www.unece.org/energy/unfc/comments/russwg.html

6 February 2009

The analysis of the new UNFC shows that there are some issues for consideration, such as:

Not quite clear are expediency and practicality of distinguishing odd categories and subcategories, namely:

-subcategories in the category E3 since this category characterizes quantities which are not expected to be economically viable even in the remote future. In our opinion, the specified nuances of these quantities by subcategories do not have at the time of evaluation any practical significance at all;

-subcategories F1.2 and F1.3 in the category F1 and subcategories F2.1 and F2.2 in the category F2 since in this case the transition of a project from one status to another may be of sufficiently short duration which may be a cause of non-correct assessments in reporting petroleum and mineral quantities. That is why we find it logically justified to combine the two subcategories F1.2 and F1.3 into one – F1.2, and subcategories F2.1 and F2.2 in the category F2.1;

category F4, as its definition without any detriment might be incorporated in F3.

Superfluous granularity in specifying categories and subcategories, as it seems to us, is not normally meant for a document of such rank.

The class E3 includes two rather different subclasses, namely: 1) “commercial recovery and sale are not expected to become economically viable in foreseeable future”; 2) “exploration stage is too early for such assessments”; here the second subclass is not commensurable with the first one as having different criterion of identification.

The rejection of E2.2 subcategory is not sufficiently justified. Our suggestion is to preserve it for quantities identified under the following definition – “Quantities meeting the requirements for E1 category but the use of which at the moment of evaluation is not possible for mining engineering, law, environmental protection and other considerations”.

Descriptions of G1, G2 and G3 require more detailed characteristics of the achieved level of geological exploration knowledge of the petroleum (or mineral) deposit. In deposits where quantities are qualified in categories E2, E3, F2 and F3, geological exploration up to G1 category is not feasible. The worldwide experience in geological exploration has been demonstrating that higher level of project development and maturity is normally associated with higher degree of geological exploration knowledge and assurance.

In general the Document has been compiled in a clear cut manner and with proper account taken of balanced decisions on justified amendments may be considered as an umbrella classification of petroleum and mineral quantities in the subsoil.

Russian Working Group