

Memorandum of Understanding

UNECE Ad Hoc Group of Experts on the Harmonization of Fossil Energy and Mineral Resources Terminology

and

Society of Petroleum Engineers

Bearing in mind the resolution of the UN Economic and Social Council (2004/233)¹ inviting Member States of the United Nations, international organizations and regional commissions to consider taking appropriate measures for ensuring worldwide application of the United Nations Framework Classification for Fossil Energy and Mineral Resources (UNFC), it is the goal of the United Nations Economic Commission for Europe (UNECE) Ad Hoc Group of Experts on the Harmonization of Fossil Energy and Mineral Resources Terminology (UNECE Group of Experts) to further the development of the UNFC for petroleum, including the issuance of *Specifications* and *Guidelines*.

It is the goal of the Society of Petroleum Engineers (SPE) to promote and facilitate in depth understanding of the SPE/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG) reserves and resources definitions and their universal adoption by the oil, gas, and related industries; international financial organizations; governments; regulatory agencies; and reporting bodies. SPE, WPC and AAPG are committed to maintaining the reserves and resources definitions (and associated estimating guidelines) evergreen and enhancing them to incorporate new best practices and ensure application to those petroleum resources currently deemed unconventional.

The UNECE Group of Experts and SPE agree that these goals are mutually supportive and to establish a relationship to further their achievement. The UNECE Group of Experts and SPE further agree that the ultimate goal is to produce one common terminology through one common process. However, both parties recognize that there may be significant challenges in achieving this ultimate goal.

It is agreed that the SPE Oil and Gas Reserves Committee (SPE OGRC) will serve as the Professional Group (Task Force on Petroleum as referenced in the documents arising from the 9-11 November 2005 meeting in Geneva, Switzerland of the UNECE Group of Experts) responsible for the development of specifications and guidelines for the UNFC for petroleum reserves and resources definitions. These specifications and guidelines will also serve to support the SPE/WPC/AAPG definitions, which themselves will be structured in a manner consistent with the UNFC as it relates to petroleum wherever possible.

¹ <http://www.un.org/docs/ecosoc/documents/2004/decisions/edec2004-233.pdf>

Responsibilities of SPE:

SPE, through the SPE OGRC, will:

1. Develop *Specifications* and *Guidelines* for the application of the UNFC, and the SPE/WPC/AAPG definitions, hereafter referred to as the Texts.
2. Maintain evergreen the Texts in a manner consistent with their proper application through regular and periodic review;
3. Conduct its activities through a transparent governance structure and processes that allows input from all stakeholders; and
4. Liaise with the Combined Reserves International Reporting Standards Committee (CRIRSCO) and a group of experts invited by the UNECE Group of Experts acting jointly as the Task Force with respect to coal, uranium and other solid minerals (Task Force on Solid Minerals).

SPE, through other appropriate committees is actively developing educational programs, working with other organizations including the AAPG, to promote the understanding of the reserves definitions, resource classifications, specifications and guidelines by interested stakeholders.

Responsibilities of the UNECE Group of Experts:

The UNECE Group of Experts will:

1. Provide a forum of stakeholders to assist in defining the needs to be met by the Texts and ensure the deliberations resulting from the meetings of the Group of Experts are provided to the SPE OGRC for the continuing development of Texts.
2. Include a representative of SPE on the Bureau of the UNECE Group of Experts.
3. Select a representative to participate in OGRC development of the Texts;
4. Respect the technical decisions of the SPE in development of the Texts by conducting a due process through which the UNECE Group of Experts may recommend or not the application of the Texts generally, and through which each individual stakeholder may, on an informed basis, accept or reject the implementation of them under their authority.
5. Promote collaboration with member countries, the petroleum industry, international standard setters (including standards organizations), regulators and other international organizations in considering applying the recommended Texts in applications of interest.
6. Provide a venue for a joint meeting with the Task Force on Solid Minerals at least once a year. This venue will be Geneva unless all parties agree differently.

There will be no financial consideration involved in this relationship. SPE will not seek funding from the UNECE Group of Experts for its activities and the UNECE Group of Experts will not seek funding from SPE for its activities.

It shall be noted that the UNECE, including the Group of Experts, is governed entirely by the rules and regulations of the UN. As such the SPE through its relationship with the UNECE arising from this Memorandum of Understanding may not use its association with the UN in any

way that is incompatible with those regulations, which *inter alia* govern the protection of the UN name and emblem.

This Memorandum of Understanding shall become effective upon signature by both organizations. It shall remain in effect for the duration of four years and will then automatically be extended for further durations of four years, including any modifications as mutually agreed by the SPE and the UNECE, unless cancelled by either organization.



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UNECE Executive Secretary

13/9/06

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Date



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SPE President

21/9/06

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Date



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UNECE Group of Experts Chairman

10/10/06

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Date



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SPE Executive Director

7/5/06

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Date