



**UNECE**

# **Petroleum Work Group**

## 2018-2019 Review and Future Plans

Resource Management Week 2019

**RESOURCES FOR SUSTAINABLE DEVELOPMENT**

10<sup>th</sup> Session of the Expert Group on Resource Management

29 April – 3 May 2019, Palais des Nations, Geneva



# Outline

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- PWG Vision Mission
- Membership 2018-19
- PWG Projects 2018-19
- Membership 2019-2020
- Future Projects
- UNFC in Global Context
- Concluding Remarks



#### ■ Vision

- PWG vision is to be the premier Petroleum expertise repository for UNFC with the primary goal of achieving Sustainable Development Goals (SDG's) through implementation of UNFC globally as a total resource classification and management system which can be used by a variety of interested entities to make policy and business decisions on energy.

#### ■ Mission

- PWG mission is to proactively work with country stakeholders, develop UNFC petroleum specifications and guidelines, conduct pilot studies, hold workshops, promote uptake of UNFC in interested countries, provide advice on the realization of SDG's by using UNFC.

# PWG Members 2017-19



	Member	Affiliation	Country
Mr	Andrew Barrett	Geoscience Australia	Australia
Ms	Vera Bratkova	Russian State Committee on Mineral Reserves (GKZ)	Russia
Mr	Jan Bygdevoll	NPD	Norway
Mr	Simplicio Calyong	CCOP Secretariat	Thailand
Ms	Narmina Garayeva	Independent Expert	Switzerland
Mr	Olaf Klarner	Coordinator of EFG PG	Europe
Mr	Ulises Neri	NCH	Mexico
Mr	Felix Bob Ocitti	Petroleum Authority of Uganda	Uganda
Mr	Satinder Purewal (CHAIR)	Polestar Oil & Gas Ltd/Imperial College	UK
Mr	Dominique Salacz	Evolution Resources	Switzerland
Mr	Alexandr Shpilman	Research Institute, Tyumen	Russia
Mr	Narender K. Verma	ONGC Videsh Ltd	India
Ms	Hua Yang	CNPC International Research Centre	China

# PWG Projects

2018-19 – Status



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- UNFC Specifications and Guidelines for Petroleum
  - Key Chapter 3 is almost 80% complete –PARTIALLY COMPLETED
- Comparison Review of Global Classification Systems - COMPLETED ✓
- Mexico Pilot (Case Study) – COMPLETED ✓
- Mapping of other systems to UNFC
  - Awaiting update of UNFC
- Chinese Classification system to UNFC (Case Study)
  - Bridging Documents signed in September 2018; awaiting data
- RF2013 Classification to UNFC (A case study)
  - Awaiting data from RF



- UNFC Specifications and Guidelines for Petroleum
  - Complete by EGRM 11
- Mexico Pilot Extension (Case Study)
  - Subject to finance availability
- Mapping to UNFC
  - Await update of UNFC
- Chinese Classification system to UNFC (Case Study)
  - Subject to finance availability; awaiting data
- RF2013 Classification to UNFC (A case study)
  - Awaiting data from RF
- Coal Bed Methane (Case Study)

# PWG Members 2019-20



UNEP

	Member	Affiliation	Country
Mr	Satinder Purewal (CHAIR)	Imperial College/Polestar Oil and Gas Ltd	UK
Mr	Andrew Barrett	Geoscientist	Australia
Ms	Olga Trofimova	Russian State Committee on Mineral Reserves (GKZ)	Russia
Ms	Barbara Pribyl	Santos	Australia
Mr	Claudio Virues	AER	Canada
Mr	Fidel Juarez Toquero	CNH	Mexico
Ms	Narmina Garayeva	Independent Expert	Switzerland
Mr	Olaf Klarner	Coordinator of EFG PG	Europe
Mr	Zhenhua Rui	MIT	USA
Mr	Felix Bob Ocitti	Petroleum Authority of Uganda	Uganda
Mr	Martin Hubbig	OMV	Austria
Mr	Alexandr Shpilman	Research Institute, Tyumen	Russia
Mr	Akshay Audhkhasi	ONGC Videsh Ltd	India
Ms	Hua Yang	CNPC International Research Centre	China

# UNFC Applications by PWG

## Case Study



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- Mexico Pilot
- Carried out during June-December 2018
- Joint study by PWG, CNH, SENER and ASEA
- 23 blocks categorized according to UNFC
- Used social and environmental issues to categorize project maturity levels
- Only one of its kind for Petroleum (as far as PWG is aware)
- Paper written for EGRM10
- Major milestone for practical application of UNFC
- Two Papers accepted for presentation at premier International Conference (SPE ATCE in Calgary 2019)



# Future Applications

## Vision and Execution



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### Vision:

- Achieve SDG's by global UNFC uptake and implementation

### Execution:

- Build on the highly successful Mexico Pilot
- Mexico Pilot Extension
- Roll out in Latin American Region e.g. Colombia and Brazil
- Roll out to Africa and Asia
- PWG goals endorsed by EGRM and key stakeholders
- Requires significant support
  - PWG members (Pro-active support)
  - From National Agencies
  - Finance
  - UNECE experts

# UNFC – Global Context

## Key Differentiators



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- UNFC use has been clearly demonstrated by success of the Mexico Pilot
  - Two papers will be presented in September at international conference
- Why use UNFC instead of other classification systems?
  - PWG project reviewed global classification systems
  - A paper is expected to be presented in future
  - SWOT analysis shows there are similarities and differences
- Key differentiators UNFC vis-a-vis other systems
  - Granular capture of Social and Environmental aspects
  - Project approvals would be linked to Some of the SDG's
  - Applies to all resources
  - Numeric
- What's needed?
  - Global uptake of UNFC
  - Requires traction by appropriate authorities to mandate its use in country
  - A period of transition will be required for training and uptake (up to 5 years)

# Challenges

‘Facts or Fiction?’



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- ‘Why change to UNFC if my classification system works’
- ‘Costs involved in making the change’
- ‘Massive Training effort required’
- ‘Compliance – companies listed on stock exchanges use classification systems’ ‘ doubles the costs for having two systems’
- ‘UNFC is too complex’
- ‘UNFC is relatively new while PRMS and CRISCO have been around longer’
- ‘How can UNFC be regularly updated with few volunteers while PRMS and CRISCO have supporting societies with large memberships’
- Etc. etc.

**EGRM has to develop strategies to counter real and imagined myths with clear messages**

# Concluding Remarks



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- A busy past year for PWG
- Completion of a successful Mexico Pilot Case Study
- Review of Global classification systems
- Two SPE Papers based on the Mexico Pilot in 2019
- Several projects planned for 2019-20
- Key Project: Specifications and Guidelines for Petroleum
- EGRM requires concerted efforts to promote UNFC uptake globally



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# Thank you

Professor Satinder Purewal

Chairman

Petroleum Work Group

Email

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