



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

Houston
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2010 Ryder Scott Reserves Conference
“Evaluation Challenges in a Changing World”

PRMS Applications Document (AD)
“Objectives and Current Status”

Ron Harrell – Chairman Emeritus, Ryder Scott Company

- **Satinder Purewal, Shell –
PRMS AD Editor ***

- SPE, AAPG, WPC, SPEE, SEG
- PRMS AD Committee Members
- SPE OGRC Members
- Authors
- Chapter Editing Committee Members

**Work copied extensively in this presentation*

Presentation Outline



- **Objectives**
- **AD – Fundamental Tenets**
- **AD Project – History**
- **Authors/Reviewers**
- **Current Status**
- **Timeline to Completion**
- **Closing Comments**

Objectives



- To update the 2001 SPE Guidelines
- Ensure consistency and content to reflect the SPE PRMS published in April 2007
- Include additional material which will incorporate changes in Industry practices
- Engage all stakeholders

To ensure an effective document consistent with the original purpose and guidance of PRMS and SPE Governance

2009 ATCE – New Orleans OGRC Meeting

The Applications Document (AD) has a:

- Primary purpose to provide guidance with examples in the application of PRMS, and is to be....
- broad based to incorporate different regulatory systems and commonly applied accounting practices

The AD is not intended to:

- be a manual on petroleum engineering, or
- provide SEC advice on booking reserves, or
- guide industry toward a single financial accounting system.

AD Project History - 1



March – May 2007

- Applications Document Subcommittee (ADS) created
- ADS Members drawn from SPE OGRC and REC
- ADS members:
 - Satinder Purewal -- Shell (Chairman)
 - Delores Hinkle - Marathon
 - Bernard Seiller - Total
 - Stuart Filler - Devon
 - Stefan Choquette - CVX (Consultant)
 - Yasin Senturk - Saudi Aramco

AD Project History - 2



March-August 2007

- A detailed TOR prepared
- Expansion to include new chapters:
 - Deterministic procedures
 - Unconventional sources
 - Examples for Clastics and Carbonates
- Include more examples in each chapter
- Engage all stakeholders

AD Project History - 3



- August 2007-March 2008
- Consensus by the ADS (REC and OGRC) that examples from industry were important
- ADS letter signed by SPE President sent to Industry leaders in February 2008 soliciting PRMS applications examples for potential inclusion in AD
- A follow up letter sent by SPE on behalf of the ADS Chairman in March
- Phil Chan and James Pearson joined the ADS

AD Project History - 4



- April 2008-end 2008
- Industry response for examples tepid
 - Only 10 examples received
- Decided to proceed without examples
- Authors assigned for each chapter
- Authors sourced from a broad X-section of experienced professionals
- Professionals from IOC's, NOC, Universities represented

AD Project History - 5



- Jan-Oct 2009
- Several chapters prepared by authors
- Chapters uploaded on SPE website for review by OGRC members
- Imbalance in the size of the chapters requiring considerable editing efforts
- Unconventional sources chapter changing due to rapidly evolving technology
- Several additional authors sourced for unconventional sources chapter

CHAPTERS & AUTHORS - 1



<u>Chap.</u>	<u>Title</u>	<u>Author(s)</u>
1	Introduction	Purewal/Harrell
2	Definitions/Class/Categ.	Ross
3	Geoscience Applications	Rodriguez/Scott
4	Deterministic procedures	Senturk
5	Probabilistic procedures	Swinkels
6	Aggregation of resources	Swinkels
7	Evaluation & Reporting	Senturk/Choquette
8	Special Problems etc.	Chan/Etherington/ McDonald/Jenkins/ Aguilera/Clarkson
9	Field/Reservoir Examples	Pearson

CHAPTERS & AUTHORS - 2



<u>Chap.</u>	<u>Title</u>	<u>Author(s)</u>
10*	Entitlements/Recognition	Young
11**	Measurement/Operations	Purewal

* Old Appendix "C"

** Old Appendix "B"

CHAPTERS REVIEWERS



- Tenzer/Gold/Mallon/Hinkle/Lee/Martinez/
Ritter/Withers/Marion/Shang/Adams/
Seager/McMaster/Brown/Schuenmayer/
Filler/Sistrunk/LaPointe/Corbeil/
McCants/Young/Scholinburger/Scott
- Plus my apologies for any omissions

AD Finalization Road Map



2009 ATCE – New Orleans OGRC Meeting

- Document split into: (1) Applications Document (AD) and (2) a Fundamentals Document (FD)
- AD to be approximately 100 pages
- FD will be optional technical material (for publication in the future)
- An editing committee to be formed for each chapter
- A Steering Committee overseeing this effort chaired by AD Committee chairman
- AAPG, SPEE, WPC and SEG (PRMS Sponsors) invited to join editing committees

AD History - Summary



Why has it taken so long?

- 1st year - 2007: Significant progress made in the first 4 months (TOR & TOC ready, etc.)
 - Effort to seek examples delayed the project to mid-2008
- 2nd year – 2008: authors assigned for most chapters; uncertainty on COGEH; what to include on unconventional sources; authors still sought
- 3rd year – 2009: All authors on board; most chapters written – a clear time line and work plan drawn up at the OGRC meeting ATCE

AD History - Summary



4th Year: 2010 – End in sight!

- During Q4 2009, for each Chapter an editing Committee formed (inc a chair) to review and work with the author of the chapter.
- Overseeing this effort is the Steering Committee chaired by the AD Subcommittee Chairman
- Some 40 members (including authors) of editing committees drawn from SPE, OGRC, WPC, SPEE, AAPG, SEG
- Deadlines set for completion
- Significant progress made during 2010
- Review by all Chapter editing committees completed

AD Current Status



- Total of 10-11 chapters in AD
- 9 Chapters have been reviewed by the chapter editing committees and are ready for the next stage of review
- The remaining chapters and “reference terms” (in lieu of the glossary) will be completed shortly
- Finalization discussion will take place at the SPE ATCE in Florence

AD Timeline to Completion



- Expect to release the AD for general comment to members of SPE and other sponsoring organizations during October 2010
- Expect to allot 2 months for comments
- Comments will be incorporated wherever deemed appropriate
- AD ready for approval by SPE board before end-Q1 2011
- Simultaneous approval will be sought from WPC, SPEE, AAPG and SEG

Closing Remarks



- The AD has taken a long time to evolve
- The end is in sight
- Expect a draft copy out for general comment later in 2010/early-2011
- Expect to be responsive to all comments with final approval by all stakeholders in 2011
- INVITATION: Any comments you wish to be forwarded to AD Steering Committee?