized Comparative Totals for the Year Ended December 31, 2004)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2005</u>	<u>Total 2004</u>
<b>REVENUES AND GAINS</b>					
Investment Income (Note 2)	\$ 636,123	\$ 257,727	\$	\$ 893,850	\$ 903,703
Offshore Technology Conference Fees	141,460			141,460	124,872
Dues from Member Societies	16,000			16,000	16,000
Copyright and Other Revenue	1,574			1,574	13,188
Endowment Income					164,121
Net Assets Released from Restriction (Note 6)	<u>58,717</u>	<u>(58,717)</u>			
Total Revenues and Gains	<u>853,874</u>	<u>199,010</u>		<u>1,052,884</u>	<u>1,221,884</u>
<b>EXPENSES</b>					
Program Services					
Special Projects and Grants	85,525			85,525	104,597
Medals and Awards	112,802			112,802	99,457
Meetings	<u>124,485</u>			<u>124,485</u>	<u>156,034</u>
Total Program Services	322,812			322,812	360,088
Supporting Services					
Management and General	<u>103,544</u>			<u>103,544</u>	<u>132,746</u>
Total Expenses	<u>426,356</u>			<u>426,356</u>	<u>492,834</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ 427,518</u>	<u>\$ 199,010</u>	<u>\$</u>	<u>\$ 626,528</u>	<u>\$ 729,050</u>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND  
PETROLEUM ENGINEERS, INC.

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2005

(With Summarized Comparative Totals for the Year Ended December 31, 2004)

	<u>Unrestricted</u>	<u>Pension Liability</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets December 31, 2003	\$ 6,847,234	\$ (398,323)	\$ 2,180,304	\$ 433,802	\$ 9,063,017
Change in Pension Benefit Obligation - 2004	<u>6,847,234</u>	<u>84,638</u> <u>(313,685)</u>	<u>2,180,304</u>	<u>433,802</u>	<u>84,638</u> <u>9,147,655</u>
Change in Net Assets December 31, 2004	<u>334,509</u>	<u>                    </u>	<u>230,420</u>	<u>164,121</u>	<u>729,050</u>
Net Assets December 31, 2004	<u><u>7,181,743</u></u>	<u><u>(313,685)</u></u>	<u><u>2,410,724</u></u>	<u><u>597,923</u></u>	<u><u>9,876,705</u></u>
Change in Pension Benefit Obligation - 2005	<u>(313,685)</u>	<u>313,685</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Change in Net Assets December 31, 2005	<u>6,868,058</u>	<u>                    </u>	<u>2,410,724</u>	<u>597,923</u>	<u>9,876,705</u>
Change in Net Assets December 31, 2005	<u>427,518</u>	<u>                    </u>	<u>199,010</u>	<u>                    </u>	<u>626,528</u>
Net Assets December 31, 2005	<u><u>\$ 7,295,576</u></u>	<u><u>\$</u></u>	<u><u>\$ 2,609,734</u></u>	<u><u>\$ 597,923</u></u>	<u><u>\$ 10,503,233</u></u>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND  
PETROLEUM ENGINEERS, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2005

(With Summarized Comparative Totals for the Year Ended December 31, 2004)

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Members and Customers	\$ 182,796	\$ 129,977
Cash Paid to Suppliers and Employees	(762,617)	(571,059)
Dividends and Interest Income	90,249	82,578
	(489,572)	(358,504)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sales of Investments	421,633	236,460
Proceeds from Endowment		164,121
Purchase of Equipment		(2,136)
Repayment of Loans from Member Societies	5,000	5,000
	426,633	403,445
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	(62,939)	44,941
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	110,633	65,692
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	47,694	110,633
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Change in Net Assets	626,528	729,050
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Depreciation	4,484	6,452
Endowment Income		(164,121)
Unrealized Gain	(799,821)	(821,125)
Change in Unfunded Pension Liability	(408,201)	(105,234)
Changes in Assets and Liabilities:		
Accounts Receivable from Member Societies	19,982	(24,083)
Prepaid Expenses and Other Assets	82,837	26,944
Accounts Payable	(15,381)	(6,387)
	(1,116,100)	(1,087,554)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	\$ (489,572)	\$ (358,504)



AMERICAN INSTITUTE OF MINING, METALLURGICAL,  
AND PETROLEUM ENGINEERS, INC.

STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended December 31, 2005

(With Summarized Comparative Totals for the Year Ended December 31, 2004)

	Program Services				Supporting Services	Total 2005	Total 2004
	Special Projects and Grants	Medals and Awards	Meetings	Program Services Total	Management and General		
Payroll and Employee Benefits	\$ 8,626	\$ 48,571	\$ 68,091	\$ 125,288	\$ 74,439	\$ 199,727	\$ 247,507
Medals, Awards and Scholarships	75,319	52,537		127,856	708	128,564	144,061
Meetings		4,422	36,448	40,870		40,870	40,538
Audit, Legal and Professional Services	735	2,940	7,350	11,025	7,350	18,375	25,350
Supplies, Postage, Maintenance and Repairs		10		10	9,153	9,163	13,285
Rent (Note 8)	448	1,791	4,478	6,717	4,478	11,195	12,837
Depreciation (Note 3)	179	717	1,794	2,690	1,794	4,484	6,452
AIIME Board Activities		943	4,150	5,093		5,093	2,560
Insurance					3,448	3,448	
Other	217	870	2,175	3,262	2,175	5,437	244
<b>Total</b>	<b>\$ 85,525</b>	<b>\$ 112,802</b>	<b>\$ 124,485</b>	<b>\$ 322,812</b>	<b>\$ 103,544</b>	<b>\$ 426,356</b>	<b>\$ 492,834</b>

AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND  
PETROLEUM ENGINEERS, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Organized in 1871, the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. (AIME) is a professional organization organized and operated to advance and disseminate, through the programs of the Member Societies, knowledge of engineering and the arts and sciences involved in the production and use of minerals, metals, energy sources and materials for the benefit of humankind, and to represent AIME and the Member Societies within the larger engineering community.

AIME is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation.

AIME's four member societies are the Society for Mining, Metallurgy, and Exploration (SME), The Minerals, Metals & Materials Society (TMS), the Association for Iron & Steel Technology (AIST) and the Society of Petroleum Engineers (SPE). When sufficient funds are available, determined by formula, AIME provides funding for overarching programs (programs conducted by two or more member societies that carry out AIME's purpose) and funding for member-direct programs of the member societies based on their project requirements. The AIME financial statements do not include the accounts of the four member societies.

AIME's significant revenue sources include dues from member societies, conference proceeds and investment income.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with the AICPA's Audit and Accounting Guide, *Not-for-Profit Organizations*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Method of Accounting

AIME has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, AIME, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets of the operating fund are supported by resources which the governing board has discretionary control. Temporarily restricted net assets are restricted by donors for various uses including scholarships and awards. Permanently restricted net assets represent AIME's endowment. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with AIME's financial statements for the year ended December 31, 2004, from which the summarized information was derived.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

AIME, Inc. has adopted FASB No. 116, Accounting for Contributions Received and Contributions Made. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the cash flow statement, AIME considers all highly liquid investments purchased with maturities of three months or less when purchased to be cash equivalents.

Investments

Investments are valued at fair value, which is the prevailing market value at year-end with the resulting change in unrealized gains or losses included in the statement of activities.

Property and Equipment

Acquisitions of property and equipment of \$1,000 or more are capitalized. Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost. Depreciation of furniture and equipment is being provided for by the straight-line method over the estimated useful lives of three to seven years.

Member Grants

Grants for member-direct programs of the member societies are accrued when approved by the Board.

NOTE 2: CASH AND INVESTMENTS

AIME maintains a cash account at a commercial bank. The account is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At various times throughout the year, the balance in the account may exceed this limit.

NOTE 2: CASH AND INVESTMENTS (Continued)

Market values at December 31, 2005 classified by major investment type are summarized as follows:

	<u>Market Value</u>
Mutual Funds	
Cash Equivalent	\$ 35,978
Bonds and Notes	
Taxable	2,500,365
Alternative	628,274
Equity Securities	
US Large Cap	3,759,521
US Small Cap	657,233
Non-US Developed Markets	1,768,146
Non-US Emerging Markets	366,994
Alternative Equity	<u>711,428</u>
Total	<u>\$ 10,427,939</u>

The alternative equity investments consist of mutual funds which invest in hedge funds. Each hedge fund holds indirect derivatives that allow the investments to borrow and leverage securities against poorly performing securities. The value of these funds is determined monthly by a review of the underlying limited partnerships. This portion of AIME's investment portfolio is not liquid and is anticipated to be held for three to seven years.

Of the total investments noted above, five funds hold approximately 70% of the market value.

Investment income and its classification in the statement of activities for the year ended December 31, 2005 are as follows:

Dividends and Interest	\$ 253,384
Realized Loss	(100,947)
Unrealized Gains	799,821
Investment Advisory Fees	<u>(58,408)</u>
 Total Investment Income	 <u>\$ 893,850</u>

NOTE 3: LAND, BUILDINGS AND EQUIPMENT

Property and equipment balances as of December 31, 2005 consist of the following:

	<u>12/31/2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2005</u>
Furniture & Equipment	\$ 35,153	\$	\$	\$ 35,153
Accumulated Depreciation	<u>(29,423)</u>	<u>(4,484)</u>	<u></u>	<u>(33,907)</u>
Net Furniture & Equipment	<u>\$ 5,730</u>	<u>\$ (4,484)</u>	<u>\$</u>	<u>\$ 1,246</u>

Depreciation expense was \$4,484 for the year ended December 31, 2005.

NOTE 4: PENSIONS

AIME has a defined benefit retirement income plan (Plan). The benefits are based on years of service and the employee's compensation. The Plan operates on November 30 fiscal year end. AIME has receipt of satisfactory IRS determination letters approving the Plan's qualified status under Section 401(a) of the Internal Revenue Code of 1986, as amended.

In August 2002, the AIME Board of Directors passed a resolution to freeze participation in the Plan. Effective February 14, 2003, the eligibility for membership provisions of the Plan were amended. Membership in the Plan was closed to new employees hired after February 14, 2003. Also effective December 1, 2002, the normal retirement benefits formula changed.

Effective August 31, 2004, AIME terminated the Plan. AIME purchased an annuity contract with Principal Life Insurance Company, to maintain the assets of the Plan and for payment of pension benefits to the annuitants. AIME received a refund from Prudential Retirement Services in the amount of \$258,596 to terminate the previous contract. A total of \$604,122 was paid in 2005 to Principal Life Insurance Company to purchase the new annuity contract and to transfer Plan assets. AIME no longer has any contribution requirements to the Plan. Benefit payments are administered and paid by the annuity contract guidelines.

AIME also participates in a contributory multiple-employer defined contribution employee savings plan covering all full-time employees of AIME and three of the four member societies. AIME contributed \$4,280 on behalf of its employees to the plan for the year ended December 31, 2005.



NOTE 5: TRANSACTIONS WITH AFFILIATES

As of December 31, 2005, AIME had a loan receivable from Society for Mining, Metallurgy and Exploration, Inc. (SME) of \$10,000. AIME has no amounts owed to or owed from affiliate organizations at year-end.

NOTE 5: TRANSACTIONS WITH AFFILIATES (Continued)

AIME remitted \$20,000 to member societies in 2005 for assistance with their annual meetings.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets fulfilling time and other restriction requirements were released in the amount of \$58,717, as of December 31, 2005.

Temporarily restricted net assets at December 31, 2005 have been restricted by donors and Board appropriations for special projects to be spent as follows:

Medals & Awards	\$ 1,004,245
Scholarships	842,248
Specific Use	<u>763,241</u>
Total	<u>\$ 2,609,734</u>

NOTE 7: PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are investments in perpetuity, the income from which is expendable to support the following programs:

Scholarships	\$ 340,484
Specific Use	146,000
Medals & Awards	<u>111,439</u>
Total	<u>\$ 597,923</u>

NOTE 8: LEASE COMMITMENTS

In June of 2003, AIME entered an operating lease with SME (Affiliate) for office space through 2008. The lease requires monthly payments of \$967 per month. Rental payments will increase annually based on the Consumer Price Index. The lease can be terminated by either party with 1 year notification. Lease expense paid for the year ended December 31, 2005 was \$11,195.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Lease Payment</u>
2006	\$ 11,604
2007	11,604
2008	<u>4,835</u>
Total Future Payments	<u>\$ 28,043</u>

**Member Societies:**

Society for Mining, Metallurgy, and Exploration  
8307 Shaffer Parkway, PO Box 277002, Littleton, CO 80127-7002  
Phone: 303-973-9550, Fax: 303-973-3845

Internet: [www.smenet.org](http://www.smenet.org)  
E-mail: [sme@smenet.org](mailto:sme@smenet.org)

The Minerals, Metals & Materials Society  
184 Thorn Hill Road, Warrendale, PA 15086-7528  
Phone: 724-776-9000, Fax: 724-776-3770

Internet: [www.tms.org](http://www.tms.org)  
E-mail: [tmsgeneral@tms.org](mailto:tmsgeneral@tms.org)

Association For Iron and Steel Technology  
186 Thorn Hill Road, Warrendale, PA 15086-7528  
Phone: 724-776-6040, Fax: 724-776-1880

Internet: [www.aistech.org/](http://www.aistech.org/)  
E-mail: [info@aistech.org](mailto:info@aistech.org)

Society of Petroleum Engineers  
PO Box 833836, Richardson, TX 75083-3836  
Phone: 972-952-9393, Fax: 972-952-9435

E-mail: [postmaster@spe.org](mailto:postmaster@spe.org)  
Internet: [www.spe.org](http://www.spe.org)

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**Mailing Address: P.O. Box 270728, Littleton, CO 80127-0013**  
**Phone: 303-948-4255, Fax: 303-948-4260**  
**Internet: [www.aimehq.org](http://www.aimehq.org)**  
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