

INTRODUCTION

“AHGE Mapping Task Force Report”

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Fourth Session of the Ad Hoc Group of Experts on Harmonization of Fossil Energy & Mineral
Resources Terminology

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TASK FORCE’S MANDATE

The team is to complete the mapping of the various classifications and definitions to the UNFC. Specifically, this will be the CRIRSCO/JORC, New Russian Classification and SPE PRMS terminologies. The results of this initial effort can then be leveraged to support mapping of other national and international classification systems to the UNFC.

In doing this work, you are invited to consider the changes that will be required to bring the classifications and definitions together for wide acceptance and global adoption with UN support. This should include changes to the UNFC for minerals and for petroleum to align these on a project status based framework. It should also include recommended changes to the three underlying classifications for further consideration. It is important to recognise that it is costly to change any of the systems. It may therefore be wise, in the first instance to exploit flexibility inherent in the current systems in the form of specifications and guidelines that may affect practise within the current systems. Substantive changes to classifications and definitions would probably be best handled in the context of an International Financial Reporting Standard for extractive activities in order to avoid impacting existing reporting standards.

TASK FORCE

- Co-Leaders :
 - Mr. Per BLYSTAD
 - Ms. Mücella ERSOY
- Members:
 - Mr. Ferdi Camisani-Calzolari,
 - Mr. John R. Etherington,
 - Mr. Kirill Kavun,
 - Mr. James G. Ross,
 - Mr. Andrej Subelj
 - Mr. Niall Weatherstone,

BASIS FOR THE MAPPING

- UNFC, CRIRSCO-Template, SPE PRMS, Russian Federation (RF) classification
 - CRIRSCO – SPE Convergence project for IASB 2006
 - Joint AHGE / CRIRSCO Committee feedback 2006
 - AHGE feedback in SPE PRMS development
 - Russian Federation (RF 2005) mapping of UNFC 2004

MANDATE

- .. you are *invited to consider the changes* that will be required to bring the classifications and definitions together for wide acceptance and global adoption with UN support. This should include *changes to the UNFC for (solid) minerals and for petroleum to align these on a project status based framework.*
- It should also *include recommended changes to the three underlying classifications for further consideration.* It is important to recognise that it is costly to change any of the systems.
- It may therefore be wise, in the first instance to *exploit flexibility inherent in the current systems* in the form of specifications and guidelines that may affect practise within the current systems.

UNFC 2004

- **Observations:**
 - Umbrella System (*Strength*)
 - Numerical codification basis (*Strength*)
 - Two sets of definitions, one for Minerals and one for Petroleum (*Weakness*)
 - Different category labels between Minerals and Petroleum (*Weakness*)
- **Response:**
 - Utilize numerical codification
 - Propose new definitions that capture both minerals and petroleum, and that are short and clear
 - Propose to remove category labels

STRUCTURE OF THE REPORT

Presentation of results

UNFC 2004

1. General
2. The UNFC applied to coal, uranium and other solid minerals
3. The UNFC applied to petroleum
4. Categories
5. Definitions

Task Force Report

1. Introductory remarks
2. The UNFC applied to Solid Minerals (CRIRSCO – UNFC)
3. The UNFC applied to Petroleum (PRMS – UNFC)
4. Category Definitions (CRIRSCO/PRMS/UNFC)

Attachment 1: UNFC definitions revisions

Attachment 2: Discussion of Key Issues

Attachment 1 -UNFC Definitions Revisions

- Compares the prior UNFC 2004 definitions for minerals and petroleum categories and sub-categories to the proposed new generic description for each category and sub-category
- *Principles and examples presented by James G. Ross*

Attachment 2 - Discussion of Key Issues

- Adjustments to the CRIRSCO template and the SPE PRMS have not been considered by Task Force, but it may well be that adjustments may further facilitate the development of a common global terminology.
- Further background on issues that were considered in developing this report is separately attached, **Attachment 2 - Discussion of Key Issues**
- *Discussion is welcomed at both minerals mapping and petroleum mapping sessions*

Mapping Task Force Proposals

- Remove category and sub-category labels, and agree harmonized (generic) definitions of categories and sub-categories
- Adopt mapping modules for CRIRSCO-UNFC and SPE-UNFC
- Recommendation that the UNFC document is revised and simplified to reflect proposed changes and mapping modules