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Reference No.: SPE/Comments

Date: 1 February 2007

Dear Mr. Al-Khalifa,

**Comments on Proposed Petroleum Reserves and Resources  
Classification, Definitions and Guidelines**

Thank you for your letter dated 18 October 2006 inviting the UNECE to submit comments on the proposed revisions to the SPE/WPC/AAPG/SPEE guidelines for petroleum reserves and resources definitions (Resource Management System or RMS). The proposed revisions are clearly the product of considerable effort by the SPE and its partners, and you are to be commended for producing such a thorough and constructive document.

Upon receipt of your letter, the UNECE charged the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology (AHGE or Group of Experts) with reviewing the revised guidelines. We are pleased to submit comments for your consideration on behalf of the Bureau of the Group of Experts. There are 250 members of the Group of Experts, and we, unfortunately, did not have time to seek their full concurrence. Thus, the comments reflect the views of the Bureau and not necessarily the views of the full Group of Experts. Additionally, we sought to achieve consensus within the Bureau on the full set of comments, but were unable to do so in every case. Therefore, our comments have been reviewed but not unanimously approved by the Bureau.

It is the goal of the UNECE and AHGE to meet the growing demand for strong, consistent, and universally applicable standards for estimating and reporting fossil energy and mineral reserves and resources. The draft revisions to the SPE system are, thus, highly relevant to the work of the AHGE and to the continuing development of the UN Framework Classification for Fossil Energy and Mineral Resources (UNFC). In general, our comments are oriented toward aligning the SPE System and the UNFC, in order to emerge with one classification as we have agreed. The proposed revisions take a significant step forward in this direction. We have, however, suggested some modifications to further strengthen the link, and they are enclosed in the attached comments. More specifically, our comments address project status because it is seen by some members to be the critical link to aligning the SPE and UNFC systems. Project status forms the basis for the SPE RMS and it constitutes one of the principal axes in UNFC, the Field Project Axis, or Feasibility Axis as it is referenced in the Mineral Classification in UNFC. Alignment by projects is therefore seen as the best way to proceed.

.../

Mr. Abdul-Jaleel Al-Khalifa  
President  
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Another important issue identified by the Bureau is the boundary criteria between contingent resources and reserves. In particular, the proposed five years should be modified and the guidelines should allow for a clearly appropriate and reasonable time frame on a case-by-case basis.

In closing, we once again wish to express our appreciation for your good work and the opportunity to comment, and we look forward to the presentation of the final package. We would also like to note the excellent cooperation we have had with Mr. John Etherington, Chairman SPE Oil & Gas Reserves Committee (OGRC) Definitions Subcommittee, who so willingly answered, clarified and discussed topics of importance for improved alignment between UNFC and SPE and with Mr. John Ritter, Chairman of the SPE OGRC, who has so ably represented the SPE on the Bureau of the Group of Experts.

We also wish to advise you that some members of the AHGE have additional comments based on their own perspectives, or that of their organizations, and they will be submitting those comments under separate cover.

Members of the Bureau are available to answer any questions concerning our comments or to advise as appropriate. Please feel free to contact Mr. Per Blystad at + 47 51 87 61 88 or [per.blystad@npd.no](mailto:per.blystad@npd.no) or Mr. Clark Talkington at +41 22 917 2671 or [clark.talkington@unece.org](mailto:clark.talkington@unece.org) should you wish to follow up.

Yours sincerely,



Sigurd Heiberg  
Chairman

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



Clark Talkington  
Secretary

cc: Mr. Thomas Ahlbrandt, AAPG & Member of the Bureau of the AHGE  
Mr. Fatih Birol, IEA & Member of the Bureau of the AHGE  
Mr. Per Blystad, Norwegian Petroleum Directorate & Petroleum Task Force Leader of the AHGE  
Mr. Ferdinando Camisani-Calzolari, CRIRSCO & Member of the Bureau of the AHGE  
Ms. Mucella Ersoy, Turkish Coal Enterprises & Solid Minerals Task Force Leader of the AHGE  
Mr. John Etherington, SPE  
Mr. Mohamed Hamel, OPEC & Member of the Bureau of the AHGE  
Mr. Sigurd Heiberg, Statoil & Chairman of the AHGE  
Mr. Tim Klett, US Geological Survey  
Mr. Anibal Martinez, WPC  
Mr. Ken Mallon, AAPG  
Mr. Yuri Podturkin, State Commission of Mineral Reserves & Member of the Bureau of the AHGE  
Mr. John Ritter, SPE & Member of the Bureau of the AHGE  
Mr. James Ross, Ross Petroleum  
Mr. Andrej Subelj, Member of the Bureau of the AHGE