



SPE
Oil and Gas Reserves
Committee

2008 Update

Marathon 



Agenda

◆ Committee Charter

- Charge
- SPE Board “Grand Vision”
- Structure
- Governance

◆ Current Activities

- PRMS
- JCORET
- REC
- SEC Response
- IASB
- UNFC



Oil and Gas Reserve Committee

Charter

Marathon 

OGRC Charter



Charge:

- 1. Responsibility for programs dealing with oil and gas reserves matters, including reserve definitions and standards**
- 2. Disseminating reserve information to other organizations, agencies, and companies involved in reserve matters**
- 3. Liaising with other organizations in efforts to achieve worldwide use of standard reserve definitions**
- 4. Monitoring of activities of other organizations in the reserve definitions area and provide reports to the SPE Board on these matters, and**
- 5. Providing periodic reports to the SPE Board on oil and gas reserves issues including recommendations for revisions to SPE's reserve definitions**

SPE Board “Grand Vision”



In 2006, SPE Board approved OGRC Grand Vision:

- ◆ ***“SPE/WPC/AAPG/SPEE definitions and classification system (and associated estimating guidelines) will continue to be maintained evergreen and enhanced to incorporate new best practices, and unconventional resources, and will be recognized as the premier classification standard.*”**
- ◆ ***SPE will actively promote and facilitate in-depth understanding of the definitions and their universal adoption by the oil, gas, and related industries: international financial organization; governments; regulatory agencies, and reporting bodies.”***

What the OGRC is NOT charged with:

- 1. Offering guidance on specific reserve estimation questions**
- 2. Offering guidance on reserves reporting to regulatory bodies**
- 3. Offering guidance on reserve estimation or reporting tools or data sources**

OGRC Structure



9-12 Member Committee

- ◆ **3-4 members appointed annually by President Elect**
- ◆ **3 year terms**
- ◆ **Worldwide representation**
- ◆ **Chairperson appointed by President Elect for 2 year term**
- ◆ **Actively seek the participation of observers from similar societies (SEG, SPEE, AAPG, EIA, IASB, WPC, etc)**
- ◆ **Reports to SPE Board Committee on Education and Professional Activities**

OGRC Structure



Current Committee Members:

- ◆ **International Producers**
 - Marathon
 - Devon
 - Occidental Petroleum
 - Total S.A.
 - BP
 - Talisman
 - OMV (Austrian)

- ◆ **International Advisors**
 - RISC Pty Ltd., (Australia)
 - Miller & Lents Ltd.
 - Gaffney, Cline & Associates

- ◆ **NOC's**
 - MOL (Hungary)

Current Observers:

- ◆ **SPEE**
- ◆ **AAPG**
- ◆ **WPC**
- ◆ **EIA**
- ◆ **SEG**
- ◆ **IASB**



OGRC Governance

- ◆ Document approved by SPE BOD in 2007
- ◆ Includes *Guide for Professional Conduct*
- ◆ Identifies Standing Sub-Committees
 - TIG
 - UNFC_IASB



Oil and Gas Reserves Committee

Current Activities

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OGRC Current Activities

Results of Grand Vision:

- ◆ **PRMS**
 - Adopted in 2006
 - consolidated definitions of reserves, resources and glossary

- ◆ **Created Reserves Education Committee to improve education focus**



OGRC Current Activities

PRMS

- ◆ **Made over 80 presentations to achieve broad understanding and acceptance**
- ◆ **Conducted 4 ATW's with 2 more planned**
- ◆ **Currently**
 - **Finalizing a non-technical summary**
 - **Investigating labels for Contingent Resource Incremental Categories**
 - **Proposing to Board to conduct a pilot Spanish translation**
 - **Gathering data on PRMS users**



OGRC Current Activities

REC

- ◆ **Conducts ATW's and other training initiatives**
- ◆ **Writing Application Guidelines**
- ◆ **Proposal before SPE Board to merge OGRC and REC leaving REC as standing committee of OGRC**
 - **Improve coordination of training activities**
 - **Maximize available expertise**



OGRC Current Activities

JCORET (Joint Committee On Reserves Evaluator Training)

- ◆ Created in 2006
- ◆ Committee consists of 3 members each from SPEE, AAPG, WPC and SPE
- ◆ Purpose is to develop and deliver training to reserves evaluators worldwide
- ◆ Curriculum sub-committee reviews and approves courses
- ◆ Approved course developed by John Etherington



OGRC Current Activities

IASB (International Accounting Standards Board)

- ◆ **March 2008, IASB Board accepted PRMS as petroleum basis for Extractive Industries Accounting discussion paper**
- ◆ **Culmination of 3 years of effort with CRIRSCO (minerals industry Combined Reserves International Reporting Standards Committee)**
- ◆ **IFRS (International Financial Reporting Standard) not expected until 2012**



OGRC Current Activities

UNECE (United Nations Economic Commission for Europe)

- ◆ Previously developed UNFC (United Nations Framework Classification) for Fossil Fuels
- ◆ UNFC is 3-dimensional classification framework based on economics and commercial viability, project status and technical certainty
- ◆ Formed Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology
- ◆ Reviewing Sub-Committee map between PRMS, CRIRSCO template and Russian system to UNFC
- ◆ Currently reviewing potential changes to UNFC



OGRC Current Activities

SEC

- ◆ **Responded to Concept Release outlining how PRMS could be used in response to individual questions**
- ◆ **No response received as of this date**



Thank You

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