

To: Members of the Bureau of the UNECE Expert Group on Resource Classification

From: Jim Ross and Charlotte Griffiths

**Conference Calls with the Bureau of the
Expert Group on Resource Classification (EGRC)
9am and 3pm 17 October 2013 (UK time)
FINAL MINUTES**

Present on 9am Call:

1. Jim Ross (petroleum sector) (Chair)
2. Karin Ask (petroleum sector)
3. Sim Caluyong *representing* Adichat Surinkum (CCOP)
4. Leesa Carson (Geoscience Australia)
5. Roger Dixon (CRIRSCO)
6. Grigoriy Malukhin *representing* Yuri Podturkin
7. Hari Tulsidas (IAEA)
8. Charlotte Griffiths (UNECE)

Present on 3pm Call:

1. Jim Ross (Chair)
2. Michael Lynch-Bell (Chair Ex-officio)
3. Paul Bankes *representing* Roger Dixon (CRIRSCO)
4. David Elliott (financial reporting sector)
5. Kjell Reidar Knudsen (Norwegian Petroleum Directorate)
6. Rawdon Seager (SPE)
7. Brad van Gosen (USGS)
8. Charlotte Griffiths (UNECE)

Observer

1. Dan Diluzio (SPE)

Apologies:

1. Fatih Birol (IEA)
2. Mucella Ersoy (Turkish Coal Enterprises)
3. David MacDonald (Chair)
4. Yuri Podturkin (Russian Working Group)
5. Tim Smith (SPEE)
6. Adichat Surinkum (CCOP)

Draft Agenda

1. Approval of Draft Agenda
2. Draft Minutes of Bureau Calls of 11 September 2013
3. Proposal on Financial Reporting
4. Possible Future Updates to UNFC-2009
5. Extrabudgetary Funding Strategy
6. Update on Task Force on Application of UNFC-2009 to Renewable Energy Resources
7. Update on Task Force on Application of UNFC-2009 to Recipient Reservoirs
8. EGRC Fifth Session, 29 April–2 May 2014

9. Education and Outreach
10. Self-evaluation of UNFC-2009
11. Any Other Business
12. Timing of Next Meeting

1. As the EGRC Chair was unexpectedly unavailable for both calls, it was agreed that Jim Ross would act as the Chair.

Item 1: Adoption of the Agenda

2. The agenda was adopted without amendment.

Item 2: Draft Minutes of Bureau Calls of 11 September 2013

3. The draft minutes as circulated on 1 October were approved subject to the correction of a spelling error.

Item 3: Proposal on Financial Reporting

4. It was noted that the EGRC Chair and David Elliott are progressing a proposal on this issue, which will be circulated to the Bureau in due course.

Item 4: Possible future updates to UNFC-2009

(i) Future UNFC Updates

5. The issue of possible future updates to UNFC-2009 was raised twice in the report of the fourth EGRC meeting: in the programme of work, and under case studies: “EGRC tasked the Bureau to prepare relevant documentation outlining proposals for modifications to UNFC-2009 and to present this to the EGRC fifth session”.

6. As the specifications are still awaiting the formal approval of the Committee on Sustainable Energy, it was agreed that there should be at least a two-year period of implementation and testing before an update to the UNFC is considered. Hence, the Bureau agreed to propose to the EGRC fifth session that an update should not be considered before 2015. In the meantime, all feedback and needs for change that are proposed should be captured and provided to the Technical Advisory Group (TAG).

(ii) Coordination with CRIRSCO and SPE on Updates

7. In view that CRIRSCO and SPE are providing the specifications for solid minerals and petroleum respectively, the need for coordination on any UNFC updates was discussed. It was agreed that the Bureau needs to be kept informed of any planned changes to either the CRIRSCO Template or PRMS given that both are explicitly referenced in the UNFC specifications (version 6 May 2013). It was noted that the Chair had only become aware of the update to the CRIRSCO Template of May 2013 the previous day. The 2006 version of the CRIRSCO Template is referenced in the UNFC specifications and hence the specifications should ideally be updated to reference the May 2013 version – it was agreed that this issue should be raised for discussion at the EGRC fifth session since such a change must be approved by the EGRC. The Bureau agreed that both CRIRSCO and SPE should

advise all members of the Bureau in writing of any planned changes to either the Template or PRMS.

8. The CRIRSCO representative agreed to provide advance notice of any planned changes to the Template. He advised that CRIRSCO meets once a year and any planned changes to the Template would be known after this meeting. He noted that the changes made to the Template of May 2013 relate to the definitions (in order to standardize them across the national reporting organizations) and the addition of 'reference point'. He also agreed to prepare a document providing a side by side comparison of the Template of 2006 and 2013 which would highlight all wording changes in order to facilitate evaluation by the Bureau. The Bureau needs to be comfortable that the changes do not compromise the alignment with both the UNFC and PRMS, and be in a position to recommend that the EGRC approves the adoption of the new version.

9. The IAEA representative requested clarification as to whether Exploration Targets will be updated in future versions of the CRIRSCO Template to align with the JORC Code. The CRIRSCO representative advised that the Template serves as a guide to anyone wishing to develop a code. Any changes made to one of the aligned codes are reviewed at the CRIRSCO annual meetings and the members then decide if the changes should be incorporated into the Template.

10. The SPE representative indicated that he would similarly provide advance notification of any planned updates to the PRMS. He advised that the OGRC has started to look at an update to PRMS, albeit that a revised version is a number of years away from release.

(iii) Proposal to Number Future Versions of UNFC

11. The Chair noted that a proposal had been received to assign numbers to future versions of the UNFC (using a software type numbering system) as opposed to the current usage of the year of release e.g. UNFC v4.0 as opposed to UNFC-2015. Bureau members were generally in favour of keeping the date and not moving to a numbering system, while some members indicated that they would need to hear the arguments in favour of such a change before accepting the proposal. The SPE representative indicated the need to address the issue of prior versions of the UNFC, notably whether earlier versions are superseded or if they are to be kept active in the event that a country has legislated them. It was noted that the use of a date/year system is in line with the format followed by PRMS and SEC. Another Bureau member advised that it would be useful to indicate on the UNFC that it is the most recent version. It was agreed that this issue would be considered further only if the proposer wished to submit a formal proposal outlining the reasons for moving to a numbering system similar to that used for computer software.

Item 5: Extrabudgetary Funding Strategy

12. Development of an extrabudgetary funding strategy for promotion and capacity building on the UNFC has been discussed a number of times by the Communications Sub-Committee (CSC), however during the most recent discussion it was agreed by the CSC that the issue should preferably be discussed at the Bureau level. It was noted that a Bureau member has previously proposed to draft a proposal for a small task force to address the topic. The note that was circulated to the Bureau on 30 September 2013 on the funding strategy approach taken by PERC was agreed to have been very useful.

13. In view of the growing interest in the UNFC, it was agreed that it would be useful and timely to progress development of a funding strategy for the UNFC and EGRC. In the short-term this would be to provide funding for the TAG and over the longer-term to ensure that there is appropriate backing and support for UNFC development and capacity building.

Item 6: Update on Task Force on Application of UNFC-2009 to Renewable Energy Resources

(i) Revised Terms of Reference for the Task Force

14. The feedback from the Bureau has now been incorporated by the Renewables Task Force and a revised version of the Terms of Reference was circulated to the Bureau on 10 October 2013. A Bureau member advised he would like more clarity that all outputs of the Task Force are to be submitted to the Bureau for review and approval prior to submission to the EGRC. Other than this one point, all members were satisfied with the document. This feedback will be conveyed to the Task Force and a revised version prepared.

(ii) Draft outline document on deliverables and timelines for Committee on Sustainable Energy

15. The Renewables Task Force has prepared a document for the Committee on Sustainable Energy outlining its deliverables and the accompanying timelines. The Bureau approved the document, which will now be submitted to the Committee as a room document at its 22nd Session, 21-22 November 2013, as well as posted to the UNFC web pages on the UNECE website.

(iii) Minutes of the Renewables Task Force Meetings of 30 August and 25 September

16. It was noted that the minutes of the above meetings had been circulated to the Bureau. The IAEA representative expressed concern over some of the wording in the minutes of the 25 September meeting relating to the distinction between specifications and guidelines. This feedback will be conveyed to the Task Force, as well as an offer for the Bureau to provide clarity if needed.

(iv) Update on work of Renewables Task Force

17. The Task Force is now meeting every two weeks, as well as planning a workshop in March 2014 in New York in order to engage with stakeholders in North America who could not attend the workshop held in London last year.

18. The Task Force is making good progress on developing a first draft of the Renewables Specifications document, as well as a standard presentation on application of UNFC to renewable energy resources which will be presented for the first time at the UNFC Workshop in India.

19. The Task Force is now in close contact with the Resources and Reserves Committee of the International Geothermal Association (IGA). The Chair of this Committee delivered a presentation, including slides on UNFC, at the International Renewable Energy Agency (IRENA) Conference, Las Vegas, USA, 29 September. There was significant discussion on UNFC following the presentation. It was noted that the geothermal sector has an active project to establish a global classification system for geothermal resources hence the collaboration and cooperation with the EGRC is timely.

20. The Bureau noted its appreciation for the efforts of the Task Force.

Item 7: Update on Task Force on Application of UNFC-2009 to Recipient Reservoirs

21. The Task Force has prepared a document for the Committee on Sustainable Energy outlining its deliverables and the accompanying timelines. The document was approved by Bureau members with the exception of SPE, who indicated feedback will be provided over the coming days. Following approval by the Bureau, the document will be submitted to the Committee as a room document at its 22nd Session, 21-22 November 2013, as well as posted to the UNFC web pages on the UNECE website.

22. The Chair of the Task Force advised that the meeting of the Task Force held in Paris in September was very productive. The minutes of those discussions will be circulated to the Bureau shortly. The Task Force will next meet on 31 October. The Chair noted that a representative from the British Geological Survey has now joined the Task Force.

23. The IEA representative on the Task Force is due to meet soon with the Global CCS Institute (GCCSI) and will raise the possibility of classifying the projects that they are following using UNFC. GCCSI is currently classifying projects according to their maturity, projects status (Active or Planned) and project stage (Identify, Evaluate, Define, Execute, Operate). These stages coincide almost 100% with how Statoil evaluates project maturity in its Capital Value Process, which is again directly linked to the NPD resource classification system. GCCSI will be invited to undertake a joint mapping project.

24. In order to facilitate the Task Force's research into the potential use of UNFC for classifying injection projects and to better understand how such projects are currently classified and matured, it has developed a survey to seek feedback from stakeholders. The Task Force Chair will circulate the survey to the Bureau for comment prior to finalizing it. The Bureau was also requested to provide feedback on contacts to which the survey could be circulated.

25. The Task Force Chair noted the need to align the draft specifications document for application of the UNFC to injection projects with that being prepared for the application of UNFC to renewable energy resources.

26. The Bureau noted its appreciation for the efforts of the Task Force.

Item 8: EGRC Fifth Session, 29 April - 2 May 2014

(i) List of official documentation for EGRC fifth Session

27. The proposed list of official documentation for the EGRC fifth meeting was circulated with the agenda for the call. It was noted that that whilst no new documents can be added to the proposed list of 14 documents, amendments can be made i.e. changing the ordering of the documents, the name of the documents, or deleting documents. In the event a new document is proposed to replace an existing one there needs to be a mandate to produce such a document e.g. in an EGRC meeting report or requested by the Energy Committee. The list can be amended up until 14 weeks prior to the EGRC meeting starting i.e. 20 January 2014.

28. A minerals case study has been included as one of the documents. A small amount of funding has been secured from the UNECE regular budget, which will be used to hire a consultant to undertake the case study. Following the assistance and advice of the CRIRSCO

representative, Steve Henley (PERC and member of the EGRC CSC) was approached and has agreed to undertake the study and prepare the official document for the fifth session.

29. A document on “Operational Procedures for EGRC” has been included in the event the EGRC is advised to develop its own rules of procedure. This document would be a modified version of the room document circulated at the last EGRC meeting.

30. The deadline for finalization of the documents for translation into French and Russian are: provisional agenda - 3 February 2014 and all other documents - 17 February 2014. It was noted that the Bureau will need to approve all documents at least one week prior to the submission deadlines to allow time for formatting and editing. If needed, documents can be issued in English only in which case the submission date is around 17 March 2014.

31. The Bureau noted the list of documents and proposed that the “CRIRSCO Template 2006 versus 2013 Comparison Document” discussed in paragraph 8 should replace the financial reporting update document, which was not deemed by the Bureau to be needed.

32. One of the financial reporting representatives advised that SPEE Calgary has approved preparation of a COGEH and UNFC bridging document. The Bureau agreed that this bridging document should be issued as an official document for the EGRC fifth session provided that it has satisfactorily completed the review process in time.

33. The representative of NPD advised that NPD intends to prepare a bridging document between its classification system and the UNFC, with a view to having a draft ready to present to the EGRC fifth session. He further advised that in February 2014, NPD also plans to work out the Norwegian Resource Account figures, as at 31 December 2013, in a UNFC-form using the PRMS bridging document.

(ii) Proposals for items for provisional agenda for EGRC fifth session

34. The Bureau needs to agree on what items are to be included on the provisional agenda for the EGRC fifth session. Following discussion of potential items for inclusion, it was agreed that a list of items would be prepared and circulated to the Bureau for comment.

Item 9: Education and outreach

(i) Revised CSC Mandate

35. A revised mandate for the Communications Sub-Committee was circulated to the Bureau with the draft agenda for the call – the revisions were made to reflect the feedback provided at the EGRC fourth session. The CRIRSCO representative indicated that one of his members had provided feedback on the mandate which he would circulate. The Bureau agreed that to be in line with the other working groups of the EGRC, the CSC should expand the mandate into a Terms of Reference and submit to the Bureau for review.

(ii) General Update & List of Events

36. The final minutes of the CSC call held on 2 July were circulated to the Bureau. The CSC most recently met on 27 September.

37. The Bureau received a revised list of events as at 7 October at which UNFC has or will be presented in 2013 and 2014. Despite a number of events being postponed to 2014, UNFC will still be presented at well over 35 events in 2013. Advice has been received from the

State Commission of Ukraine on Mineral Resources that the workshop on “National and International Classifications of Subsoil Resources, State and Prospects of Usage” scheduled to be held in Kiev, 26–29 November will be postponed until 2014. This is due to reorganization of the geological industry in Ukraine.

38. The Chair of the Specifications Task Force has agreed to assist the Communications Sub-Committee to prepare a number of standard presentations on UNFC (varying in length and technical detail). This is to ensure that a consistent message is presented globally on the UNFC and also to ease the burden on those who agree to deliver presentations. The intent is to present final draft versions of the presentations to the EGRC for comment/approval at the fifth session. The Bureau will be requested to review and approve the draft presentations prior to submission to the EGRC.

Item 10: Self Evaluation of UNFC-2009

39. A self-evaluation is needed of UNFC-2009 to assess the efficiency, effectiveness, relevance and impact of the work undertaken by the Expert Group. A questionnaire and/or survey will be developed to seek feedback from UNECE member States. Two Bureau members volunteered to assist with the preparation of the questionnaire/survey. The self-evaluation needs to preferably be conducted before year-end or at latest in early January 2014.

Item 11: Any other business

(i) COGEH Guidelines and Bridging Document

40. As indicated in paragraph 32, a COGEH and UNFC bridging document will be prepared. David Elliot provided an update on the ‘COGEH Guidelines for Estimation and Classification of Reserves other Resources’ currently being drafted. The authors are now in the final stages of putting together a draft suitable for submission to the SPEE membership for comment. Several Bureau members expressed an interest in receiving a copy of the latest draft of the guidelines for their review and comment, and David Elliott agreed to discuss this possibility with the SPEE Calgary section.

(ii) NPD Bridging Document

41. As indicated in paragraph 33, the NPD intends to prepare a bridging document between its classification system and the UNFC.

(iii) SPE Update

42. Following the SPE OGRC meeting in New Orleans earlier this month, the SPE representative updated the Bureau on a number of issues. John Etherington has been nominated as SPE’s representative on the TAG. John’s participation will be limited to e-mail and conference calls unless sponsorship is provided to cover his travel. With regard to the EGRC having Observer Status on the OGRC, this issue has been deferred by the OGRC to a future meeting on the basis that in its view nothing has changed that would merit the issue being considered at this time. Written confirmation will be provided that Dan Diluzio is the new SPE representative on the Bureau and Rawdon Seager the alternate representative.

(iv) TAG Membership

43. The Bureau was advised that Hari Tulsidas has been nominated by IAEA as its representative on the TAG.

Item 12: Timing of next meeting

44. The next Bureau calls will be held during the first half December. The usual availability notice will be circulated.
