

APPENDIX B

PRINCIPLES OF ACCEPTABLE EVALUATION ENGINEERING PRACTICE

Article I Fundamental Canons

Engineers, in the fulfillment of their professional duties, shall:

- Hold paramount the safety, health and welfare of the public.
- Perform services only in areas of their competences.
- Issue public statements in an objective and truthful manner.
- Act for each employer or client as faithful consultants or trustees.
- Avoid deceptive acts.
- Conduct themselves honorably, responsibly, ethically and lawfully so as to enhance the honor, reputation and usefulness of the profession.

Article II General Practice

1. The Society may adopt and issue from time to time guidelines for the preparation of reserve estimates and evaluation reports.
2. Members will ascertain that their reports include a full disclosure of the reserve definitions used, either by reference to a known industry set of definitions or by actual inclusion of the definitions used. The reference or inclusion of the definitions shall be clearly presented so as to enable the reader to easily ascertain the definitions used.
3. If the member preparing the report has a vested interest in the properties being evaluated, the nature of this interest shall be disclosed.

Article III Relation of Members to the Public

1. Members will make oral and written statements that are honest and fair, avoiding exaggeration and sensationalism.
2. Members will control the use of maps and reports to assure they are used only for legitimate purposes. For example, limitations in the data relied upon or the method of analysis employed or the assumptions made must be explained. Also the specific use of the maps and reports will be defined.
3. Members will give professional opinions, prepare reports or give legal testimony only after adequate preparation. The extent of that preparation shall be disclosed.
4. Members will publish business and professional announcements, but shall not advertise their work or accomplishments in a self-laudatory or conspicuous manner. Members should not misrepresent their experience nor professional or academic qualifications.
5. Members shall report violations of this Code of Ethics to the appropriate professional bodies.

Article IV Relation of Members to Employer and Client

1. A member shall protect, to the fullest extent possible, the interest of his employer or client so far as it is consistent with the laws of the state, the public welfare, and professional obligations and ethics.
2. A Member will not use or divulge, directly or indirectly, any client's or employer's confidential information without express written consent. To do so is unethical and may constitute a theft.
3. A Member retained by one client will not accept, without that client's consent, an engagement by another if the interest of the two is in any manner conflicting.
4. A Member who has made an investigation for any employer or client will not seek to profit economically from the information gained unless permission to do so is granted or until it is clear that there can no longer be a conflict of interest with the original employer or client.
5. A Member shall not seek or accept a contingent fee arrangement for preparing a report, giving a professional opinion or providing legal testimony. This destroys the credibility of the product.
6. Member shall not accept a concealed fee for referring a client or employer to a specialist or for recommending petroleum evaluation services other than his own. Such an undisclosed payment is a kick-back.

Article V Relation of Members to Peers

1. A Member will not falsely nor maliciously attempt to injure the reputation or business of another person.
2. A Member will freely give credit for work done by others, will refrain from plagiarism in oral or written communications and will not knowingly accept credit rightfully due another person.
3. A Member will endeavor to cooperate with others in his profession and will encourage the ethical dissemination of petroleum evaluation knowledge.

Article VI Duty to the Society

1. In making application to become a member or continuing as a member in the Society, a member agrees to uphold the National Society of Professional Engineers (NSPE) Code of Ethics for Engineers and these Principles of Acceptable Evaluation Engineering Practice by precept and example.
2. A Member of the Society will aid in preventing the election of a person to membership in the Society who does not abide by the NSPE Code of Ethics for Engineers and these Principles of Acceptable Evaluation Engineering Practice or who does not have the required education and experience.