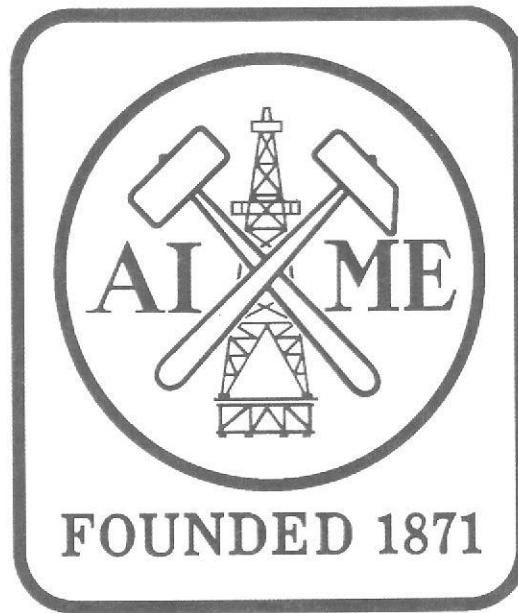
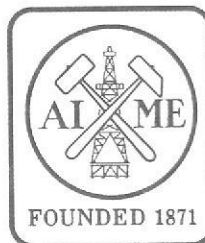


AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS, INC.

2002 ANNUAL REPORT



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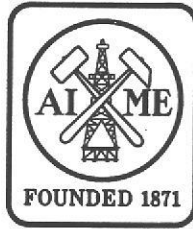


AMERICAN INSTITUTE OF MINING, METALLURGICAL,
AND PETROLEUM ENGINEERS, INC.

2002 Annual Report

One hundred and thirty-first year

December 1, 2001 - November 30, 2002



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A Founder Society of the
United Engineering Foundation, 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



Georg H. Sawyer
President - 2002
American Institute of
Mining, Metallurgical,
and Petroleum Engineers

Report of the 2002 President

The year 2002 was clearly a transitional one for AIME! During the March Annual Meeting at Opryland in Nashville, Tennessee, the Board of Trustees took a decision to reduce the number of Trustees from twelve to eight; two from each of the member societies. Later at the Summer meeting in San Antonio, the Board elected to move the AIME office from New York City to Littleton, Colorado by May 31, 2003.

As the United States and world economies began to deteriorate in 1999-2000, the AIME Board began to study ways and means to assure the future economic viability of the Institute and preserve its storied traditions. These studies were conducted by the Strategic Direction Committee based on a Board decision at the Denver Annual Meeting in 2000. Over the span of 1998 through 2002, the Institute's financial portfolio declined from \$14 million to \$8 million. Decisions needed to be taken to preserve the Institute.

The four member societies were asked to consider submitting a proposal to AIME for the relocation of the AIME Headquarters Office to achieve the following: (1) preserving the AIME tradition and heritage including the important awards program, (2) maintaining our representation in AAES, UEF and ABET and achieving a total operating cost range of \$500,000 to \$550,000. Two of the societies elected to submit a proposal, SME and ISS. The proposals were deemed to be very close, but the Trustees elected to accept the SME proposal. Their headquarters is located in Littleton, Colorado.

As this report is being prepared, AIME has approved the hiring of Mr. J. R. (Rick) Rolater as part-time executive director for the Colorado office. Rick is eminently qualified for this important position; he also happens to be the son-in-law of Mr. Joe Alford, the AIME ED from 1970 to 1981. Also, an agreement is essentially complete for offices and services requirements for AIME by SME. The physical office move will take place between April 1 and May 31, 2003.

I must commend our existing executive director, Ms. Nellie Guernsey, Mrs. Arlene Pilton, and Ms. Carin Cantzler for their diligent efforts during the studies that were required to reach these very difficult decisions. They have been most helpful in maintaining a consistent, on-going program on behalf of AIME over this three-year period. WAAIME has continued their programs thanks to Mr. Norman Odden and effective officer leadership.

Significant progress has been made in achieving the objectives of the AIME Board of Trustees. An eight-member Board should be more efficient and cost effective, and the move to Littleton should permit a reduction in the annual operating costs (including awards) that has been targeted.

It is in the interest of AIME that the final phase of this move be made as seamlessly as possible. This will assure the longer-term objective of protecting the traditions and continued viability of AIME as one of the Engineering Founder Societies in the United States.

IN MEMORIAM

It is with deep personal sorrow as well as a great sense of long-term loss to AIME that I again note the untimely death of dear friend and colleague, Mr. Grant P. Schneider. I enjoyed serving with Grant and getting to know him as a professional and a family man. He did AIME a great service as our President in 2001.