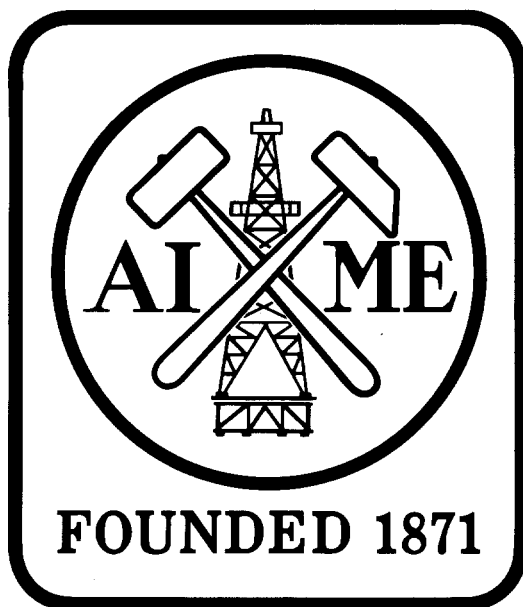


American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc.

2003 ANNUAL REPORT





Report of the 2003 President

Robert H. Wagoner

For the period March, 2003 – June, 2004

The 2003-2004 period includes the most significant and far-reaching changes in AIME's 133-year history. Many of these changes were initiated by past Board of Trustees' actions and were implemented or completed this year. They were undertaken with the goal of insuring the sustainability of the Institute and improving the efficiency and effectiveness of its operation, particularly in view of the market setbacks experienced starting in 1999-2000.

Before proceeding to describe the structural changes, it is a pleasure to welcome the Association of Iron and Steel Technology (AIST) as the newest Member Society of AIME. AIST was formed in January, 2004, by the merger of the Iron and Steel Society (ISS) and the Association of Iron and Steel Engineers (AISE). ISS and AISE ceased to exist as separate entities when AIST was born. AIST's mission lies in the advancing the technical development, production, processing and application of iron and steel.

It became clear to the Trustees that, after several years of deficits and precipitously eroding investments, structural changes were needed in AIME to weather the storm and provide for the future. In particular, the annual operating budget had to be slashed in half while maintaining the Institute's high standards of recognition, awards, and service.

Some of the changes have been painful; many involved challenges that have not been faced in AIME's long history. All were deemed essential for preserving the Institute and its mission. It is a pleasure to report that the transition to a sustainable framework is essentially complete, and that AIME now has the resources necessary to carry out its mission and traditions for the long term.

The most painful and challenging change was the relocation of the AIME Headquarters to Littleton, Colorado, after 132 years in New York City. The move was completed in May of 2003 with only one week of down time. The staff was reduced from 4 full-time positions in 2002 to 1-and-1/2 positions. It is a pleasure to report that AIME succeeded in attracting dedicated professionals to take over the daily operations: Rick Rolater was hired as part-time Executive Director in April, 2003, and Michele Gottwald became Executive Assistant in May, 2003.

The reduction of staff dictated that new efficiencies be identified in order to continue carrying out AIME's mission effectively. The Board of Trustees worked closely with Rick and Michele to adopt and implement procedures to improve efficiency while improving the effectiveness of the organization. A few of the more important of these procedure and policy changes are as follows:

- Change of board meeting schedule to a single face-to-face meeting per year supplemented by several conference call meetings
- Merging of AIME Annual Meeting with AIME Board of Trustees Meeting in August
- Change of award program and member recognition from once per year to four times per year, in conjunction with annual meetings of the Member Societies
- Reduction of AIME Board from 12 voting trustees to 8
- Transition to Web-based document distribution
- Withdrawal from membership in JETS, ABET, and AAES

- Appointment of UEF trustees for multi-year terms, currently Robert H. Wagoner, President, and Robert C. Freas, President-Elect
- Change of AIME fiscal year to coincide with the calendar year
- Change of legal counsel, auditors, web service providers
- Creation of new, updated employee manuals and policy procedures

One example of improved efficiency and effectiveness is the new AIME Annual Meeting / Board of Trustees Meeting, to be held in August each year (except for 2004, a transition year). The reduction in meetings saved dollars and cents, but, more importantly, it conserved human resources in terms of travel and time away from work. The conference call Board meetings, held every second or third month, are working extremely well. These, combined with web-based distribution of documents, have improved communication within the Board and insure that all trustees are up-to-date.

Many of these changes required revision of AIME's Bylaws and Certificate of Incorporation, both of which were significantly out-of-date. These have now been modified, ratified by the Member Societies, and filed with the proper authorities. AIME remains a New York State Nonprofit Corporation 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 mankind, and to represent AIME and the Member Societies within the larger engineering community.

In Memoriam

It is with a great sense of long-term loss to AIME that I note the death of former AIME Executive Director (1969-1982), Mr. Joe B. Alford on June 3, 2003. He was the epitome of a professional association leader and mentored many staff members of the institute. Joe was devoted to serving the institute and assuring that it was represented as only he could do. We appreciate his dedication and years of service. Joe will be missed by his many friends and colleagues of the Institute.

Personal Notes

It has been an exceptional honor to serve as your AIME president, and to work with the many outstanding trustees, staff, and associates that make AIME the august institution that it is. I say exceptional first because of the outstanding challenges that were faced, and met, this year. This *year* has also been exceptional in containing 15 months for a smooth transition to the new Board / Annual Meeting schedule. My successor, Bob Freas, made as similarly extended commitment for which I will always be grateful. I would also like to thank my predecessor, George Sawyer, who shepherded the origination of many of the changes which came to fruition this year. Without his guidance, much of what has been accomplished would never have been started.

R H Wagoner

AIME 2004 Officers and Trustees

PRESIDENT AND TRUSTEE



Robert C. Freas
(SME – Term ends 2005)

Robert C. Freas is Vice President-Corporate Development of Franklin Industrial Minerals, Nashville, TN. Prior to joining Franklin Industries in 1985 he was director of operations and corporate secretary of Limestone Products Corporation. Mr. Freas' prior experience also includes chief geologist for Dravo Corporation and work 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 for almost 30 years and was the 1994 President. He served on the SME 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, the Mining Engineering Committee, Membership Committee and was Vice President, Finance 1991 and 1992. Mr. Freas served on the AIME Board from 1998-1999. He 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.

PRESIDENT-ELECT AND TRUSTEE



Alan W. Cramb
(ISS – Term ends 2006)

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.

PRESIDENT-ELECT DESIGNATE AND TRUSTEE



James R. Jorden
(SPE – Term ends 2007)

Jim Jorden has worked with Quicksilver Resources, Inc., a technology-driven oil and gas production company, as a consultant in formation evaluation since 1998. Jorden 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. Jorden 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. Jorden 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, Jorden resumed academic studies and earned a Master of Arts in Theological Studies from Austin Presbyterian Theological Seminary in May 2004.

PAST PRESIDENT AND TRUSTEE



Robert H. Wagoner
(TMS – Term ends 2004)

Robert H. Wagoner is George R. Smith Professor in engineering at the Ohio State University. With principal appointment in the Department of Materials Science and Engineering, he is also professor of Mechanical Engineering, and director of the Center for Advanced Materials and Manufacturing of Automotive Components.

Professor Wagoner is a member of the National Academy of Engineering and Fellow of ASM

International. He received BS, MS, and PhD degrees from Ohio State and is the author of over 200 technical articles and several proceedings and books. His research has received national recognition, including the Robert Lansing Hardy Gold Medal, Rossiter W. Raymond Memorial Award (twice), Presidential Young Investigator Award, and Champion H. Mathewson Gold Medal. He has been President of TMS, 1997-98; President of the TMS Foundation, 1998-99; Trustee of AIME, 1997-99; Trustee of Orton Ceramic Foundation, 1992-96; and Director of the OSU Research Foundation, 1990-94. Professor Wagoner was made a Fellow of TMS in 2003.

TRUSTEES



William P. Barker
(ISS – Term ends 2005)

William P. Barker is area manager of hot mill slab yards, rehear furnaces and finishing at National Steel Corp., Great Lakes Operation. He earned his bachelor's degree in metallurgy and materials science from Lehigh University in 1973 and began working at Great Lakes that same year. During his career, at National Steel Corp., Mr. Barker has progressed through positions in quality assurance, steelmaking operations technology, research, and

hot rolling operations. The 2003 Iron & Steel Society President has served as past chairman of the Steelmaking Division and the ISS Publications Committee. He served as chairman of the ISS Transition Team which designed the process for creating and planning ISSTech 2003. He also worked as a project engineer in AIME's Transformation Project and served as chairman of AIME's Overarching Programs, focusing on electronic publishing. Mr. Barker serves as his community's school board secretary and as finance chairman of the Board of Directors of the Graystone

International Jazz Museum in Detroit, Michigan.



DeAnn Craig

(SPE – Term ends 2006)

DeAnn Craig is presently a PhD student at the Colorado School of Mines. Ms. Craig started her professional career in 1989 as a petroleum engineer at Mobil Oil Corp. and Phillips Petroleum Corporation. From 1989-1992 she was West Area Operations Manager at Phillips Petroleum, then from 1992-1994 she became Manager, Worldwide Drilling and Production, and President, Phillips Petroleum Resources Ltd (1994-1996). From 1996-1999 Ms. Craig was Federal Relations Representative, Phillips Petroleum Company, in Washington, DC. Ms. Craig received BS degrees in mineral engineering chemistry and chemical and petroleum refining engineering from Colorado School of Mines in 1973 and 1980, respectively, a Masters of business administration from Regis University, and MSc degrees in international political economy and mineral economics and business, also from the Colorado School of Mines. Ms. Craig is a member of SPE, the American Economic Association, and the Colorado School of Mines Alumni Association. She was the 1998 President of SPE. In 1987, Ms. Craig received the SPE Young Member Service Award; president of the Colorado School of Mines Alumni Association in 1988, Visiting Committee, Colorado School of Mines Chemistry Department (1997, 1999); and Distinguished Achievement Medal (1999).



Dan J. Thoma

(TMS – Term ends 2007)

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.



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.



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.

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Phone: 303-973-9550, Fax: 303-973-3845

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The Minerals, Metals & Materials Society

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Internet: www.tms.org

E-mail: tmsgeneral@tms.org

Association For Iron and Steel Technology

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Internet: www.aistech.org/

E-mail: info@aistech.org

Society of Petroleum Engineers

PO Box 833836, Richardson, TX 75083-3836

Phone: 972-952-9393, Fax: 972-952-9435

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Report of the 132nd Annual Meeting New York, NY – March 2003

AIME celebrated its 132nd Annual Meeting in New York, New York, March 29 and 30, 2003. The meeting venue was AIME headquarters at 3 Park Avenue. The group bid farewell to the old office as the AIME headquarters moved to the SME building in Littleton, Colorado in May 2003. Following the meeting, Mr. Robert H. Wagoner, TMS, was installed as 2003 AIME President.

The 132nd AIME Annual Banquet and Awards Ceremony was held in conjunction with the SPE Awards Ceremony on Monday, October 6, 2003 in the Denver Convention Center, Denver, Colorado. 2002 President, George H. Sawyer, presented the AIME awards to the recipients. The winners of the honors and awards and the honorary members are listed on the following pages. In the future, AIME awards will be presented to recipients among their peers at their Member Society annual awards function. The AIME President will attend each meeting to confer the awards. The AIME keynote session will be held at the Member Society annual meeting of the then current AIME President (e.g. TMS in 2004, SME in 2005, AIST in 2006, SPE in 2007).

The Board also decided to reduce their face-to-face meetings to one annually. The 133rd AIME Annual Meeting will be held in Santa Fe, NM, June 5 and 6, 2004.

Recipients of Honors and Awards Presented by AIME in 2003

2002 Honorary Members

Peter D. Gaffney SPE
In recognition of his leadership and dedicated service to the Society and for his contributions to the profession in the areas of petroleum economics, reservoir management and field development.

Rajagopal S. Raghavan SPE
For his outstanding contributions to the technology of well test analysis, for his exceptional leadership of young engineers, and for his career-long support of the Society's mission.

James Douglas Gold Medal

David J. Lloyd TMS
For outstanding research and contributions in physical metallurgy of aluminum alloys on ultra-fine grained alloys, metastable alloys, composite materials, and high strength automotive aluminum alloys.

Benjamin F. Fairless Award

Alan W. Cramb ISS
For advancing our understanding of the physical chemistry of casting and solidification processes, upon which new developments in continuous casting and strip casting systems for steel production have been based.

Hal Williams Hardinge Award

James M. Barker SME
For outstanding achievement in industrial mineral research and education, in particular for his work with perlite, clinoptilolite, potash, and sulfur; his work on industrial mineral transport; and for his dedicated service to both the Industrial Minerals Division specifically and the Society for Mining, Metallurgy, and Exploration.

Anthony F. Lucas Gold Medal

W. John Lee SPE
For career-long distinguished achievements as an engineer, researcher, educator and author in the areas of reservoir characterization and simulation through well testing and pressure transient analyses.

Robert Earll McConnell Award

Kenji Kato
For significant contributions in leading a research effort on the successful commercial recycling of collected plastics in coke ovens without degrading the quality of coke.

Erskine Ramsay Medal

Stanley C. Suboleski SME
For meritorious service as a distinguished contributor to the enhancement of coal mining productivity, health and safety, operations management, and academic stewardship through innovative engineering, operating, and educational practices.

AIME Past Presidents (Active List)

2002 - George H. Sawyer

2000 - Robert E. Murray

1999 - Paul G. Campbell, Jr.

1998 - Roy H. Koerner

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

1980 - M. Scott Kraemer

1979 - William H. Wise

1978 - Wayne L. Dowdey

1977 - H. Arthur Nedom

1976 - Julius J. Harwood

1974 - Wayne E. Glenn

1967 - Walter R. Hibbard, Jr.

1962 - Lloyd E. Elkins

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.

2002 - [Peter Gaffney](#)
2002 - [Rajagopal S. Raghavan](#)
2001 - [Edgar C. Capen](#)
2001 - [J. P. Hirth](#)
2001 - [Jacques Bosio](#)
2000 - [Sadad I. Husseini](#)
2000 - [W. John Lee](#)
1999 - [Dennis E. Gregg](#)
1999 - [Donald W. Gentry](#)
1999 - [John L. Gidley](#)
1998 - [Noel D. Rietman](#)
1997 - [Arlie M. Skov](#)
1997 - [John K. Hammes](#)
1997 - [R. Lyn Arscott](#)
1996 - [Necmettin Mungan](#)
1996 - [Robert C. Earlougher, Jr.](#)
1995 - [Khalid Aziz](#)
1995 - [Morris E. Fine](#)
1995 - [Thomas V. Falkie](#)
1994 - [Hossein Kazemi](#)
1994 - [James R. Jorden](#)
1993 - [John M. Campbell, Sr.](#)
1993 - [Orville D. Gaither](#)
1993 - [William E. Brigham](#)
1992 - [Charles L. Bare](#)
1992 - [Charles S. Matthews](#)
1992 - [Marvin L. Katz](#)
1991 - [Alexander McLean](#)
1991 - [Frank F. Aplan](#)
1991 - [Harold W. Paxton](#)
1991 - [Howard N. Hubbard](#)
1991 - [M. R. J. Wyllie](#)
1990 - [Basil P. Kantzer](#)
1990 - [Marshall B. Standing](#)
1990 - [T. Don Stacy](#)
1989 - [G. William Kneppshield](#)

1989 - [Kermit E. Brown](#)
1989 - [Michael Prats](#)
1988 - [Arlen L. Edgar](#)
1988 - [Douglas W. Fuerstenau](#)
1987 - [David A. Zegeer](#)
1987 - [Edward E. Runyan](#)
1987 - [Henry J. Gruy](#)
1987 - [Joseph G. Richardson](#)
1987 - [Nelson Severinghaus, Jr.](#)
1987 - [Norman T. Mills](#)
1987 - [Robert L. Whiting](#)
1986 - [Ben H. Caudle](#)
1986 - [Donald G. Russell](#)
1986 - [Lawrence B. Curtis](#)
1986 - [William A. Griffith](#)
1985 - [Donald A. Dahlstrom](#)
1985 - [Edmund C. Babson](#)
1984 - [Robert C. Earlougher](#)
1984 - [Robert H. Merrill](#)
1984 - [William H. Wise](#)
1983 - [M. Scott Kraemer](#)
1983 - [Wayne L. Dowdey](#)
1982 - [William N. Poundstone](#)
1981 - [H. Arthur Nedom](#)
1980 - [Julius J. Harwood](#)
1980 - [Morris Cohen](#)
1979 - [Michael Tenenbaum](#)
1979 - [Wayne E. Glenn](#)
1978 - [Melvin E. Nickel](#)
1975 - [John C. Calhoun, Jr.](#)
1975 - [Nathaniel Arbiter](#)
1974 - [Nathan E. Promisel](#)
1972 - [Albert J. Phillips](#)
1972 - [Harrison H. Schmitt](#)
1972 - [Michel T. Halbouty](#)
1969 - [Lloyd E. Elkins](#)

LEGION OF HONOR 50-YEAR MEMBERS – CLASS OF 1953

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 257 Society members have been added to the Legion of Honor Fifty-Year Members.

SOCIETY FOR MINING, METALLURGY, AND EXPLORATION

John F. Abel, Jr.	Jacques A. De Cuyper	Eugene R. Johnsen	Robert A. Metz	Richard R. Shockley
C. Carlos Almazan	R. F. Down	David G. Kaufman	Robert C. Mills	Chas E. Silverblatt
Guillermo Alvarez-Calderon	Bengt G. Fagerberg	John A. Keiler	Miles J. Mitchell	Francis J. Smir
George H. Babcock	D. V. Galbiati	Noel W. Kirshenbaum	Clinton P. Mott	James D. Smith
Paul A. Bailly	Paul M. Gondonneau	Guerdon G. Kopp	G. E. Napp	John J. Spencer
Roger C. Banghart	Charles H. Greene	Marvin E. Lane	Robert H. Oliver	George R. St Pierre
G. Arthur Barber	Edward H. Hahne	Robert Laurich	Walter A. Paroni	Peter N. Thomas
W. Barton Berg	Robert Hall	David F. Lleras	John J. Reiff	Otto Tolderlund
Mervin Bernstein	John R. Harmon	Dan H. Lynch	Harold C. Rolseth	John A. Townsend
Rodney L. Bleifuss	David Hartley	Oscar E. Margraf	Giovanni Rossi	Paul Tripucka
Robert N. Breckenridge	Frederick V. Hendershot	Federico Martinez	Chester A. Rowland, Jr.	Wayne H. Tuttle
Richard L. Brittain	Stanley R. R. Hood	Hugh J. Matheson	Pedro Sanchez-Mejorada	J. P. Van Cruyningen
Peter A. Cain	Robert B. Hopler, Jr.	Matthew Chatham Mayberry	Charles P. Seel	Milton H. Ward
Clement K. Chase	Edgar T. Hunter	Harvey E. McCann	Don C. Seidel	George M. Wilfey
Arthur K. Christensen	Daniel A. Jacobs	J. M. McGrath	Nelson Severinghaus, Jr.	Thomas A. Wilson
Emile O. Dahlen	David S. Jamison	Donald T. McMillan	Oliver G. Seymour	Donald H. Yardley

THE MINERALS, METALS & MATERIALS SOCIETY

R. P. Abendroth	John G. Dean	William D. Klopp	Adolph P. Rasmussen
Kenneth Ronald Barrett	Robert L. Eisner	Harry A. Lipsitt	Roger H. Richman
Russell R. Beck	Stanley J. Golka	Russ A. Meussner	George R. St. Pierre
R. Ross Blackwood	Irwin G. Greenfield	Leonard A. Mills	Earl C. Sutherland
Jack Bokros	William O. Harms	Edward Morrice	D. R. Thornburg
Robert E. Boni	Alfred A. Hendrickson	James R. Myers	Edward Walden
Jack S. Brett	Malcolm T. Hepworth	John M. Parks	Sumio Yukawa
Moss V. Davis	William F. Hosford	John W. Putman	Victor F. Zackay

IRON AND STEEL SOCIETY

Robert Banks	Michael Holowaty	Robert Piletic	Lawrence Trilli
J. Bassett	Dunstan Lynch	J. Rehder	
R. Carson	John Negomir	John Shea	
A. Gate	Rolph Person	George St. Pierre	

SOCIETY OF PETROLEUM ENGINEERS

Jorge Aldazosa	Ward M. Clark	Fred H. Govreau	Richard Hunter Butler	W. F. Reynolds	Wayne E. Swearingen
Thomas A. Banta	Roy D. Coles, Jr.	A. K. Haggard	John B. Maughan	W. N. Richardson	Virgil N. Swift
Edward C. BarfieldG.	John K. Crane	William C. Hardy	Leonard McCasland	I. F. Roebuck, Jr.	Brook D. Tarbel
Charles Bartgis	George D. Daly, Jr.	Joe R. Hastings	T. E. McGaugh, Jr.	E. W. Rogers	Gilbert H. Tausch
M. H. Beaver	Lamar W. Davis, Jr.	James H. Henderson	George M. Mitchell	David A. Rowland	Gordon E. Tinker
Jack F. Berry	Paul J. Dorris	Donald E. Hewitt	George P. Mitchell	Edward E. Ruc	O. E. Trechter, Jr.
Gene R. Blendermann	Frederick F. Dueser	Richard F. Hinds	Kenneth D. Moriarty	Gerald W. Russell	R. G. Tribble
Jack E. Bobek	Jacques L. Elbel	Ralph E. Jenkins	Joseph F. Mueller	Ralph H. Russell	John Rush Vann
Don R. Boling	J. K. Elliott	Thomas A. Johnson, Jr.	Joseph R. Newsome	Barton B. Sandiford	E. O. Veselka
Douglas L. Bostwick	Raymond H. Ellison	Elizabeth J. Oliver	Percy C. O'Quinn	Walter B. Sancer	Jack W. Walker
Henry O. Boswell, Jr.	Joe E. Eskew, Jr.	Jack H. Jowell	H. D. Outmans	William H. Schlieman	Chester B. Waterman
Foy W. Boyd Jr.	Barry L. Evans	Donald M. Kehn	Herman Owens Jr.	Clarence R. Schmal-	Raymond J. Watkins
Ross A. Brewer Jr.	Robert H. Everett	Evert W. Kilgren	F. X. Pendarvis	hausen	J. Milton Wege
Allan F. Bubeck Jr.	Harvey J. Fitzpatrick	Rufus Kirk	John W. Phenicie	Robert C. Shields	Charles W. Welby
Ernest E. Burns	Donald L. Flock	Herbert A. Klemme	Felton R. Pinner Jr.	Charles G. Shortridge	James A. West
James G. Burton	Realess L. Flowers, Jr.	Harold H. Knapp	Frank O. Prior Jr.	Vincent J. Sikora	William E. White Jr.
Gale E. Butterfield	J. M. Forgoston, Jr.	Clement R. Korzekwa	L. A. Rapoport	Richard L. Sloan	Lawrence M. Wilson
J. M. Campbell Sr.	William C. Fox	Billy C. Koy	Paul Raviesies	Paul C. Smith, Jr.	Harold J. Withrow
Frank Caponegro	M. A. R. Gardiner	Harry J. Krebs	John T. Reagan	William G. Sole, Jr.	J. W. Wood
Gene A. Carter	Ronald M. Gardner	George P. Laflin	J. B. Red	John E. Stein	Harold E. Wright
R. W. Cassingham	Harry J. Gaston, Jr.	Richard J. Lawson	John Gabriel Redic	William C. Stewart	Thomas S. Wyman
R. P. Charbonnier	Norman B. Gove	Howard R. Lowe	George H. Reneau	Cyril R. Sumner	Hal W. Yeager, Jr.



***The Woman's Auxiliary to the American Institute of Mining,
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May 2004

President's Report

We in WAAIME have had a very good year!

When I assumed my presidential duties in June 2003, I was alarmed at the amount of delinquent SLF loans. With new guidelines in place, we have had repayments that far exceed prior years, This is close to a 300% increase.

I have visited the Tucson, Elko, and Reno sections and will be visiting the Salt Lake City section in May. Everyone I met was friendly and willing to help with WAAIME projects.

I have managed to have shorter meetings, to all Board members pleasure. We had one Board teleconference in November about the budget, which lasted only one hour. The February meeting lasted less than three hours. The annual meeting was less than one hour. Everyone who attended contributed and enjoyed the meetings.

The annual luncheon consisted of the best Italian food in Denver, top-notch Western entertainment, and many door prizes (nearly half included Indian jewelry donated by Pauline Dolezal [thank you!]), with everyone receiving gift bags as well.

As we end this year, I want to thank the many Board members who have done so much to make this year successful. I have enjoyed this term and look forward to continuing to service the goals of WAAIME.

Respectfully submitted,

Helen W. Steele, President



BONDI & Co. LLP

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MANAGEMENT CONSULTANTS

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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 November 30, 2003, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 November 30, 2003, 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.

February 20, 2004

Bondi & Co. LLP
BONDI & Co. LLP



Affiliate Offices Worldwide

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

STATEMENT OF FINANCIAL POSITION

November 30, 2003

ASSETS

Cash and Cash Equivalents	\$ 20,444
Prepaid Expenses and Other Assets	122,081
Loans Receivable from SME Foundation (Note 5)	20,000
Investments - At Fair Value (Note 2)	9,134,192
Property and Equipment, Net (Note 3)	<u>11,031</u>
 TOTAL ASSETS	 <u><u>9,307,748</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts Payable and Accrued Expenses	38,232
Pension Liability (Note 4)	<u>513,435</u>
 Total Liabilities	 <u>551,667</u>
 Net Assets	
Unrestricted	6,136,157
Temporarily Restricted (Note 6)	2,186,122
Permanently Restricted (Note 7)	<u>433,802</u>
 Total Net Assets	 <u>8,756,081</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 9,307,748</u></u>

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

STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2003
REVENUES AND GAINS				
Investment Income (Note 2)	\$ 881,504	\$ 431,663	\$	\$ 1,313,167
Offshore Technology Conference Fees	127,855			127,855
Dues from Member Societies	16,000			16,000
Copyright and Other Revenue	61,238			61,238
Net Assets Released from Restrictions (Note 6)	40,513	(40,513)		
TOTAL Revenues and Gains	1,127,110	391,150		1,518,260
EXPENSES				
Program Services				
Special Projects and Grants	108,001			108,001
Federation Support	167,833			167,833
Medals and Awards	96,399			96,399
Meetings	96,908			96,908
Books and Publications, Net	32,064			32,064
Total Program Services	501,205			501,205
Supporting Services				
Management and General	493,476			493,476
TOTAL Expenses	994,681			994,681
CHANGES IN NET ASSETS	132,429	391,150		523,579
NET ASSETS, Beginning of Year	6,517,163	1,794,972	433,802	8,745,937
PRIOR PERIOD ADJUSTMENT (NOTE 4)	(513,435)			(513,435)
NET ASSETS, End of Year	\$ 6,136,157	\$ 2,186,122	\$ 433,802	\$ 8,756,081

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

STATEMENT OF CASH FLOWS
For the Year Ended November 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Members and Customers	\$ 207,070
Cash Paid to Suppliers and Employees	<u>(941,714)</u>
Net Cash Used by Operating Activities	<u>(734,644)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from Sales of Investments	954,992
Purchase of Investments	(232,542)
Repayment of Loans from Member Societies	<u>5,000</u>
Net Cash Provided by Investing Activities	<u>727,450</u>

DECREASE IN CASH AND CASH EQUIVALENTS (7,194)

CASH AND CASH EQUIVALENTS, Beginning of Year 27,638

CASH AND CASH EQUIVALENTS, End of Year 20,444

RECONCILIATION OF CHANGE IN NET ASSETS

TO NET CASH USED BY OPERATING ACTIVITIES:

Change in Net Assets	<u>523,579</u>
----------------------	----------------

ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS

TO NET CASH USED BY OPERATING ACTIVITIES:

Depreciation	15,797
Loss on Disposition of Property	54,951
Investment Gain	(1,313,167)
Changes in Assets and Liabilities	
Decrease in Accounts Receivable from Member Societies	1,977
Decrease in Prepaid Expenses and Other Assets	1,494
Increase in Accounts Payable	24,384
Decrease in Amounts Payable - Program	<u>(43,659)</u>

Net Adjustments (1,258,223)

NET CASH USED BY OPERATING ACTIVITIES \$ (734,644)

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

STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended November 30, 2003

	<u>Program Services</u>						<u>Supporting Services</u>	
	<u>Special Projects and Grants</u>	<u>Federation Support</u>	<u>Medals and Awards</u>	<u>Meetings</u>	<u>Books and Publications</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Payroll and Employee Benefits	\$ 14,572	\$ 64,765	\$ 27,525	\$ 38,859	\$ 16,191	\$ 161,912	\$ 132,473	\$ 294,385
Relocation							258,275	258,275
Medals, Awards and Scholarships	84,890		30,167			115,057		115,057
Meetings			22,578	19,989		42,567	25,099	67,666
Federation Support		65,117				65,117		65,117
Rent	3,022	13,431	5,708	8,059	3,358	33,578	27,473	61,051
Audit, Legal and Other Professional	1,858	8,260	3,510	4,956	2,065	20,649	16,895	37,544
Supplies, Postage, Maintenance and Repairs	1,810	8,045	3,419	4,827	2,011	20,112	16,456	36,568
Depreciation	782	3,475	1,477	2,085	869	8,688	7,109	15,797
AIME Board Activities				15,289		15,289		15,289
Insurance	750	3,333	1,417	2,000	833	8,333	6,818	15,151
Other	317	1,407	598	844	352	3,518	2,878	6,396
Free Books					5,435	5,435		5,435
Publication Expenses					<u>950</u>	<u>950</u>		<u>950</u>
Total	<u>\$ 108,001</u>	<u>\$ 167,833</u>	<u>\$ 96,399</u>	<u>\$ 96,908</u>	<u>\$ 32,064</u>	<u>\$ 501,205</u>	<u>\$ 493,476</u>	<u>\$ 994,681</u>

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

NOTES TO THE FINANCIAL STATEMENTS

November 30, 2003

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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 policies, production and use of minerals, metals, energy sources and materials for the benefit of mankind, 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.

AIME's four member societies are the Society for Mining, Metallurgy, and Exploration (SME), The Minerals, Metals & Materials Society (TMS), the Iron & Steel Society (ISS) 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.

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*. AIME, Inc. prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which require that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual amounts could differ from initial estimates. In the opinion of AIME's management, such differences would not be significant.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 the three to seven years.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Member Grants

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

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.

NOTE 2: CASH AND INVESTMENTS

Market values at November 30, 2003 classified by major investment type, are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds		
Corporate Bonds	\$ 2,628,421	\$ 2,625,373
Equity Securities	<u>8,275,499</u>	<u>6,508,819</u>
Total	<u>\$ 10,903,920</u>	<u>\$ 9,134,192</u>

NOTE 2: CASH AND INVESTMENTS (Continued)

Investment income (loss) and its classification in the statement of activities for fiscal 2003 are as follows:

	Unrestricted	Temporarily Restricted	Total
Dividends and Interest	\$ 209,572	\$ 22,450	\$ 232,022
Realized Gains	(465,041)		(465,041)
Unrealized Gains	1,594,269		1,594,269
Investment Advisory Fees	(48,083)		(48,083)
Total	<u>\$ 1,290,717</u>	<u>\$ 22,450</u>	<u>\$ 1,313,167</u>

NOTE 3: LAND, BUILDINGS AND EQUIPMENT

Property and equipment balances as of November 30, 2003 consists of the following:

Furniture and Equipment	\$ 35,018
Less: Accumulated Depreciation and Amortization	<u>(23,987)</u>
Property and Equipment, Net	<u>\$ 11,031</u>

Depreciation expense was \$15,797 for the year ended November 30, 2003.

NOTE 4: PENSIONS

AIME has a defined benefit retirement income plan (the Plan). The benefits are based on years of service and the employee's compensation.

In August 2002, the AIME Board of Directors passed a resolution to freeze participation in the Plan. Effective December 1, 2002 employees who have not met the eligibility requirements by November 30, 2002 are not eligible for membership in the Plan. Membership in the Plan closed to all new employees after November 30, 2002. Also effective December 1, 2002, the normal retirement benefit formula changed.

The Retirement Income Committee has contracted with Connecticut General Life Insurance Company (Connecticut General), through a Group Annuity Contract, to maintain a portion of the assets of the Plan and for payment of pension benefits to the annuitants. The Plan participates in the S&P 500 Index Fund and the Guaranteed Deposit Fund of Connecticut General.

The funding policy of AIME is to contribute amounts as are required to meet the benefits expected to be paid to annuitants or their beneficiaries. The most recent actuarial valuation on the Plan, performed as of November 30, 2002, disclosed a \$513,435 unfunded accumulated benefit obligation. This amount has been included in the financial statements as a prior period adjustment in 2003.

Management estimates the net accrued pension liability as of November 30, 2003 is \$398,323.

Contributions are intended to provide only for benefits attributed to service to date as the plan is currently frozen. Contributions made in 2003 made by the employer were \$1,941.

The following table sets forth the Plan's funded status based on actuarial reports for the plan year ended November 30, 2002:

NOTE 4: PENSIONS (Continued)

Change in Benefit Obligation:

Benefit Obligation at Beginning of Year	\$ 721,764
Service Cost	24,280
Interest Cost	49,175
Benefits Paid	(86,966)
Change in Actuarial Assumptions	<u>44,433</u>
Benefit Obligation at End of Year	<u><u>752,686</u></u>

Change in Plan Assets:

Fair Value of Plan Assets at Beginning of Year	493,368
Actual Returns of Plan Assets	(78,486)
Employer Contributions	23,577
Benefits Paid	<u>(86,966)</u>
Fair Value of Plan Assets at End of Year	<u><u>351,493</u></u>

Funded Status

Accumulated Benefit Obligation	(749,816)
Fair Value of Assets	<u>351,493</u>
Unfunded Accumulated Benefit Obligation	<u><u>(398,323)</u></u>

Unfunded Accumulated Benefit Obligation

Reflected in the Financial Statements:

Prepaid Pension Cost	115,112
Additional Liability	<u>(513,435)</u>
Pension Liability	<u><u>(398,323)</u></u>

Components of Net Periodic Pension Cost Include the Following:

Benefit Obligation at Beginning of Year	24,280
Service Cost	49,175
Interest Cost	(47,690)
Benefits Paid	2
Change in Actuarial Assumptions	<u>14,944</u>
Benefit Obligation at End of Year	<u><u>\$ 40,711</u></u>

NOTE 4: PENSIONS (Continued)

For fiscal year 2002, the projected benefit obligation was determined at a weighted-average discount rate of 6.75%, and an assumed rate of increase in future compensation of 0%. The expected long-term rate of return on plan assets was 7.75% for the fiscal year 2002.

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.

AIME also participates in a contributory multiple employer defined contribution employee savings plan covering all full-time employees of AIME and its four member societies. AIME contributed approximately \$1,000 for AIME employees only to this plan in fiscal year 2003.

NOTE 5: TRANSACTIONS WITH AFFILIATES

As of November 30, 2003, AIME had a loan receivable from Society for Mining, Metallurgy and Exploration, Inc. (SME) of \$20,000. In addition, AIME has accounts payable to affiliate organizations totaling \$16,642 included in accounts payable on the statement of financial position.

In fiscal 2003, AIME is renting office space from SME.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets fulfilling time and other restriction requirements were released in the amount of \$40,513, as of November 30, 2003.

Temporarily restricted net assets at November 30, 2003 have been restricted by donors and Board appropriations for special projects to be spent as follows:

Specific Geographic Locations	\$ 844,053
Scholarships	646,339
Time Restrictions	<u>695,730</u>
Total	<u>\$2,186,122</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	\$ 176,363
Books and publications	146,000
Medals and Awards	100,973
Unrestricted purposes	<u>10,466</u>
	<u>\$ 433,802</u>

NOTE 8: LEASE COMMITMENTS

In June of 2003, AIME entered an operating lease with SME 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 for fiscal 2003 was \$61,050.

Future minimum lease payments are as follows:

	Lease
<u>November 30</u>	<u>Payment</u>
2004	\$ 11,604
2005	11,604
2006	11,604
2007	11,604
2008	<u>6,769</u>
Total Future Payments	<u>\$ 53,185</u>

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