

Update of the Petroleum Resource Management System (PRMS)

Bernard Seiller

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**Chairman - Oil and Gas Reserves Committee
Society of Petroleum Engineers**



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Petroleum Resource Management System

Historical Development

1962: Following plea from banks for a consistent set of reserve definitions, SPE Board appointed 12 man committee.

By 1965 a one page document was approved

1981: SPE release update Proved oil and gas definitions

1987: SPE definitions for all reserves categories

1997: Joint release of single set of definitions by WPC and SPE

2000: Classification system for all petroleum resources jointly developed by SPE, WPC and AAPG

2001: Application Evaluation Guidelines

2005: Glossary of terms used in resource definitions

2005: Standards for estimating and auditing reserves information (revised in 2007)

2007: SPE/WPC/AAPG/SPEE Petroleum Resources Management System; subsequently sponsored by SEG

2011: Guidelines for Application of PRMS

2014: SPE Oil and Gas Reserves Committee agreed to consider revision to the PRMS and has approved Terms of Reference

Oil and Gas Reserves Committee

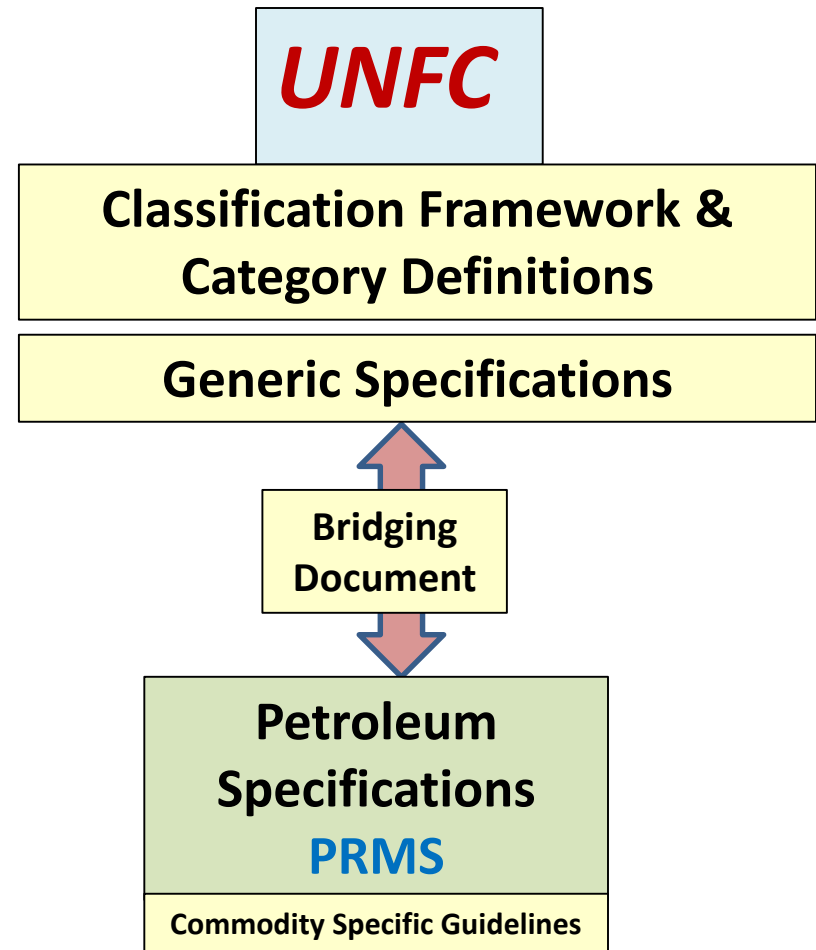
- The OGRC fulfills the needs of the SPE Board relative to petroleum reserves and resources matters.
- The OGRC is charged with:
 - Responsibility for programs dealing with oil and gas reserves and resources matters, including reserves and resources **definitions, terms, recommended practices, and standards**;
 - **Disseminating** reserves and resources **information**;
 - Liaising with other organizations in efforts **to achieve worldwide use** of standard reserves and resources (definitions);
 - **Monitoring** of activities of other organizations in the reserves and resources definition area;
 - Providing **periodic reports** to the SPE Board on **issues** including **recommendations for revisions** to SPE's reserves and resources definitions.

OGRC cont ...

- OGRC is the custodian of a set of definitions, standards and guidelines referred to as the “**Technical Publications.**”
 - PRMS
 - PRMS-AG
 - Auditing Standards
 - Comparison of Selected Reserves and Resources Classifications and Associated Definitions, ...

UNFC and PRMS

- Memorandum of Understanding with SPE and UNECE put in place in October of 2006
- Mutual goals of SPE and UNECE to establish universal adoptions of UNFC which uses the SPE PRMS for petroleum
- SPE OGRC serves to provide the specification and guidelines for the UNFC for petroleum reserves and resource definitions
- **Maintain evergreen**



PRMS is the reference standard for petroleum specifications underpinning the UNFC-2009 published in 2013

Where are we Today on the PRMS Update



- Four groups of 3 to 4 subcommittee members formed to address issues - Bi-weekly meetings between mid 2014 and end 2015 addressing key issues
- Draft of the glossary in Dec '15 and First Draft of Updated PRMS being discussed (February-May 2016)
- Updated draft, agreed by Sub Committee, expected to be ready by May 2016
- Draft to be shared (and updated) for comments/agreement with the full OGRC and sister societies: SPEE, WPC, SEG and AAPG then with other stakeholders such as UNFC
- Public consultation period
- Document to go to the SPE Board in Q4 2016 or Q1 2017
- Updated PRMS expected to be issued in first half of 2017



Key updates to the PRMS and Focus

- Maintained core features as a project based-resource management system
- Improved clarity and granularity
- Spent special focus on the incremental method and approaches used in the industry
- Attempted to align (as much as possible) with Canadian Oil and Gas Evaluation Handbook (COGEH)
- Considered elements from other international resource definition systems, such as (without limitation) that of the Norwegian Petroleum Directorate, and the Russian and Chinese systems
- Improved coverage of Unconventional Resources
- Updated Glossary (clarified and added new ones)
- Will recommend following the Updated PRMS with a Best Practice for reserves reporting

Questions?

Comments and suggestions can be provided for consideration to the following e-mail:

bernard.seiller@total.com



Free PRMS Download at www.spe.org