

# Outcome of the Seminar on the application of the UNFC

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By

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# Introduction: OPEC Views



- ➔ **Current OPEC System classification of Reserves (SPE/WPC)**
- ➔ **Need to update system of Classification**
- ➔ **The UNFC as alternative**
- ➔ **OPEC Support to the initiative**

# Program of the Seminar



## 1. First Session

- Introduction to the UNFC
- Status of the initiative,
- Principles of the UNFC (with to the application to coal)
- Proposal of UNFC for petroleum: as incorporation of the SPE/WPC/AAPG classification
- Application of the UNFC to Uranium was also given.

## 2. Second Session

- UNFC for *strategic resource management* (governments), and *business process management* (companies)
- UNFC as *financial reporting* (owners/ investors).
- Reconciliation of the UNFC and WEC terminology.

# Introduction to the UNFC



## ◆ United Nations Framework Classification

–Need for classification

–Benefits of the UNFC

–Process of implementation: Recommendation

- ➔ To create National experts groups
- ➔ To set up a Program: Organization of national seminars to apply the UNFC to selected country deposits
- ➔ To Provide an extensive program of training

# Introduction to the UNFC



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# Status of the initiative



- Creation of the Ad Hoc group in Nov. 2001 by the UNECE Committee of Sustainable Energy
- Objectives: to translate the existing systems of classification to the UNFC
- 12-13 June meeting of the Ad Hoc group, its bureau was elected and creation of three sub-groups for: Petroleum, Coal and Uranium
- Missions of sub-groups were established
- Organization of workshops:
  - ➔ Workshop in Tyumen, Siberia on September 9-10 for possible reformation of the Russian petroleum classification.
  - ➔ The Petroleum Group met in Stavanger, Norway on September 23-24 to incorporate the SPE/WPC/AAPG system to UNFC.
  - ➔ The Uranium Group met in Beijing, China on of September 24-25
  - ➔ As the Task Force coal had completed the work of the coal group prior to the establishment of the Ad-Hoc Group. The role of the coal group has been to monitor the activities

# Status of the initiative (Ctd)



## ◆ Decisions of Ad Hoc Group Meeting on November 2003:

- cooperation with WEC,
- organization of regional Seminars,
- presentations of the UNFC in international events and finally
- hold a third Ad-Hoc group meeting on October 30-31, 2003.

# UNFC Principles (incl. Coal)



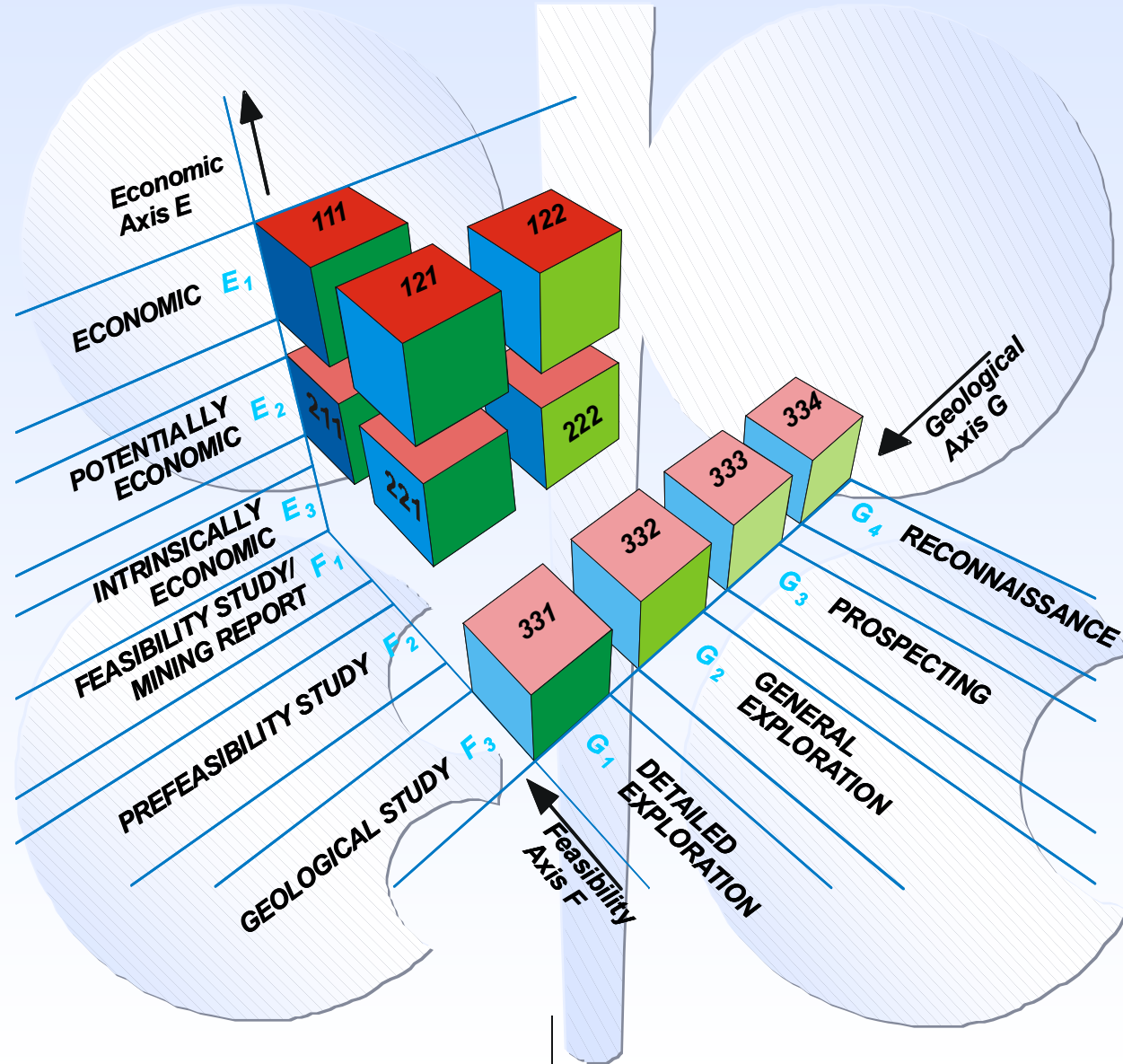
## ◆ United Nations Framework Classification

*is a three-dimensional (or EFG) system that provides information about the stages of*

- 1. Economic Viability (E),
- 2. Feasibility Assessment (F), and
- 3. Geological Assessment (G).



# United Nations Framework Classification

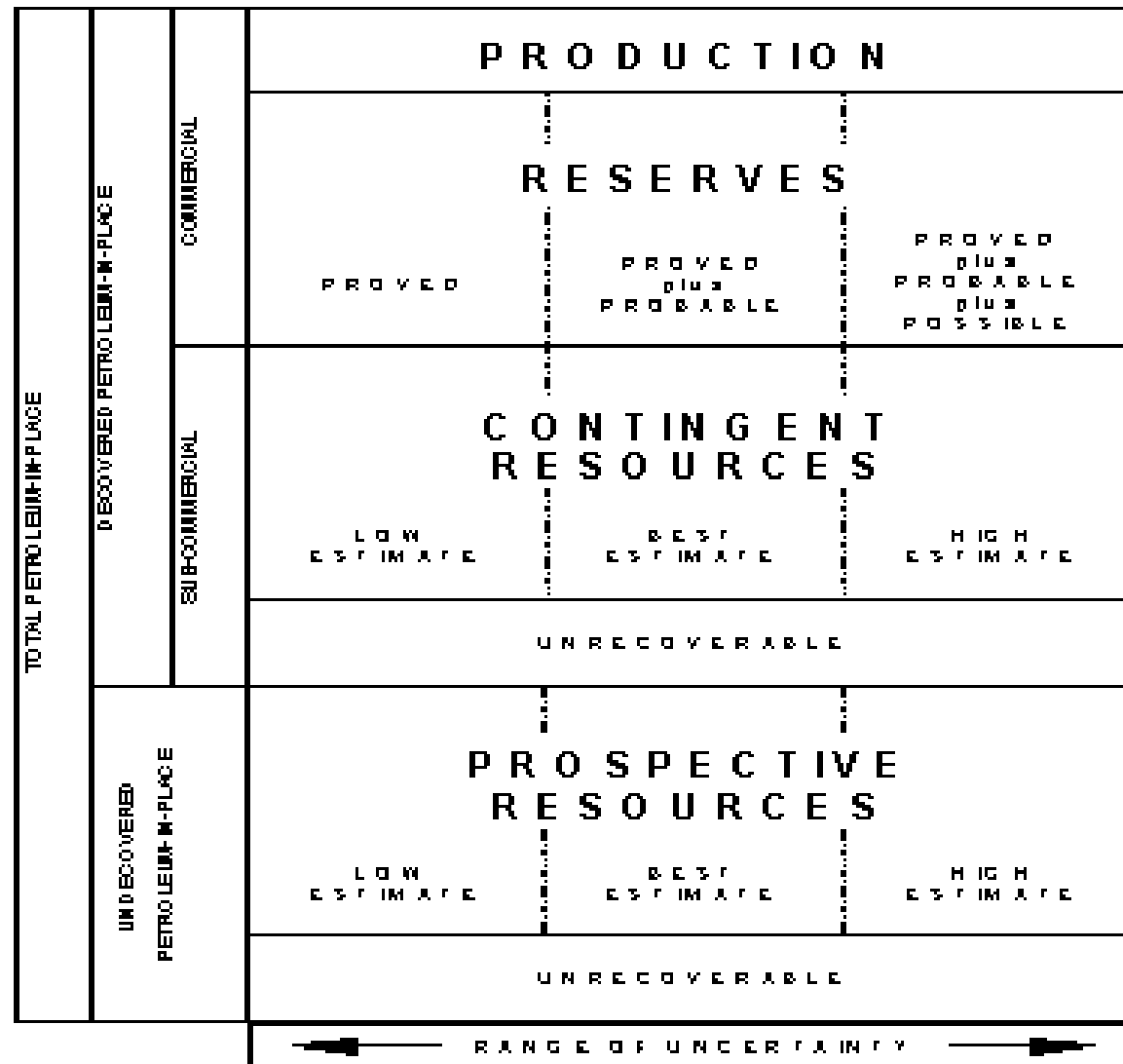


# UNFC for Petroleum (SPE/WEC/AAPJ system)



- ◆ UNFC for petroleum makes a clear distinction between *in-place and produced quantities*, and *recoverable quantities*
- ◆ In adapting the EFG system to petroleum, the E and G axes continue to stand for economic and geological, respectively. However, for the F axis, the term *feasibility* is replaced by the term *field project*.
- ◆ to keep track of quantities that normally are more mature than those addressed in feasibility studies and also that field projects reflects the maturity of the quantities with regard to the process and decisions to develop and produce the quantities.
- ◆ There is a sub-division within each axis as well as definitions for each term.
- ◆ The key numbers for *in-place quantities* (I1-4), which are located outside the cube, as are *produced quantities*.
- ◆ 12 combinations as being used in practice, others are invalid or not used in practice.

# UNFC for Petroleum

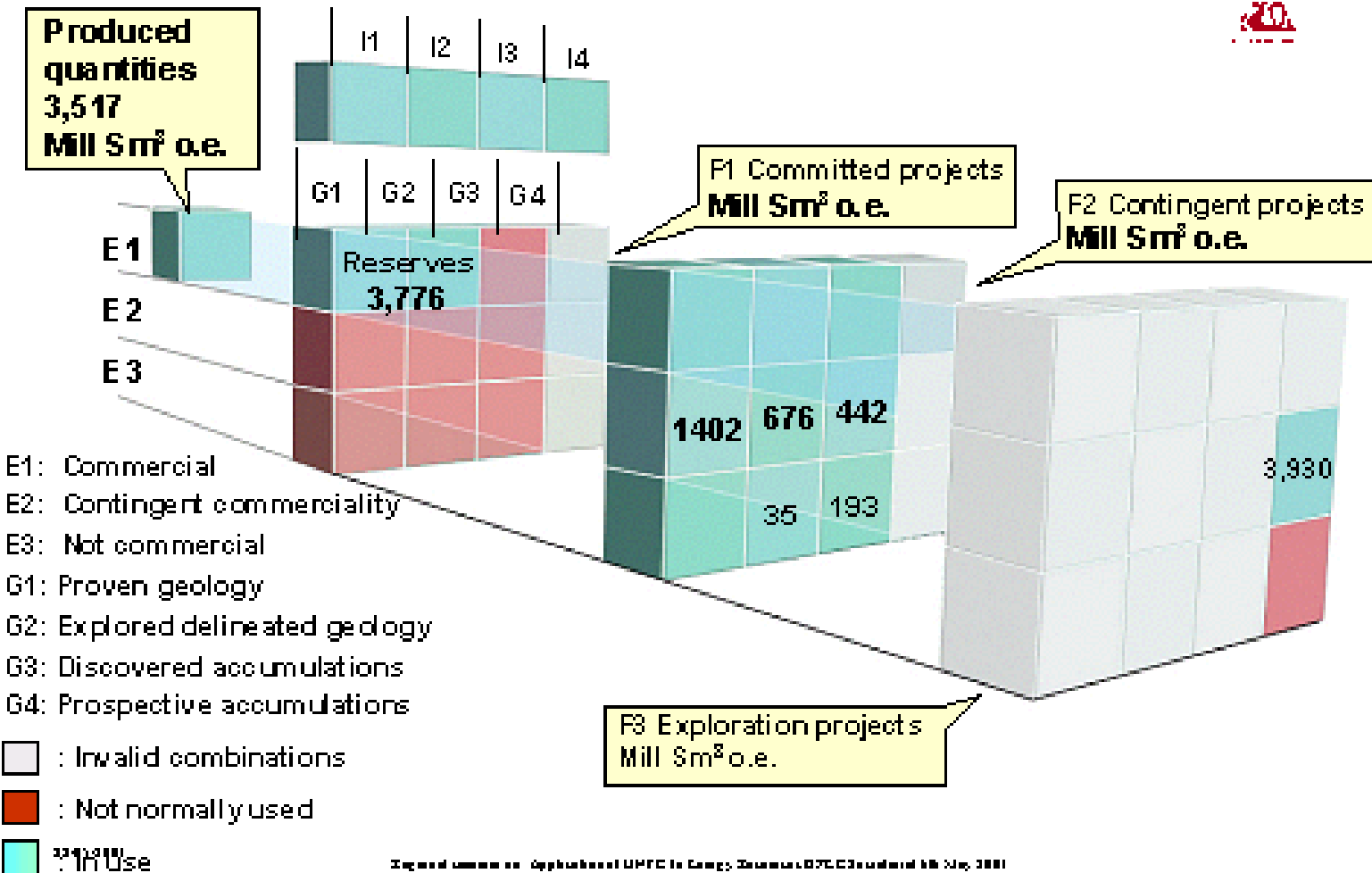


Source: Blystad P. [3] presentation.

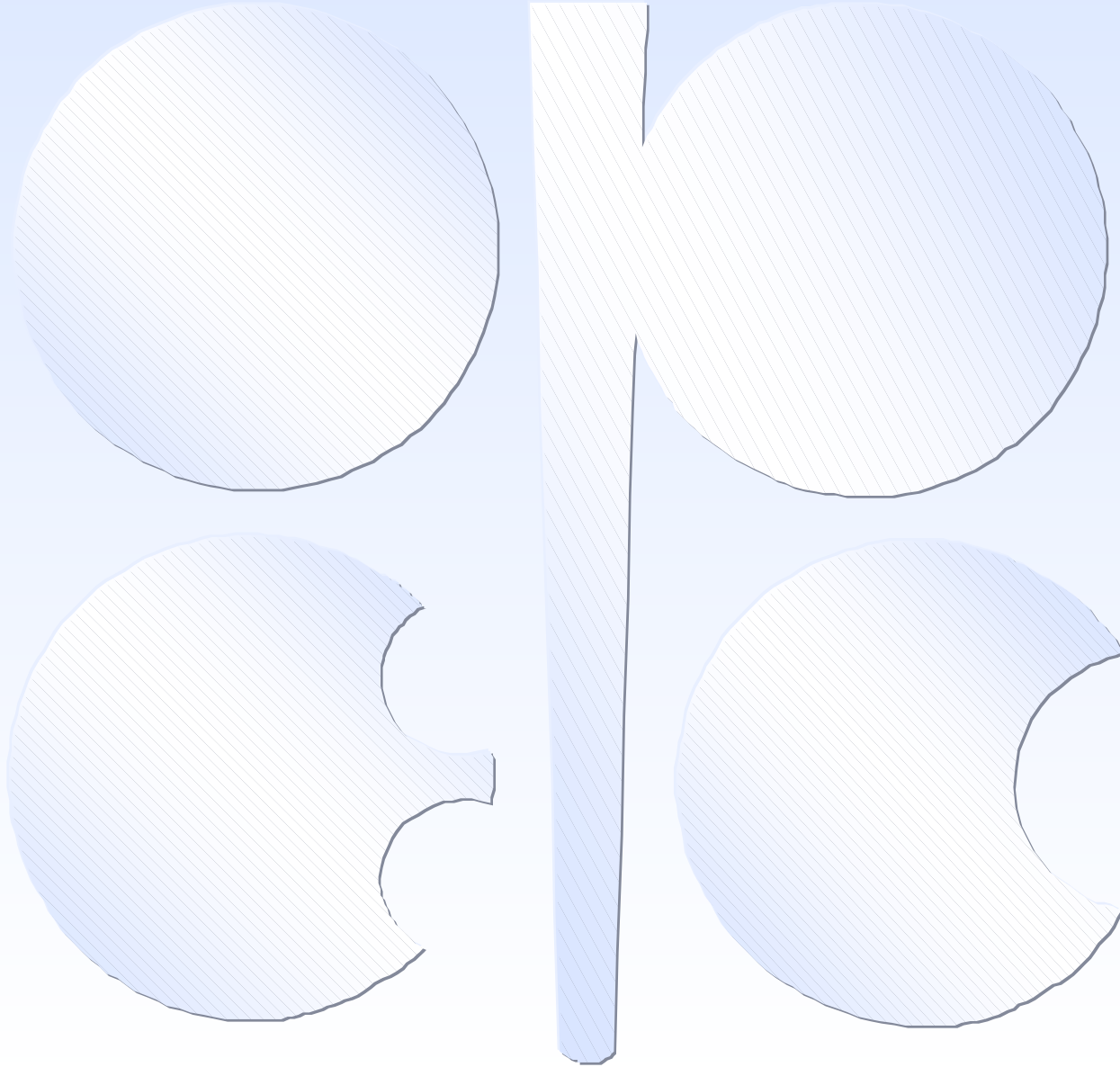
# UNFC for Petroleum (Case study of Norway)



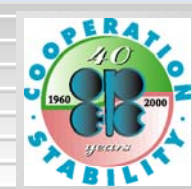
UNFC for petroleum in Norway: Value chain management requires a view of the complete resource base



# UNFC for Uranium

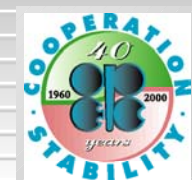


# UNECE contribution to WEC Survey of Energy Resources



Joint class	Codes		
	Coal	Petroleum	Uranium
<b>Reserves/Economically extractable quantities</b>	111,121,122	111,112,	111,121,122
<b>Contingent Resources /Potentially economically extractable quantities</b>	211,222	121,122,123, 221,222,223	211,221,222, 311,321,322
<b>Prospective quantities in place /intrinsically economic in place quantities</b>	331,332,333, 334	234,321,322, 323,334	331,332,333, 334

# Recommendations



- ◆ UNFC documents will be circulated by the OPEC Secretariat to all its Member Countries asking their official position, by 15th September next, on the application of UNFC to their countries' oil/natural gas deposits;
- ◆ Feedback from the OPEC Member Countries will be considered by the Economic Commission Board of OPEC at its next meeting end September 2003;
- ◆ The OPEC Secretariat will explore the possibility of organizing a Regional Seminar for the Middle East OPEC Member Countries. This should be a joint OPEC/ECE Seminar. The OPEC Secretariat suggested the partnership of ESCWA, if accepted by them;
- ◆ The ECE, through the OPEC Secretariat, to invite all OPEC Member Countries willing to take part in the forthcoming ECE Ad-Hoc Expert Group on the UNFC Implementation on Energy Commodities (Geneva, October 30-31, 2003).



**Thank you**