

Report of Specifications Task Force
Stakeholder Requirements for Specifications
Application: Government Resource Management

**Prepared for First Session, Expert
Group on Resource Classification**

**Presented by Per Blystad on behalf of
Government Resource Management
Working Group
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Sub-group



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Status

- 28 Government entities contacted
- 29 issues reported or noted in the revision task
- Some issues reported after deadline for Draft Report
- Half of the comments related to petroleum only

Need for specifications

- Most responses mentioned need for specifications
- Comparability of reported data – inadequacy of PRMS specifications
- Specifications both at aggregated as well as detailed level
- A view that a form of global reporting should be established before specifications at government level are developed

Guidelines

- Canadian Oil and Gas Evaluation Handbook (COGEH)
- SPE PRMS Guidelines being revised
- Norwegian Petroleum Directorate Guidelines for reporting to the annual National Budget Project
- Others....

Reporting of data

- Documentation of assumptions
- Clarity in reporting (“gross” vs “net” reporting)
- Reporting **full** economic recovery estimate, even if this is beyond current license periode.

Aggregation Issues

- National inventory level
 - Aggregating reserves and resources
 - Precluded in the Template
 - Referenced in PRMS
 - Aggregating estimates based upon different economic assumptions
 - Risk factors for uncommitted projects
 - Portfolio effect

Need to reflect key categories

- Commercial projects (reserves)
- Discovered resources
- Undiscovered resources

- UNFC captures this
- PRMS provide for further sub-division
- Template does not address non-economic material

Exploration projects / undiscovered quantities

- Increase granularity (capture maturity of exploration projects)
 - Further subdivision of F3 (analogue P1, P2 and P3 in Russian System; Prospect, Lead, Play in PRMS)
- Capture uncertainty in estimates
 - Need to capture uncertainty (G4)
 - G4 Low, G4 Mean, G4 High (Probabilistic or deterministic)

Lease fuel / sales fuel / Royalty volumes

- How to distinguish lease fuel / sales fuel in main fields / satellite fields
- Further complicated when produced electricity at the production site is being sold to neighboring facilities
- Reference point
- Need for specification to treat royalty volumes in a consistent fashion

Clarification of timing issues

- "foreseeable future"
- "significant delay"
- Are these the same for governments and companies?
- Commodity specific?

Developed vs undeveloped

- Investigate if the distinction between production from facilities that are developed (F1.1) and facilities that are undeveloped (F1.2) could be used for minerals sector

Government Resources Management: Reporting National Minerals Inventories

- There is support for recognition of additional (aggregated) classes to UNFC for national reporting
- All major resource countries to map their mineral resource categories to UNFC template, as done by Australia above (and some others)
- After participating countries have submitted correlations of their national schemes with UNFC 2009:
 - *'...national classes could be defined under UNFC-2009 that, combined with appropriate specifications, could provide a common basis for reporting aggregated estimates'*
 - It would be up to each country as to whether this results in changes in their national mineral resource reporting

Conclusions for national minerals reporting by Governments

- With a view to meaningful comparisons between countries' inventories and better informed estimates of total remaining global stocks
 - Countries should be encouraged to map their mineral resource classification systems to the UNFC
 - As a precursor to developing UNFC specifications or guidelines for national reporting
 - To provide a common basis for reporting aggregated estimates

Comments received after deadline for draft report

- For national inventory purposes, there is a need to add granularity to Additional Quantities in Place and ensure a longer term perspective than used for business purposes
- PRMS and the Template are not adequate for national inventory purposes (e.g. with respect to unconventional petroleum and inventory coal) and further development of UNFC-2009 could facilitate expansion of the scope of those systems as well