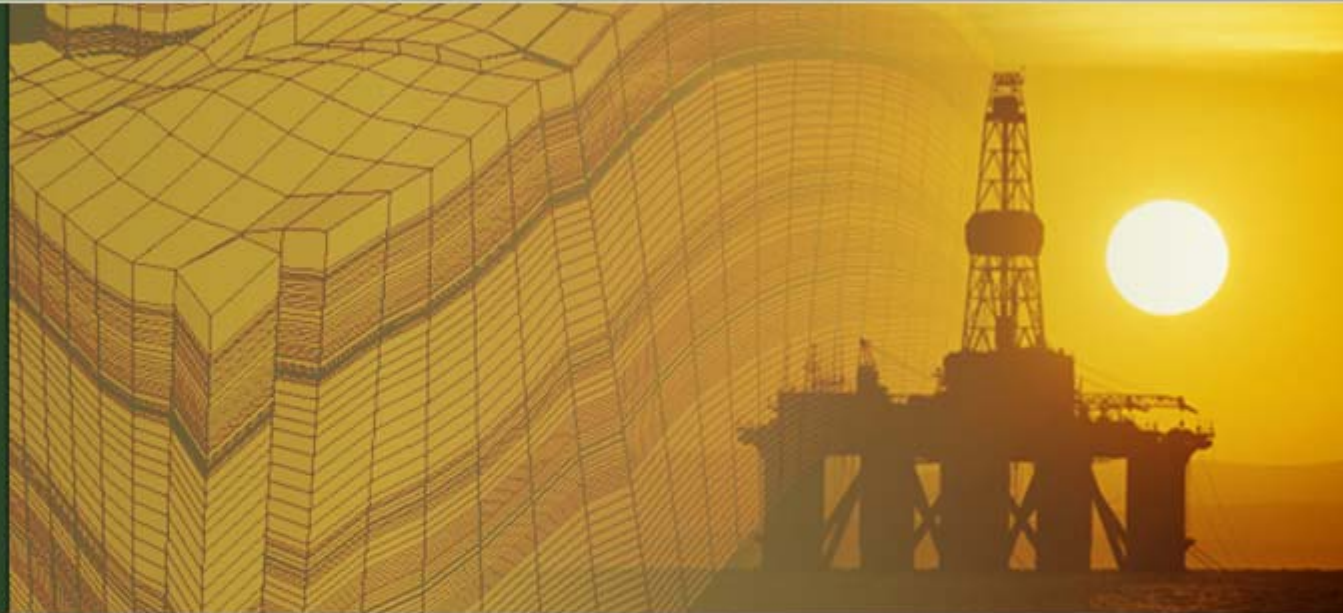




**RYDER SCOTT COMPANY**  
**PETROLEUM CONSULTANTS**

Houston  
Denver  
Calgary



**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



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

# 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?

- 1<sup>st</sup> year - 2007: Significant progress made in the first 4 months (TOR & TOC ready, etc.)
  - Effort to seek examples delayed the project to mid-2008
- 2<sup>nd</sup> year – 2008: authors assigned for most chapters; uncertainty on COGEH; what to include on unconventional sources; authors still sought
- 3<sup>rd</sup> 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



## 4<sup>th</sup> 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?