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Prof. Dr. István (Steve) BÉRCZI President 2007-2009

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## **Mr. Sigurd HEIBERG**

Chairman of the Bureau
Ad Hoc Group of Experts of UNFC
UN ECE
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Dear Sigurd,

Please find the comments of the AAPG expert group (CORE) on the United Nations Framework Classification for Fossil Energy and Mineral Resources 2008 as compiled by Dr. John RITTER the head of the group.

"The purpose of the American Association of Petroleum Geologists (AAPG) is, among other things, to advance, and disseminate information related to, the science of geology, especially as it relates to petroleum and natural gas. Within the AAPG, the Committee on Resource Evaluation (CORE) is charged with various responsibilities regarding resource estimation processes. Among these responsibilities, CORE is designated to act as a liaison group to provide representation, along with other AAPG participants, in support of drafting commentary to industry-level resource estimation and recognition initiatives. Accordingly, the CORE was asked by AAPG leadership to review the Revised United Nations Framework Classification (UNFC) and to provide comment, if any.

Individuals from the CORE have participated as members of the UNECE Ad Hoc Group of Experts (AHGE) in providing comment during the drafting of the revised UNFC, and have welcomed that opportunity. The comments on this final draft version are hereby respectively submitted:

From the petroleum perspective, the CORE considers that the revised UNFC provides a concise discussion of the main components of that system, and is much

more readable than the prior version. The authors are to be complimented. It presents the classification well as an umbrella system, which can be mapped, as appropriate, to other existing systems, be they local or international. Accordingly, the CORE has focused commentary on the UNFC in respect to its relationship to the premier petroleum classification system, being the Petroleum Resources Management System (PRMS), which is jointly sponsored by the AAPG, SPE, WPC and SPEE. Our comments are, nonetheless, limited in nature considering past AAPG involvement.

The system can be readily mapped to the PRMS, and should rely on the PRMS to provide many of the details that would support specific classifications/categorizations. There appears to exist opportunity in the UNFC to expand on the ability to categorize, with greater granularity, undiscovered petroleum resources, now captured in its entirety by category G4. As the PRMS provides sufficient additional detail to describe, in our opinion, the uncertainty levels inherent in the exploration phase, while also providing a consistent tie to uncertainty levels in the discovered realm, it is not our recommendation to further change the main text of the revised UNFC. Rather, we consider appropriate mapping or further explanatory notes be provided to better demonstrate that tie, obviating the need to develop additional specifics for the revised UNFC.

It has been noted that within the text, the E axis has been well-described as relating to both economic and social viability. However, within Annex 1, "Definitions of Categories and Explanatory Notes", the reference to social viability is not included within the definitions themselves. It is only through footnote (c), that the reader is advised that the phrase "economically viable" encompasses social aspects as well. It is our consideration that these are fundamentally different concepts/terms, the recognition of which is basic to the system itself. It is also likely that definitions may be quoted without reference to or use of the footnotes. Accordingly, we recommend that both these terms continue to be captured separately in the definitions table."

In a hope of a further fruitful co-operation between our organizations

Best personal regards

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