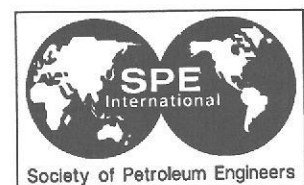
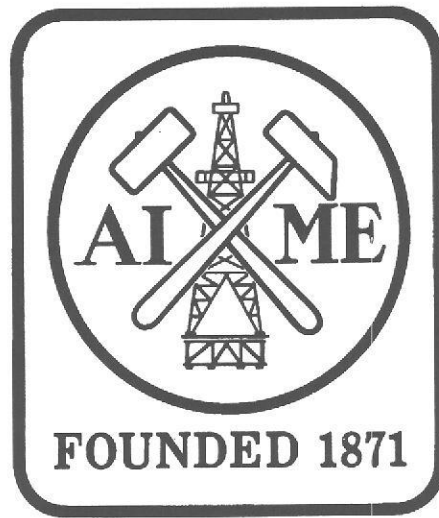


AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS, INC.

1994 ANNUAL REPORT



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

1994 Annual Report

One hundred and twenty-third year

December 1, 1993 - November 30, 1994



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A Founder Society of the

United Engineering Trustees, Inc.

Established in 1904 for

American Society of Civil Engineers

American Institute of Mining, Metallurgical, and Petroleum Engineers

American Society of Mechanical Engineers

Institute of Electrical and Electronics Engineers

American Institute of Chemical Engineers

Report of the 1994 President



Noel D. Rietman, President — 1994
American Institute of Mining,
Metallurgical, and Petroleum Engineers

One of the most significant accomplishments of the past year was the Board of Trustees agreement to a “member direct” policy. This policy provides that the AIME will directly support programs which are carried out by the Member Societies. Approval of specific programs will be limited to those which clearly carry out the purposes of AIME as described in its Bylaws: “...to advance knowledge of the arts and sciences involved in the production and use of useful minerals, metals, energy sources and materials, and to record and disseminate significant developments in these areas of technology for the benefit of mankind.” This selection of specific projects and the balancing of programs between Member Societies will be the responsibility of the Board of Trustees.

Two of the major AIME activities reported by 1993 President G. Hugh Walker which continue in their development are the Public Issues Committee's *Transformations* Project and the Government Affairs Committee's participation in the American Association of Engineering Societies (AAES). Both projects reached important milestones during 1994.

1994 AIME ANNUAL MEETING

A highly successful AIME Annual Meeting was held in Chicago, Illinois in March hosted by the Iron and Steel Society. The AIME Keynote Session, chaired by 1995 President Frank V. Nolfi, Jr., featured three distinguished speakers and was very well received. The annual banquet served to recognize the recipients of Honorary Membership as well as the other prestigious AIME Awards. An account of the 123rd Annual Meeting may be found on page 8, followed by the names of the award winners.

TRADITION

While the Iron and Steel Society has hosted the 1994 AIME Annual Meeting in Chicago, the AIME Board of Trustees agreed that for the long term the Society for Mining, Metallurgy & Exploration (SME) will host the AIME Annual Meeting in 1995 and all years beyond except The Mineral, Metals & Materials Society (TMS) will host the Annual Meeting every fourth year commencing in 1996. I thank all Member Societies who have so graciously hosted AIME and acknowledge with gratitude SME and TMS cooperation in planning for the future.

EDUCATION

Transformations Video Series — Science, Technology and Society

This series features engineers and scientists in work environments interacting with inquisitive middle school students who have been

Report of the President

cinematographically “transported” to work sites around the United States. It is accompanied with teacher guidelines for grades 6–9.

During 1994 our marketing efforts continued, resulting in the use of the series by over 2,200 school districts across the U.S. Word of mouth, plus endorsements, reviews, press releases, advertising, exposure at educational conferences and use by more than 180 teachers at AIME sponsored workshops all contributed to the growing user base.

The Transformations Project: Partnering Technology with Education and Society

The *Transformations* Project was successfully executed during 1994 with two summer sessions and a high level of local partnership activities throughout the country. The project team participated in a live forum via America Online (AOL) with teacher teams, connected all teachers via AOL and gathered some 300 interdisciplinary activities by teachers and volunteer technologists (engineers and scientists) to help their students understand technology.

Based on the Project Team’s experience with educational support programs, it is safe to say that AIME with the other co-sponsors have launched a program that will continue to make significant contributions to educational excellence during the coming decade; and I wish to thank Dr. Frank F. Nolfi, Jr. and his Project Team for their continued efforts and success.

GOVERNMENT AFFAIRS THROUGH AAES

AIME government affairs activities continued during 1994 through the American Association of Engineering Societies (AAES) located in Washington, DC. These efforts involved a total of ten volunteers, each representing a Member Society, serving on the various AAES Councils, Commissions and Task Forces and as in the previous year held their annual meeting on November 7, 1994. I wish to thank H. Arthur Nedom and his Committee for their continued efforts and express AIME’s gratitude to all Washington-based volunteers for their active participation in AAES.

INTER-SOCIETY AFFAIRS

ESL to Transfer Collection to Linda Hall Library

On November 18, 1994 the New York Supreme Court approved the transfer of the Wheeler Collection to the New York Public Library and the remaining collection of the Engineering Societies Library (ESL) to Linda Hall Library of Kansas City. This event followed a period of external search among and negotiation with high quality libraries. On January 25, 1995 the United Engineering Trustees (UET) commemorated the relocation of the ESL collection including the Wheeler gift and the inauguration of Engineering Societies Information Center/Linda Hall Library-East, located at the United Engineering Center.

I am also pleased to report that AIME continues its effective involvement in the governing of the UET with members of AIME Member Societies serving as AIME representatives on the Board of the UET and its activities. This includes the development of a series of Bylaw Amendments to more effectively govern the UET.

ABET

The Institute also retained its relationship with the Accreditation Board for Engineering and Technology (ABET), as an Affiliate Body and is represented by its Executive Director, who serves as an official observer at ABET Board Meetings.

Founder Societies

I am also pleased to report our continued interaction with the Founder Society officers and Executive Directors in matters of common interest. I've found this interaction has provided the President-Elect, the Executive Director and myself with an important opportunity to become aware of the broad spectrum of issues as they affect the engineering profession. This continuous dialogue is becoming increasingly important in light of ASCE's recent announcement to relocate the majority of its staff to the Washington, DC area and vacate the bulk of the space it now occupies in the United Engineering Center in New York City.

AUSTRALIAN INTERCHANGE

AIME and AusIMM (Australasian Institute of Mining and Metallurgy) have had a long standing exchange program of distinguished lecturers, taking turns each year visiting each other's country. During November, 1994 I had the pleasure of visiting a number of branches of AusIMM and giving my lecture on "Turning Around an Old Underground Coal Mine." I wish to thank the AusIMM staff for making the arrangements and express appreciation to all those who so graciously extended their hospitality to my wife and me.

LONG-RANGE PLAN

Because at least eight years have transpired since the last long range plan, I have established a Long Range Planning Committee. The findings of this committee and those of the Overarching Programs Committee, which has been initiated by incoming President Frank V. Nolfi, Jr., should aid the Board of Trustees in better defining the role of AIME and in making decisions which will more effectively carry out its purpose.

FINANCES

You are invited to review the audited financial statement for the AIME Corporation for the fiscal year 1994 (ending November 30, 1994) contained on pages 16-24 of this report. Due to lackluster market conditions, AIME assets decreased from \$11,849,663 at the end of previous fiscal year to \$11,481,857 at the end of fiscal year 1994.

IN APPRECIATION

It has been an honor for me to serve as your AIME President, to have had the opportunity to associate with and be assisted by many fine people who comprise the AIME family; and to have had the privilege to represent AIME at many occasions. I reflect with great affection on my visits to the local sections and on the opportunity to firm up AIME's ties with its Member Societies.

I appreciate the cooperation of the Board of Trustees, the decision-making body of AIME. I also extend my sincere appreciation to the Member Societies' Boards of Directors the staffs of AIME and the Member Societies, committee members and others for their dedicated support during the past year. I also congratulate and pledge my full support to 1995 President Frank V. Nolfi, Jr. and the new Board of Trustees, all of whom are depicted on the following pages.



AIME



OFFICERS AND TRUSTEES 1995

OFFICERS

PRESIDENT AND TRUSTEE



Frank V. Nolfi, Jr. co-founded Beacon Venture Management Corporation in 1990 and is a Managing Director. He is a Director of Blue Oak Materials Corporation and Li Technology, Inc. and is Chair of the AIME Public Issues Committee, which has produced *Transformations*, a video-based supplement to middle-school science education. He was Vice President-Technology for Alcan Aluminum Corporation in 1988-90. While at Alcan, he was also Chairman of Technical Ceramics Laboratories (TCL) and served on the Boards of Advanced Forming Technology, Inc., TCL, Manlabs, C-Axis Technologies and Co-Spray, and was technical liaison between Alcan and Duralcan Corporation, Lanxide Corporation, Alanx Corporation and Superconducting Technology, Inc. From 1983-88 he managed DOE's Metallurgy and Ceramics Program, and has held research and management positions at Argonne National Laboratory and Ames Laboratory, where he founded and was the first Director of the Materials Preparation Center. He was 1988 TMS President and has been active on the Boards of both TMS and AIME, and was the 1994 recipient of the AIME Distinguished Service Award. He holds a BS from Drexel University and an MS and PhD from Carnegie-Mellon University.

PRESIDENT-ELECT AND TRUSTEE



Donald W. Gentry is Professor of Mining Engineering at the Colorado School of Mines in Golden, CO. He joined the CSM faculty in 1972 as Assistant Professor of Mining Engineering after working several years in industry. He received a BS in Mining Engineering from the University of Illinois in 1965, as well as an MS from the University of Nevada in 1967 and a PhD from the University of Arizona in 1972, also in Mining Engineering. Dr. Gentry has presented many short courses and published extensively on the financial aspects of project and new mine-property valuation. He is co-author of *Mine Investment Analysis* and has consulted on investment decision analysis, new property evaluation and project financing. He is past chairman of the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET). Dr. Gentry was the 1987 AIME Henry Krumb Lecturer and received the 1990 AIME Mineral Industry Education Award. Named a Distinguished Member of the Society for Mining, Metallurgy and Exploration in 1992, he was the 1993 President of the Society.

PAST PRESIDENT AND TRUSTEE



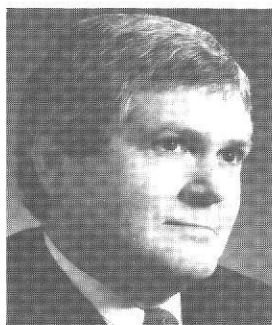
Noel D. Rietman is a consultant with Maxus Energy Corp. He joined the firm's predecessor, Diamond Shamrock Exploration Co., in 1957 as a junior engineer, subsequently becoming Chief Petroleum Engineer; Manager of Drilling & Production; Vice President and General Manager, Northern Division; Group Vice President, Continental US, and Senior Vice President, Production. A graduate of Texas Tech University with a BS in Petroleum Engineering and a BA in Geology, he also holds an MS in Mathematics from West Texas State University. A Distinguished Member of SPE, Mr. Rietman has served SPE on numerous committees, as Amarillo Petroleum Section Chairman, and as President of the Society in 1987. He has been an SPE Foundation Trustee since 1987 and currently serves as Vice President. Mr. Rietman served on the AIME Board in 1982-85 and was the 1991 Chairman of the AIME Distinguished Service Award Committee.

PRESIDENT-ELECT DESIGNATE AND TRUSTEE



Leonard G. Nelson, Jr. is General Manager, Direct Hot Charge Complex at the Cleveland Works of LTV Steel Co. He joined Republic Steel Corp. in 1959 as a technical trainee; in 1984 with the merger of Jones and Laughlin and Republic Steel he was named general superintendent, Cleveland Works and was responsible for the plant's primary operations. Mr. Nelson has had more than thirty years experience in open hearth, BOF, primary operations and melt, cast and rolling operations. He earned his BS in biology and chemistry from Muskingum College and is a graduate of Republic Steel's Advanced Management Program at the University of Michigan. Mr. Nelson is a lifetime member and Distinguished Member of the Iron & Steel Society; he was President of the Society in 1988; he was a 1989 AIME Board Member. He is also a member of the Association of Iron and Steel Engineers and the American Iron and Steel Institute's sub-committee on steelmaking. Since 1990 he has been Vice President of the ISS Foundation and was an ad hoc member of the Advanced Technology Committee, Human Resource Group.

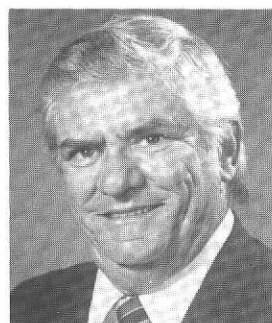
TRUSTEES



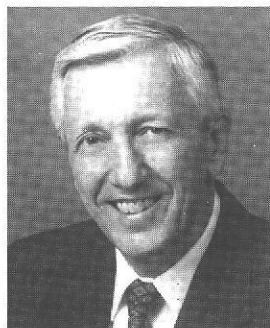
J. Keith Brimacombe holds the Alcan Chair in Materials Process Engineering and is Director of the Centre for Metallurgical Process Engineering at the University of British Columbia (UBC), where he has been a faculty member since 1970. The author of more than 250 publications in process analysis and design, Dr. Brimacombe has received seventeen best paper awards and numerous other honors including TMS Fellowship, ISS Distinguished Membership, TMS Extractive Metallurgy Lecturer and ISS Howe Memorial Lecturer. He received his undergraduate education at UBC, earning a BAsC. in 1966, and attended graduate school at Imperial College, where he received a PhD in 1970. Dr. Brimacombe is a Fellow of the Royal Society of Canada, a Fellow of the Canadian Academy of Engineering, a Fellow of the CIM and an Officer of the Order of Canada. In 1994 he was awarded an Honorary Doctorate of Engineering by the Colorado School of Mines. He is a Past President of CIM Metallurgical Society and was the first Chairman of the TMS Extraction and Processing Division. Dr. Brimacombe was the 1993 President of TMS and is the 1995 ISS President.



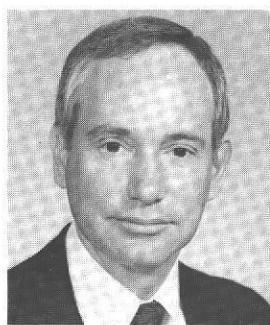
Paul G. Campbell, Jr. is Senior Vice President and General Manager of Alumax of South Carolina, one of the world's leading primary aluminum companies. He has been associated with Alumax since 1978 when he joined the management cadre responsible for engineering, construction and startup of the Mount Holly company. Prior to his association with Alumax, he held key management positions with Revere Copper and Brass Corp. Mr. Campbell is a graduate of Clemson University with a BS in Chemical Engineering and he earned his MBA from Jacksonville State University. He is the author of numerous technical articles, as well as editor of *Light Metals*, technical handbook of the aluminum industry. His industrial honors include service as vice president and director of The Minerals, Metals & Materials Society as well as membership in the American Institute of Chemical Engineers and ASM International. Mr. Campbell is very active in educational and community affairs and in 1993 Governor Carroll Campbell appointed him to a two-year term as chairman of the Board of Regents, "Leadership in South Carolina."



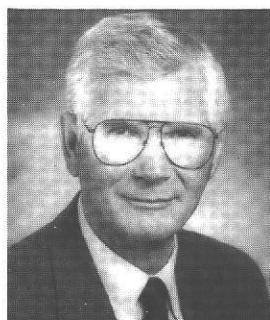
Harry E. Follwell is Technical Sales Advisor with Dominion Castings Limited, formerly the Steel Castings Division of Dofasco Inc. in Hamilton, Ontario, Canada. He joined Dominion Castings in June of 1993 after a career of almost 30 years with Dofasco, mainly in the company's Steel Castings Division. He graduated from McMaster University with a certificate in the Metallurgy of Iron and Steel, joined Dofasco's metallurgical department where he performed various functions in the primary steelmaking BOF shop, was Melt Shop Metallurgist in the Electric Furnace melt shop. In 1984 and until his retirement from Dofasco in late 1992, Mr. Follwell served as Project Metallurgist—Specifications, Quality Assurance and Technical Service, Steel Castings Division. Prior to joining Dominion Castings he was a consultant. He has authored and presented several technical papers; has been active in the Electric Furnace Division of ISS since 1973 and became Electric Furnace Conference Chairman in 1986, chairman of the Electric Furnace Division in 1987 and recipient of the Clarence E. Sims Award that year. He has served on the ISS Board of Directors since 1987, been a member of the ISS Foundation Ferrous Metallurgy Grant Committee since 1992 and was the 1994 President of the Society.



Robert C. Freas is Senior Vice President, Sales and Marketing, of Franklin Industrial Minerals, Nashville, Tennessee. Mr. Freas joined Franklin in 1985 as Vice President, Marketing and was promoted to his current position in October 1993. Prior to joining Franklin he was Director of Operations and Corporate Secretary of Limestone Products Corporation, Sparta, NJ; he was also Director of Research and Corporate Development before moving into operations. Mr. Freas' prior experience includes Chief Geologist for Dravo Corporation, Pittsburgh, PA and worked as an engineering geologist. He holds a BS in Geology from Baldwin-Wallace College, an MS from Miami University and an MBA from Rutgers University. He has been an active member of SME and was the 1994 President of the Society. He served on the Board of Directors from 1986-1989 and 1991 to the present, was Chairman of the Industrial Minerals Division in 1986; was Chairman of the GEM Committee, *Mining Engineering* Committee, Membership Committee and was Vice President, Finance 1991 and 1992. Freas has also been an active author for SME and other technical publications including co-authoring three chapters in the *6th Edition of Industrial Minerals and Rocks*. He is a registered professional geologist and an active member of several professional associations.



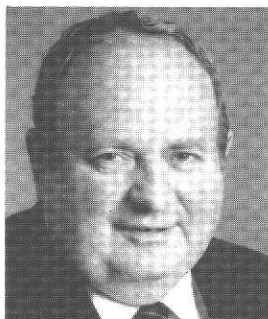
Lionel C. Kimerling is the Thomas Lord Professor of Materials Science and Engineering at the Massachusetts Institute of Technology where he is also the Director of The Materials Processing Center. Prior to joining MIT he was Head, Materials Physics Research Department at AT&T Bell Laboratories. He has served as Adjunct Professor of Physics at Lehigh University. He earned his bachelor's degree in Metallurgical Engineering and his doctorate in Materials Science at MIT. Prior to joining AT&T he served as Captain, USAF at the Solid State Sciences Laboratory of the Air Force Cambridge Research Laboratories. He conducts an active research program in the structure, properties and processing of semiconductor materials and he has authored more than 150 technical articles. Dr. Kimerling is chairman of the editorial board of the *Journal of Electronic Materials*, a Fellow of the American Physical Society, a member of the National Materials Advisory Board, NRC and a member of the editorial board of *Applied Physics Reviews*. Professional society memberships include TMS, MRS, ASM, ECS, IEEE and AAAS; and the honorary societies Sigma Xi and Phi Lambda Upsilon. Dr. Kimerling was 1994 President of TMS.



Roy H. Koerner is Manager Technical Resource Services with Texaco Exploration and Production Inc. He joined Texaco in 1958 as a field engineer and has held increasingly responsible positions in operations, management and staff during his career. He earned BS and MS degrees in petroleum engineering from the University of Tulsa in 1958 and from Louisiana Tech University in 1968 respectively. Mr. Koerner joined SPE as a student member in 1957 and has held many Society-wide and section positions. He helped establish the South Louisiana Section; he chaired the 1991 SPE Task Force on Board Structure and also served on the Reserve Fund (1991) and 5-Year Income and Expense task forces (1991). Koerner was a member of the US Council Committee on Public Affairs in 1991. His Permian Basin Section offices included chairman and program chairman. He is the 1995 President of SPE.



Raja V. Ramani is Professor and Head of the Mineral Engineering Department at The Pennsylvania State University. He is a registered professional engineer in Pennsylvania and a certified first class mine manager in India. He has worked for six years in supervisory positions in coal mines and has written more than 150 research papers on mine environment, health and safety, management and computer applications. Ramani has served on mining industry-related expert panels for the National Academy of Sciences, the US Department of Labor and the US Department of Health and Human Services. He is a consultant for National and International agencies on mineral industry issues. Among his awards are a Fulbright Scholarship to the Soviet Union, the SME Howard N. Eavenson Award, the AIME Environmental Conservation Award and the AIME/ASME Percy W. Nichols Award. A Distinguished Member of SME, he is the 1995 SME President.



John K. Hammes, AIME Vice President-Finance, is Chief Operating Officer and a Director of Santa Elina Gold Corporation. He was with Citibank's Mining Department from 1968 until June 1994. From 1965 to 1968, he was employed by the Metal Mining Division of Kennecott Copper Corp. Prior to that, he worked for the U.S. Bureau of Mines under a fellowship program supporting research on the Lake Superior iron pellet industry. Mr. Hammes received his Bachelor's degree from the University of Missouri and his MS and PhD in Mining Engineering from the University of Minnesota. He is a Past Chairman of the New York Section of SME and has served as AIME Vice President-Finance since 1977. Mr. Hammes was the first recipient of the AIME Distinguished Service Award, presented in 1989.



Alfred Weiss, AIME Executive Director and Secretary, assumed this position in March, 1992, after having served for 13 years as President and Chief Executive Officer of Mineral Systems International in Stamford, CT. His prior experience includes Kennecott Copper Corporation, Exxon Corporation and the U.S. Department of the Interior Bureau of Mines. He received his BS in Mining Engineering and MS in Mining Engineering/Mineral Economics from the Henry Krumb School of Mines, Columbia University, and a DBA in Management, Marketing and International Business from the Lubin School of Business, Pace University. A Distinguished Member of the Society for Mining, Metallurgy and Exploration (SME), Dr. Weiss served as 1981 President of the Society and was named to AIME Honorary Membership in 1987.

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Member Societies

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PO Box 625002
Littleton, CO 80162-5002
Telephone: 303/973-9550
Fax: 303/973-3945

Gary D. Howell, Executive Director

The Minerals, Metals & Materials Society
420 Commonwealth Drive
Warrendale, PA 15086
Telephone: 412/776-9000
Fax: 412/776-3770

Alexander R. Scott, Executive Director

Iron and Steel Society
410 Commonwealth Drive
Warrendale, PA 15086
Telephone: 412/776-1535
Fax: 412/776-0430

Charles E. Slater, Executive Director

Society of Petroleum Engineers
PO Box 833836
Richardson, TX 75083-3836
Telephone: 214/952-9393
Fax: 214/952-9435

Dan K. Adamson, Executive Director

Report of the 123rd Annual Meeting Chicago, IL – March 1994

The 123rd AIME Annual Meeting was held in Chicago, Illinois, March 20-23, 1994, in conjunction with the 53rd Ironmaking and 77th Steelmaking Conference of the Iron and Steel Society (ISS). The Hyatt Regency Chicago was the headquarters hotel for both AIME and ISS, as well as the location for the ISS technical sessions and exhibition.

Annual Meeting activities designed to appeal to all attendees commenced with the AIME Keynote Session on Monday at 12:30 P.M. ***Your Future in Industry*** was the focus of attention of the three distin-

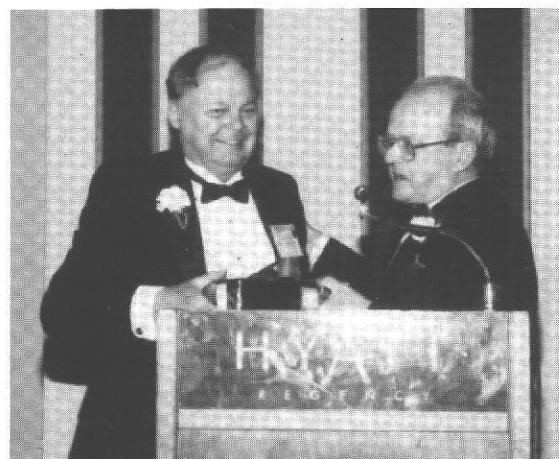


Mike Singletary, former linebacker with the Chicago Bears and guest speaker at the Annual Banquet and Awards Ceremony. He gave a motivational talk with key factors for a successful iron and steel industry, based on his experience as a businessman and a sports figure

guished speakers. Peter Marcus, Managing Director at Paine Webber Inc., spoke on the economic perspective; LeRoy C. Prichard, Manager, New Steel Technology, Nucor Corporation, presented the technology perspective; and V. John Goodwin, General Manager, Gary Works, US Steel, discussed the human factor. The session was very well received by an audience of more than 750 members and guests.

The 123rd AIME Annual Banquet and Awards Ceremony was held on Monday evening, March 21, at the Hyatt. 1993 President G. Hugh Walker served as Master of Ceremonies for the Awards program during which the major AIME awards were presented, Honorary Memberships were conferred, and Mr. Noel D. Rietman was installed as 1994 AIME President. Following the ceremony, guests were entertained by special guest speaker, Mike Singletary, former Chicago Bear.

The 124th AIME Annual Meeting will be held in Denver March 6-9, 1995 in conjunction with the Annual Meeting of the Society for Mining, Metallurgy, and Exploration (SME). The AIME Annual Banquet and Awards Ceremony will be held on Monday evening, March 6 in the Imperial Ballroom of the Hyatt Regency.



Passing the Gavel—1993 AIME President G. Hugh Walker passes the gavel to 1994 AIME President Noel D. Rietman

Recipients of Honors and Awards Presented by AIME in 1994

1993 HONORARY MEMBERS

William E. Brigham

Stanford University/SPE

"In recognition of nearly four decades of technical and scientific contributions to petroleum engineering in the fields of reservoir performance, reservoir characterization and improved oil recovery, and his willingness to share these results as a teacher and author."

John M. Campbell, Sr.

Campbell Group. (retired)/SPE

"For his pioneering contributions in the field of gas and natural gas liquids processing and his unselfish sharing of this technology in the classroom and through the publications of books and technical literature."

Orville D. Gaither

Gaither Petroleum Corp./SPE

"In recognition and appreciation of his outstanding leadership and dedicated service to the Institute and the Society, and for his noteworthy contributions, leadership and involvement in community affairs."

BENJAMIN F. FAIRLESS AWARD

David H. Hoag

The LTV Corporation/ISS

"In recognition of his leadership in restructuring a major portion of the integrated steel industry in the United States, his strong commitment to facility modernization, and his dedication to the achievement of world class quality."

HAL WILLIAMS HARDINGE AWARD

Oscar M. Wicken

SRM Associates/SME

"Distinguished metallurgical and mining engineer, lecturer and operations executive. In recognition of outstanding accomplishments in the development of refractory mineral resources and production technology worldwide."

ANTHONY F. LUCAS GOLD MEDAL

Lawrence B. Curtis

Conoco Inc.. (Retired)/SPE

"For exceptional and innovative foresight in the concepts for and design of offshore structure, for professional commitment to the open exchange of technical information on global oil and gas operations; and for significant influence in the evolution of the worldwide Society of Petroleum Engineers."

ROBERT EARLE McCONNELL AWARD

Frank J. Schuh

Drilling Technology Inc./ARCO Oil and Gas Co. (Retired)/SPE

"For his major contributions to the field of horizontal well technology and for his successful efforts to expand the technical scope of SPE programs"

ERSKINE RAMSAY MEDAL

R. Eugene Samples

Arch Minerals Corp./SME

"For his distinguished achievements in coal mining: bringing his engineering roots to the boardroom where he guided innovatively major segments of this nation's coal industry."

Honors and Awards

ROBERT H. RICHARDS AWARD

Bernard J. Scheiner

US Bureau of Mines/SME

"For his outstanding accomplishments in the hydrometallurgy of refractory gold ores and innovative applications of mineral processing fundamentals to the practice of flocculation, dispersion and dewatering."

WILLIAM LAWRENCE SAUNDERS GOLD MEDAL

T. Peter Philip

Newmont Mining Corp.

"In recognition of his exemplary leadership and innovation in development of Newmont Mining Corporation's operations in the Carlin gold trend."

AIME DISTINGUISHED SERVICE AWARD

Frank V. Nolfi, Jr.

Beacon Venture Management Corp./TMS

"In recognition of years of exemplary and dedicated service to AIME as Director, and for his exceptional achievement in developing the concept for and leading the AIME Public Issues Committee in the production and distribution of the Transformations program."

ENVIRONMENTAL CONSERVATION DISTINGUISHED SERVICE AWARD

Dennis E. Wheeler

Coeur d'Alene Mines Corp.

"For his leadership in promoting the philosophy of environmental stewardship in the mining industry including as the foundation a 'preplanning to avoid pollution' concept."

MINERAL ECONOMICS AWARD

Helmut A. Merklein

Merklein & Associates

"An economist who communicates with mineral engineers and scientists. For his professional rectitude and forthrightness in both industry and government in matters of practical energy policies and data gathering and analysis."

MINERAL INDUSTRY EDUCATION AWARD

Richard C. Bradt

University of Nevada-Mackay School of Mines

"In recognition of his outstanding achievements as a teacher, mentor, engineer and researcher in the application of minerals in the refractories and metallurgical industries worldwide."

ROSSITER W. RAYMOND MEMORIAL AWARD

Robert W. Hyland Jr.

Alcoa Technical Center/TMS

Paper Title: "Homogeneous Nucleation Kinetics of Al_3Sc in a Dilute Al-Sc Alloy"

Published in: Metallurgical Transactions B, July 1992

AIME Past Presidents

Active List

Carl E. Reistle, Jr.	1956	William H. Wise	1979	Thomas V. Falkie	1988
Lloyd E. Elkins	1962	M. Scott Kraemer	1980	Howard N. Hubbard, Jr.	1989
Walter R. Hibbard, Jr.	1967	Robert H. Merrill	1981	Donald G. Russell	1990
John C. Kinnear	1970	Harold W. Paxton	1982	Milton E. Wadsworth	1991
John S. Bell	1971	Edward E. Runyan	1983	Roshan B. Bhappu	1992
Wayne E. Glenn	1974	Nelson Severinghaus, Jr.	1984	G. Hugh Walker	1993
Julius J. Harwood	1976	Norman T. Mills	1985	Noel D. Rietman	1994
H. Arthur Nedom	1977	Arlen L. Edgar	1986		
Wayne L. Dowdey	1978	Alan Lawley	1987		

AIME Honorary Members

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.

Active List with Year of Election.

Frank F. Aplan	1991	William A. Griffith	1986	Harold W. Paxton	1991
Nathaniel Arbiter	1975	H. J. Gruy	1987	Albert J. Phillips	1972
Charles W. Arnold	1991	Michel T. Halbouty	1972	Fred H. Poettmann	1984
Edmund C. Babson	1985	John P. Hammond	1988	William N. Poundstone	1982
Charles L. Bare	1992	Julius J. Harwood	1980	Michael Prats	1989
Charles S. Barrett	1979	John F. Havard	1984	Nathan E. Promisel	1974
John S. Bell	1976	Claude R. Hocott	1974	Carl E. Reistle, Jr.	1960
William E. Brigham	1993	Howard N. Hubbard	1991	Joseph G. Richardson	1987
Kermit E. Brown	1989	William Hurst	1989	Kenneth W. Robbins	1988
John C. Calhoun, Jr.	1975	Basil P. Kantzer	1990	Edward E. Runyan	1987
John M. Campbell, Sr.	1993	Marvin L. Katz	1992	Donald G. Russell	1986
Ben H. Caudle	1986	G. William Kneppshield	1989	Harrison H. Schmitt	1972
Morris Cohen	1980	M. Scott Kraemer	1983	Nelson Severinghaus, Jr.	1987
Lawrence B. Curtis	1986	Plato Malozemoff	1985	Cyril Stanley Smith	1973
Donald A. Dahlstrom	1985	Charles S. Matthews	1992	T. Don Stacy	1990
Wayne L. Dowdey	1983	Alexander McLean	1991	Marshall B. Standing	1990
Robert C. Earlougher	1984	Robert H. McLemore	1976	Simon D. Strauss	1980
Arlen L. Edgar	1988	Sir Ian McLennan	1971	Michael Tenenbaum	1979
Lincoln F. Elkins	1977	Robert H. Merrill	1984	Alfred Weiss	1986
Lloyd E. Elkins	1969	Stanley D. Michaelson	1977	Robert L. Whiting	1987
Douglas W. Fuerstenau	1988	Norman T. Mills	1987	William H. Wise	1984
Orville D. Gaither	1993	Morris Muskat	1971	M. R. J. Wyllie	1991
Ted M. Geffen	1991	H. Arthur Nedom	1981	David A. Zegeer	1987
Robert B. Gilmore	1985	Melvin E. Nickel	1978		
Wayne E. Glenn	1979	Earl R. Parker	1982		

Legion of Honor Fifty-Year Members—Class of 1944
99 Society Members added

Society for Mining, Metallurgy and Exploration
35 members

M.R. Arrowsmith	Richard W. Flagg	Frank W. Millsaps
George E. Atwood	Ellis H. Gates	Allen G. Mock
William T. Bishop	Otto E. Haaland	Richard D. Mollison
W.A. Broughton	Fred S. Haley	Peter B. Nalle
Scott L. Burrill	Charles H. Jacoby	Jack E. Nelson
John S. Carr	George E. Kruger	Ivan L. Nichols
Kenneth L. Cook	Hugh J. Leach	Ernest R. Rodriguez
Alfred E. Copeland	Douglas F. Lillie	Woodvile J. Walker
Norman H. Donald, Jr.	George C. Lindsay	Henry P. Whaley
Edwin B. Douglas	John S. Livermore	Keith Whiting
Stephen E. Erickson	E. Jay Mayhew	Oscar M. Wicken
Floyd D. Everett	Harry L. McNeill	

The Minerals, Metals & Materials Society
15 members

Robert C. Brinton	James H. Jacobs	Herman L. Myers
James D. Dowd	Arthur F. Kohn, Jr.	William L. Rudin
Rolland S. French	Henry L. Kurtz	Albert C. Sanowskis
James B. Hess	Arthur J. Marvin	Roberto T. Tapia
Erle J. Hubbard	David S. McLellan	Richard L. Wachs

Iron and Steel Society
7 members

Harrison W. Blair	John B. Gero	J.O. Vadeboncoeur
Donald J. Blickwede	L.W. Heinzinger	
Pol Boel	A.H. Jolly Jr.	

Society of Petroleum Engineers
42 members

Fred E. Abbott, Jr.	Ralph L. Gray	C.L. Moore
Walter Arbuckle	O.A. Graybeal	William J. Murray, Jr.
M.B. Belden	Carl Grubenman	A.C. Nestle
E.P. Burtchaell	Jack R. Hamilton	Max L. Riley
F.H. Callaway	G. Hetherington	E.A. Roberts, Jr.
W.T. Cardwell, Jr.	Henry K. Holland, Jr.	Jack M. Shepherd
Francisco A. Chavez	Russell W. Holman	Bradford J. Sinex
J.W. Crutchfield	William Hurst	E. Randolph Smith
Charles R. Dodson	Lloyd N. Johnson	M.B. Standing
Herman Dykstra	C.C. Liedholm	J.R. Suman, Jr.
George H. Fancher	J.C. McCarthy	John D. Todd
R.W. French, Jr.	John R. McKay	Glenn A. Trimble
John M. Fulton	Willis G. Meyer	Ray R. Vincent
John H. Garner	Richard B. Mills	Edwin A. Zwald

The Woman's Auxiliary
to the
American Institute of Mining, Metallurgical and Petroleum Engineers, Inc.
14th Floor, 345 EAST 47TH STREET, NEW YORK, NY 10017-2304
212-705-7692

Report of the WAAIME



Diane Archer, President
1994 WAAIME

Thank you for inviting me to discuss the activities that have occurred in WAAIME during 1994. It has been a busy and productive year. Some of the major activities are as follows:

- During the month of January of 1994, the membership voted by a 2/3 majority to maintain the National Office in New York. The WAAIME office is adjacent to AIME and we value our association with AIME and its Member Societies knowing we have a common mission.
- With the help of accountants Kafoury, Armstrong & Co. the proper procedure was initiated to change our fiscal year end to May 31. For this reason, the 1994 Directory contains financial statements for two consecutive years.
- We have continued to decentralize WAAIME Leadership, with Board meetings held in AZ, NM, UT and WV. This has been a great success with much camaraderie between Board members and Sections.
- Guernsey Management Services manages the National WAAIME Office. Nellie Guernsey is proficient in database management. She serves as a volunteer technologist to a team of teachers in *Transformations*, Phase II.
- The Education for Tomorrow (EFT) Committee received approval from the National Board to sponsor a scholarship of \$5,000 for a team of teachers to take part in AIME's *Transformations*, Phase II. In July President Archer attended the second session of Phase II *Transformations*, in Boston, MA.
- The concept of **participation** by as many members as possible has been supported by a majority of the Board. In order to participate, members need to know the state of their finances in a timely, detailed and easily understood fashion. For this reasons, the format of the comprehensive budget has been changed. Financial decisions made by Board members are reported by Kafoury, Armstrong & Co., an independent accounting firm. The independent accounting firm has no signing authority. The various committee chairmen determine how and when the money is spent. Kafoury, Armstrong & Co.

reports on these expenditures. This complete separation of business from reporting gives the Board a monthly audit.

- The guidelines for the Scholarship Loan Fund (SLF) have been revised and updated with advice and input from academic institutions and other specialists. The Board has voted to give the new procedures a two-year test. All records have been computerized by the SLF Chairman and the SLF Treasurer. Through the years, 1700 scholarship loans have been awarded, totaling more than \$3 million.
- The Ways and Means Committee has sought advice from WAAIME Accountants and the WAAIME Solicitor and with their assistance have prepared *Standing Rules for WAAIME Fund Raisers and Transactions with Member Operated Businesses Relative to IRS Regulations*.
- Bylaw Amendments, including a totally new section on Finance, have been approved by the Board and were sent to the Membership by a certified ballot on January 2, 1995. It is important that safeguards be in place to prevent capital depletion. It is hoped that these bylaws will pass with a 2/3 majority so that WAAIME will be able to dedicate maximum funds to education, secure in the knowledge that the funds will grow to meet inflation.

State of Affairs of WAAIME – WAAIME is fortunate to have members who give so much of their time and energy in the pursuit of our objectives. The outstanding achievements of the year are a result of countless hours devoted to the well being of our organization. I wish to thank the volunteers who have remained steadfast in the pursuit of our goals. I believe this loyalty to WAAIME will make WAAIME the great organization that it can be.

It is my privilege to thank Dr. Alfred Weiss, AIME Executive Director, and the staff of AIME for their continued support and assistance.

Diane Archer



Diane Archer, 1994 WAAIME President, addresses Technologists at *Transformations*, Phase II session, July 1994, in Boston, MA

Coopers
& Lybrand

Coopers & Lybrand L.L.P.

a professional services firm

Report of Independent Accountants

To the Board of Trustees of the
American Institute of Mining, Metallurgical
and Petroleum Engineers, Inc.:

We have audited the accompanying balance sheets of the AMERICAN INSTITUTE of MINING, METALLURGICAL and PETROLEUM ENGINEERS, INC. ("AIME") as of November 30, 1994 and 1993, and the related statements of revenue and expenses and surplus in operating fund, changes in endowment and quasi-endowment funds, and cash flows for the years then ended. These financial statements are the responsibility of AIME's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the 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 AIME at November 30, 1994 and 1993, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Coopers & Lybrand L.L.P.

New York, New York
January 5, 1995.

Coopers & Lybrand L.L.P., a registered limited liability partnership, is a member firm of Coopers & Lybrand (International).

Financial Statements

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

Financial Statements
as of November 30, 1994 and 1993
and for the years then ended

BALANCE SHEETS

November 30, 1994 and 1993

ASSETS:	1994	1993
Operating fund:		
Cash	\$ 87,736	\$ 36,561
Accounts receivable	3,582	4,120
Equipment, furniture and fixtures, less accumulated depreciation of \$39,743 in 1994 and \$32,150 in 1993 (Note 1d)	8,538	16,131
Prepaid expenses	<u>87,677</u>	<u>109,886</u>
	<u>187,533</u>	<u>166,698</u>
Endowment and quasi-endowment funds:		
Investments, at cost plus accrued interest (at market quotations plus accrued interest: \$10,153,357 in 1994 and \$11,390,461 in 1993) (Notes 1e and 3)	8,979,875	9,608,943
Cash and Cash equivalents	1,410,997	1,061,230
Grant receivable	17,000	88,000
Due from operating fund	56,729	64,237
Inventories (Note 1c)	198,211	236,046
Loans receivable from Member Societies plus accrued interest (Note 2)	298,565	350,851
Prepaid expenses	<u>67,947</u>	<u>8,658</u>
	<u>11,029,324</u>	<u>11,417,965</u>
Property Fund:		
Founder Society advances to United Engineering Trustees, Inc. (Note 4)	<u>265,000</u>	<u>265,000</u>
	<u>\$11,481,857</u>	<u>\$11,849,663</u>

LIABILITIES and FUND BALANCES:	1994	1993
Operating fund:		
Accounts payable and accrued expenses	\$ 27,099	\$ 30,490
Loan payable on behalf of UET (Note 5)	57,908	71,667
Due to endowment fund	56,729	64,237
Surplus - unrestricted	<u>45,797</u>	<u>304</u>
	<u>187,533</u>	<u>166,698</u>
Endowment and quasi-endowment funds:		
Accounts payable, Member Society	32,259	27,082
Deferred support - (Note 4)		88,000
Fund balances (Note 1a)	<u>10,997,065</u>	<u>11,302,883</u>
	<u>11,029,324</u>	<u>11,417,965</u>
Property fund (Note 4)	<u>265,000</u>	<u>265,000</u>
	<u>\$11,481,857</u>	<u>\$11,849,663</u>

The accompanying notes are an integral part of these financial statements

Financial Statements

STATEMENTS of REVENUE and EXPENSES and SURPLUS in OPERATING FUND

for the Fiscal Years ended November 30, 1994 and 1993

	1994	1993
Revenue:		
Contributions by Member Societies for:		
Other engineering federations	\$ 38,326	\$ 40,507
Administrative expenses	16,000	16,000
Appropriations from endowment funds	534,000	419,000
Offshore Technology Conference	37,608	29,283
Meetings	19,818	17,723
Interest, primarily from Founder Society advances to United Engineering Trustees, Inc. (Note 4)	15,590	13,282
Other	<u>685</u>	<u>738</u>
	<u>662,027</u>	<u>536,533</u>
Expenses:		
Federation support	69,308	59,107
Meetings	29,396	32,546
Other programs and administrative expenses (Note 6)	<u>517,830</u>	<u>469,893</u>
	<u>616,534</u>	<u>561,546</u>
Excess (deficit) of revenue over expenses	45,493	(25,013)
Surplus - unrestricted:		
Balance, beginning of year	<u>304</u>	<u>25,317</u>
Balance, end of year	<u><u>\$ 45,797</u></u>	<u><u>\$ 304</u></u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS of CHANGES in ENDOWMENT and QUASI-ENDOWMENT FUNDS

for the Fiscal Years ended November 30, 1994 and 1993

	1994	1993
Balance of fund accounts, beginning of year	<u>\$11,302,883</u>	<u>\$10,707,420</u>
Revenue:		
Project contributions	130,100	
Net gains on sale of investments (Note 1f)	541,333	1,070,790
Interest and dividends, net of investment advisor and custodian fees of \$77,728 in 1994 and \$82,802 in 1993 (Note 1g)	246,360	268,344
Sale of books, volumes, etc.	51,193	71,420
Sale of "Transformations" tapes	37,769	51,297
Royalties from oil and gas deeds	<u>41,390</u>	<u>13,241</u>
	<u>1,048,145</u>	<u>1,475,092</u>
Expenses and appropriations:		
Publication expenses	52,691	65,787
Public Issues Committee	615,306	229,501
Other awards	69,290	63,076
AAES dues and travel expenses	55,570	74,187
Free books	12,891	15,197
Sundry expenses	14,215	12,881
Appropriations to operating funds	<u>534,000</u>	<u>419,000</u>
	<u>1,353,963</u>	<u>879,629</u>
Balance of fund accounts, end of year	<u>\$10,997,065</u>	<u>\$11,302,883</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS of CASH FLOWS

for the Fiscal Years ended November 30, 1994 and 1993

	1994	1993
Cash flows from operating activities:		
Excess (deficit) of revenue over expenses	\$ 45,493	\$ (25,013)
Endowment revenue, excluding net gains on sale of investments, less expenses and appropriations of endowment and quasi-endowment funds	<u>(847,151)</u>	<u>(475,327)</u>
	<u>(801,658)</u>	<u>(500,340)</u>
Adjustments to reconcile the above to net cash used in operating activities:		
Depreciation	7,593	7,952
Changes in assets and liabilities:		
(Increase) decrease in accrued interest on investments	(10,194)	10,941
Decrease (increase) in accounts receivable	71,538	(90,384)
Decrease in inventories	37,835	48,595
Increase in prepaid expenses	(37,080)	(77,410)
(Decrease) increase in accounts payable and accrued expenses	<u>(99,973)</u>	<u>132,623</u>
	<u>(30,281)</u>	<u>32,317</u>
Net cash used in operating activities	<u>(831,939)</u>	<u>(468,023)</u>
Cash flows from investing activities:		
Purchases of securities	(7,878,300)	(8,820,796)
Sales of securities	9,058,895	8,973,879
Loans receivable from Member Societies	52,286	50,699
Capital expenditures	<u>0</u>	<u>(990)</u>
Net cash provided by investing activities	<u>1,232,881</u>	<u>202,792</u>
Net increase (decrease) in cash	400,942	(265,231)
Cash and cash equivalents		
Beginning of year	<u>1,097,791</u>	<u>1,363,022</u>
End of year	<u><u>\$1,498,733</u></u>	<u><u>\$1,097,791</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES to FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies:**a. *General:*

The financial statements comprise the accounts of the American Institute of Mining, Metallurgical and Petroleum Engineers, Inc. ("AIME"). They do not include the accounts of the Society of Mining, Metallurgy and Exploration Engineers ("SME"), the Society of Petroleum Engineers ("SPE"), The Minerals, Metals and Materials Society ("TMS"), and the Iron & Steel Society ("ISS"), the four Member Societies of AIME.

Quasi-endowment funds of \$8,287,898 and \$8,632,352 at November 30, 1994 and 1993, respectively, represent amounts which have been restricted by AIME's Board of Trustees. The Board of Trustees has also determined that such funds be retained and invested.

AIME's Board of Trustees periodically makes appropriations from interest and dividend income of endowment funds to the operating fund and the individual Member Societies based on their respective operating requirements.

b. *Cash Equivalents:*

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

c. *Inventories:*

Salable publications and books are carried at the lower of cost (first-in, first-out) or net realizable value.

d. *Equipment, Furniture and Fixtures:*

Equipment, furniture and fixtures are recorded at cost and are depreciated by the straight-line method over their estimated useful lives. Depreciation expense for 1994 and 1993 was \$7,593 and \$7,952, respectively.

e. *Investments:*

Investments purchased are carried at cost or, if acquired by gift, at market value on date of gift plus accrued interest, where applicable. Purchases and sales of securities are reflected on a trade-date basis.

f. *Gains or Losses on Sale of Investments:*

Gains or losses on sale of investments are determined on the basis of average cost. Such gains or losses related to investments which are part of the endowment commingled pool of investments are allocated to the individual funds on the basis of their relative book values at the end of each quarter.

g. *Interest and Dividend Income:*

Interest from investments is recorded on the accrual basis. Dividends are recorded on the cash basis; however, such basis of accounting does not differ significantly from the generally accepted accounting method of accruing dividends on the ex-dividend date.

h. *Retirement Income Plan:*

The AIME Retirement Income Plan ("Plan"), a defined benefit retirement income plan, covers substantially all full-time employees. Eligible employees receive a non-contributory benefit based on a standard dollar amount per month, irrespective of the amount of compensation, multiplied by the years of benefit service, or may elect to contribute a percentage of their compensation to the Plan and receive an increased benefit. The contributory benefit is based on years of benefit service and the employee's compensation. AIME accounts for the Plan in accordance with the Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions".

Notes to Financial Statements

1. Summary of Significant Accounting Policies

h. Retirement Income Plan

The Retirement Income Committee has contracted with Connecticut General Life Insurance Company ("Connecticut General"), through a Group Annuity Contract, to maintain the assets of the Plan and pay pension benefits to the annuitants. The Plan participates in various investment accounts of Connecticut General and Loomis Sayles & Company, L.P. Plan assets are invested in growth common stocks, real estate partnerships, property, mortgage loans, and short-term investments.

The funding policy of AIME is to contribute such amounts as are necessary on an actuarial basis to provide the Plan with assets to meet the benefits expected to be paid to annuitants or their beneficiaries.

The following tables set forth AIME's share of the Plan's funded status and the amounts recognized in AIME's balance sheets at November 30, 1994 and 1993:

	1994	1993
Accumulated benefit obligation, including vested benefits of \$546,328 (1994) and \$563,486 (1993)	<u>\$547,081</u>	<u>\$565,832</u>
Projected benefit obligation	\$566,827	\$596,202
Plan assets at fair value	<u>566,229</u>	<u>613,686</u>
Plan assets (less than) in excess of projected benefit obligation	(598)	17,484
Unrecognized prior-service cost	55,001	62,861
Unrecognized net (gain) loss	(4,997)	(17,074)
Unrecognized net assets at December 1, 1986 being recognized over 12 years	<u>(40,514)</u>	<u>(50,644)</u>
Prepaid retirement income cost included in prepaid expenses	<u>\$ 8,892</u>	<u>\$ 12,627</u>

Net retirement income cost for 1994 and 1993 included the following components:

	1994	1993
Service cost	\$ 5,719	\$14,908
Interest cost	43,852	45,174
Projected return on plan assets	(44,307)	(47,515)
Amortization of unrecognized prior-service cost	7,860	7,860
Amortization of transition asset	<u>(10,130)</u>	<u>(10,130)</u>
Net retirement income cost	<u>\$ 2,994</u>	<u>\$10,297</u>

The weighted average discount rate and rate of increase in future compensation used in determining the actuarial present value of the projected benefit obligation were 8% and 5.5%, respectively. The expected long-term rate of return on plan assets is 8.0%.

2. **Financing of TMS/ISS and SME Headquarters Facilities:**

TMS/ISS Headquarters:

During 1978, TMS/ISS obtained a \$300,055 loan from the endowment fund, payable over twenty years at a floating interest rate based on the endowment fund's prior year's dividend and interest earnings, net of management fees. At November 30, 1994 and 1993, the balance of the loan plus accrued interest at 2.06% (1994) and 2.55% (1993) per annum was \$82,152 and \$103,032, respectively.

SME Headquarters:

During 1979, SME obtained a \$467,000 loan from the endowment fund, payable over twenty years at a floating interest rate based on the endowment fund's prior year's net earnings after management fees. At November 30, 1994 and 1993, the balance of the loan plus accrued interest at 2.06% (1994) and 2.55% (1993) was \$166,413 and \$197,819, respectively.

SME Foundation:

During 1992, the SME Foundation obtained a \$50,000 loan from the endowment fund. Five years after achieving financial self-sufficiency, and upon request from AIME, the Foundation will repay the \$50,000 on a schedule to be determined at that time..

3. **Changes in Investments:**

Endowment and quasi-endowment funds:

	1994	1993
Investments, at cost plus accrued interest, beginning of year	\$ 9,608,943	\$ 8,702,177
Purchases of securities	<u>7,878,300</u>	<u>8,820,796</u>
	17,487,243	17,522,973
Sales of securities	<u>9,058,895</u>	<u>8,973,879</u>
	8,428,348	8,549,094
Net realized gain on sales of securities	541,333	1,070,790
Net change in accrued interest	<u>10,194</u>	<u>(10,941)</u>
Investments, at cost plus accrued interest, end of year	<u>\$ 8,979,875</u>	<u>\$ 9,608,943</u>

Notes to Financial Statements

4. **Advances to United Engineering Trustees, Inc.:**

In accordance with an agreement between AIME and the United Engineering Trustees, Inc. ("UET"), AIME has agreed to maintain permanently its principal offices in the United Engineering Center Building and to pay a pro rata portion of the operating costs of the building. AIME's share of these costs during 1994 and 1993 was \$70,782 and \$65,952, respectively. The advance to UET, made in connection with the erection of the United Engineering Center Building, is repayable only out of available reserve funds on dissolution of UET and earns interest at an annual rate of 4%.

5. **Assumption of UET Debt:**

During September of 1993, the repayment plan for UET's \$1.5 million loan obligation was approved. Under this plan, AIME's share of the repayment is \$71,667 plus 6% interest payable on or before September 30, 1998. AIME has agreed to pay this amount in equal installments over a 5-year period commencing in 1994.

6. **Other Programs and Administrative Expenses:**

Other programs and administrative expenses consist of the following:

	1994	1993
Payroll and employee benefits	\$277,386	\$270,821
Audit and legal services	37,182	19,239
Rent	70,782	65,952
AIME Board activities	20,342	26,644
Supplies, postage, and maintenance and repairs	18,815	17,978
Insurance	13,370	12,400
Depreciation	7,593	7,952
Publications and printing	9,465	3,424
Other	<u>62,895</u>	<u>45,483</u>
	<u>\$517,830</u>	<u>\$469,893</u>

7. **Tax Status:**

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

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

The
Transformations

**Project:
Partnering Technology with Education
and Society**

The American Institute of Mining, Metallurgical, and Petroleum Engineers is dedicated to advancing the knowledge of engineering in the fields of minerals, metals, materials and manufacturing and energy resources, and to undertaking programs addressing significant needs including education.



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