Cover Letter to Draft Specifications for the Application of UNFC-2009 and Draft Explanatory Report

The Bureau and the Specifications Task Force of the Expert Group on Resource Classification (Expert Group) are pleased to present for public comment the draft document "Specifications for the Application of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009)" and the accompanying draft explanatory report. The draft document includes the generic specifications for the use of UNFC-2009 and commodity-specific bridging documents for solid minerals, based on the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) Template, and for petroleum, based on the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (SPE-PRMS). These bridging documents are consistent with the Memorandum of Understanding between the United Nations Economic Commission for Europe (UNECE) and the Society of Petroleum Engineers (SPE) and long-standing agreements between UNECE and CRIRSCO. Other classification systems may also be mapped to, and aligned with, the UNFC-2009 in the future but may only be used as a basis for UNFC-2009 where a bridging document has been endorsed by the Expert Group.

The main document and its five annexes are the result of nearly two years of work by the Specifications Task Force of the Expert Group, which carefully reviewed the need for each generic specification and its impact on the consistency and comparability of resources estimates and classification of those estimates within the UNFC-2009 across various commodities. The Task Force worked in an open and transparent manner with members representing the four stakeholder goals: (i) long sighted international energy studies and resulting policies; (ii) government resources management guided by these studies and policies; (iii) business process management ensuring that technology, management and capital are used effectively within the framework conditions set by host countries and global markets; and (iv) improved financial reporting that facilitates appropriate capital allocation in a competitive international capital market and minimize the cost of capital.

Most of the individual members of the Task Force are in agreement with the form and content of the draft specifications document, which is a reflection of the similarity of the needs of each of the stakeholders and various commodity groups, however, consensus has not yet been reached in regard to several aspects of the document, which remain under discussion. The draft specifications document is being released subject to the caveat noted on its first page and also referenced on page two of this letter.

1 SPE-PRMS is endorsed by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE) and the Society of Exploration Geophysicists (SEG)
So that all stakeholder views may be considered, the Specifications Task Force requests comments on these draft documents, including any proposals for an alternative approach (or text).

It should be noted that the draft document and report are prepared as the basis for public comment in order to receive input from all stakeholders for further consideration, prior to finalization and publication. Final approval of these documents requires consensus within the Bureau of the Expert Group on Resource Classification on their form and content, prior to submission to the Expert Group for its endorsement of the final versions (Expert Group on Resource Classification Fourth Session, Geneva, 24-26 April 2013). The documentation is made available for comment subject to the caveat that the draft texts in their current form have not been, and shall not be construed to have been, endorsed by any member of the Expert Group on Resource Classification or by any organization that is represented by a member of the Expert Group on Resource Classification.

The public comment period will run from 22 October 2012 until 22 December 2012. Comments may be provided via e-mail, an online form or by mail – full details are available on the UNECE website at: http://www.unecce.org/energy/se/reserves.html.

Sincere appreciation is extended to the members of the Specifications Task Force for their efforts in preparing the draft specifications document and accompanying report.

Yours sincerely

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