



Society of Petroleum Engineers

Oil and Gas Reserves Committee Governance Document

Initial Approval September 2007

Revised June 2015

1. RATIONALE, PURPOSE AND OBJECTIVES

Rationale

The appropriate recognition of reserves and resources is fundamental to the health of the oil and gas industry. Embedded within this recognition is the need to have in place a reliable stewardship body, not only to help foster the development and maintenance of a sound definition and classification system, but also to act as the conduit for the dissemination of information pertinent to that role. The Society of Petroleum Engineers (SPE), as an independent professional organization with its own Code of Conduct (Attachment 1), has long been recognized as the leading organization in respect to taking on such a role. Within the SPE, the OGRC has been charged with oversight responsibilities for handling issues related to reserves and resources. The nature of that responsibility demands that a governance model is in place to assure that the objectives of the committee are being achieved.

Purpose and Objectives

The purpose of the Governance Model is to provide the level of confidence described above, which meets the expectations and requirements of all key stakeholders. Additionally, the model must be evergreen in nature, recognizing the need to adapt to an ever-changing industry landscape while fulfilling the needs of the SPE membership. The objectives of the model are to:

- Define OGRC membership makeup and qualifications
- Clearly articulate committee roles and responsibilities
- Set expectations for meeting venue and logistics
- Tie to other SPE processes or groups as appropriate. Such processes or groups include, but may not be limited to:
 - SPE Board meetings
 - Other standing committees
 - Ad hoc leadership requests
- Define relationships with other groups and/or processes
- Provide guidelines on the production and review of reserves-related publications
- Outline the manner in which communication of OGRC activities will be handled
- Provide independence and prevent conflict of interests

This document was developed by a subcommittee of the OGRC and approved by the OGRC and the SPE Board of Directors.

2. OGRC MEMBERSHIP

Members

The OGRC is made up of 12 to 16 members. Members serve three-year terms and the Chairman serves a two-year term, followed by another two-year term as a member to ensure continuity in leadership. Members are selected by the SPE President and are appointed on a rotating basis such that one-third of the members are replaced during the course of a normal year. The President-Elect may consult with the existing OGRC Chair or other committee members for the nomination of potential candidates for the committee. Members serve at the pleasure of the SPE President. The charge for the OGRC can be changed by the Board, including the composition of the committee. In certain instances, members are asked by the President-Elect to extend their term to fill critical functions or complete ongoing activities. Except as noted above, members cannot be appointed for consecutive terms. The membership pool includes SPE members who are degreed engineers and geoscientists with at least 10 years' experience in reserves and resources estimation, who are generally perceived in the industry to be subject matter experts. Committee members are selected from large and small private and public producers, consultants, educators, regulators, and other appropriate organizations. Every effort is made to achieve a balanced, global representation across the industry, reflecting where possible the nature of overall SPE membership. A list of OGRC members is posted on the SPE website.

Observers

Additionally, SPE may ask organizations to provide OGRC observers. These observers serve as liaisons between the OGRC and the respective organization on reserve and resource matters. Observers are typically highly experienced members of similar technical societies such as the American Association of Petroleum Geologists (AAPG), the Society of Exploration Geophysicists (SEG), the Society of Petroleum Evaluation Engineers (SPEE), the World Petroleum Council (WPC), and other international professional societies or governmental, regulatory and reporting bodies such as the United States Energy Information Agency (EIA), with the authority to represent the organization. Appointments and terms of OGRC observers are dictated by the appointing organization. Requests to add a specific organization as an observer group can be proposed by the OGRC through requests to the SPE Board by the OGRC Chair. Care should be taken to maintain a relevant observer group, but not so large as to be cumbersome to any OGRC functions. The entire committee should be maintained at an efficient level – common sense should prevail.

SPE Staff for the OGRC

An SPE Manager or above serves as the primary staff person to the OGRC. The staff person works with the committee Chair to help ensure progress on committee activities. The staff person:

- Advises the committee on appropriate handling of SPE processes and procedures
- Presents committee reports and recommendations to the Board in the absence of the Committee Chair
- Serves as a resource to research past activities of the committee
- Assists in recording meeting minutes and scheduling meeting venues

3. COMMITTEE ROLES AND RESPONSIBILITIES

Role

The role of the OGRC is to fulfill the needs of the SPE Board relative to petroleum reserve and resource matters. The SPE Board frequently directs the activities of the OGRC to assure alignment with the goals and objectives of the society through interaction with both the Chair and the SPE staff.

The committee is charged with:

- Having responsibility for programs dealing with oil and gas reserve and resource matters, including reserve and resource definitions, terms, recommended practices, and standards
- Disseminating reserves and resources information to other organizations, agencies, and companies involved in reserves matters, including cooperation with other committees and organizations in development and delivery of relevant training courses
- 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 and provide reports to the SPE Board on these matters
- Providing periodic reports to the SPE Board on oil and gas reserves and resources issues, including recommendations for revisions to SPE's reserves and resources definitions

Participation

Serving on the OGRC is an honor that requires commitment of both time and resources by committee members. Members are expected to actively engage in committee functions, including meetings, educational and presentation opportunities, and other functions performed to achieve the goals of the committee. Depending on circumstances surrounding absences, members who cannot actively participate in at least one regular meeting per year may be asked by the OGRC Chair to relinquish their seat on the committee. Such action would allow for further discussion with, or appeal to, the SPE President by the affected member. Members should also generally be available for discussion of reserve matters with other committee members, SPE personnel or industry representatives outside of normally scheduled meetings as may be necessary. Members may designate a replacement representative in their absence. Guest attendees may be invited as is pertinent to meeting discussion, and in general the meetings are open to any SPE member upon their request to attend.

Leadership

The OGRC is led by a Chair that is selected by the President-Elect from the committee membership (current or previous) for a 2-year term. This person has historically been someone entering their third year of committee service, but this is subject to overall SPE/OGRC needs. It is the responsibility of the Chair, with input from the SPE staff person, to create meeting agendas, organize and conduct meetings, appoint subcommittees as necessary, and generally direct the activities of the committee. The Chair remains on the committee for 2 years following his/her term to ensure continuity with the incoming Chair.

Subcommittees

The Chair may appoint subcommittees as necessary to effectively accomplish the objectives of the committee. The subcommittee may be of any size, but is generally between 3 to 5 members. A subcommittee Chair will be appointed by the OGRC Chair. Active participation in subcommittees is another expectation of committee members.

The OGRC includes one standing subcommittee, the Reserves Education Subcommittee (RES). The RES is comprised of 3 to 6 OGRC members, depending on activity level. The RES has as its prime directive the design and creation of educational vehicles, programs and initiatives in support of the dissemination and application of the SPE Petroleum Resources Management System (PRMS).

Decision Making

Activities of the committee are dictated by the will of the committee. In general, a quorum of members, defined as a simple majority, will decide the position of the committee. The Chair may choose to poll the committee outside of a meeting format to determine the will of the committee to facilitate fulfillment of the committee's functions. Decisions on critical issues, such as the approval of new OGRC-sanctioned SPE publications, are made by a vote of the OGRC membership, a simple majority prevailing.

Informing the Public

Informing the public of the activities and functions of the OGRC should be the responsibility of either the SPE proper, through the official website or other SPE publications, or in cooperation with the SPE's Reserves Education Committee (REC). The OGRC should act as an advisory group in this regard.

4. MEETING VENUE AND LOGISTICS

Meeting Expectations

Face-to-face meetings will be held semi-annually. One such meeting shall be held in conjunction with the SPE Annual Technical Conference and Exhibition (ATCE), at the same location as that meeting, unless an alternative time and location is agreed by the committee. A meeting will also be held in the first half of the calendar year, the ATCE historically being held in the September-to-November timeframe. While it may be most appropriate to align with other SPE-sponsored events, such meetings will be scheduled to best suits the needs of the committee.

A call for a meeting shall be made no later than one month in advance, by either the Chair or the SPE staff person. Reasonable effort will be made to ensure that the meeting does not conflict with other events that will reduce member attendance. The draft agenda shall be distributed no later than one month prior to the meeting, requesting OGRC member comment, and the final agenda distributed no later than two weeks prior to the meeting. The Chair of the OGRC and the staff person will be responsible for the organization of venue, which may be international in location. If a quorum (simple majority) of members is not available for a meeting, then the meeting should be postponed until such a level can be reached, though a quorum may be attained by participation via telephone by members not able to attend in person.

Additional meetings via teleconference may also be held as special circumstances dictate. The SPE staff will assist in setting these up in certain instances.

Minutes for regularly scheduled meetings will be recorded by the SPE staff person, and distributed for member comment by 2 weeks following the meeting. Comments should be received and final minutes issued by 4 weeks following the meeting.

Action items shall be developed based on meeting results and agreed upon by the full committee prior to meeting close. Meeting presentations and reports should be forwarded to all meeting attendees within one week of the meeting date.

5. RELATIONSHIP TO OTHER GROUPS AND/OR PROCESSES

Reasoning

Relationships should be sought with any independent professional body that can add value to the OGRC Charter. The development and maintenance of working relationships with certain external bodies are fundamental and key to the accomplishment of the OGRC's mission to produce and disseminate a sound definition and classification system of reserves and resources.

Definition of Relationships

The definitions and "rules" of these relationships should be limited to this document without the need for specific charters between organizations.

Descriptions of Relationships

Strong working relationships with certain organizations are viewed as very critical to the success of the OGRC's Charter. Among those organizations are certain professional societies whose members are in key user groups of the Petroleum Resources Management System (PRMS), namely WPC, AAPG, SEG and SPEE. An active observer status should be encouraged for these groups with every effort made toward maintaining their sponsorship status in various OGRC primary publications.

Relationships with other external bodies are very important for multifaceted perspective and input into the development and maintenance of the various primary OGRC publications, but their lack of sponsorship does not affect the validity or importance of those publications.

Accounting (and economics) functions are critical to reserve classification, and working relationships should be sought and fostered with organizations such as the International Accounting Standards Board (IASB).

The following represents a list of activities or groups, both SPE internal and external for which specific relationships have evolved. The OGRC Chair is charged with ensuring these relationships are fostered as necessary to meet committee obligations.

Relationships Within SPE

SPE Board

The OGRC is expected to prepare a brief summary of activity for presentation at scheduled Board meetings at least once a year. This summary will reflect major activities that have occurred since previous reports. The presentation is usually prepared for the Board Committee to which the OGRC reports, which meets during the same time frame as the full Board. A further summary is made by the Board Committee Chair to the full SPE Board at the regular Board meeting. Generally, the SPE staff person will make the presentation, but depending on the relative importance of a specific issue, the OGRC Chair may be called upon to make this presentation. The SPE staff person will act as the focal point for dissemination of information relative to Board requirements, through contact with the OGRC Chair. An organization chart is included as Attachment 3 to illustrate the overall relationship of the OGRC within the SPE hierarchy.

Joint Committee on Reserves Evaluator Training (JCORET)

JCORET is a not-for-profit committee created in July 2006 through the cooperation of four founding sponsors – SPE, WPC, AAPG, SEG and SPEE. The purpose of the committee is to cooperate in developing and delivering training courses to petroleum reserves evaluators worldwide. For further information, see the JCORET Bylaws. SPE has a specific number of representatives on the JCORET. The OGRC Chair has an advisory role to the committee, but is not a direct representative. The SPE representatives on the committee ensure that the OGRC is kept apprised of JCORET activity.

Petrowiki Moderation

A two-member subcommittee should be established to moderate reserves and resources areas of Petrowiki. Moderation includes reviewing any additions submitted to reserves and resources content in Petrowiki and declining or approving the submission. It also includes making revisions to Petrowiki content to reflect revisions in OGRC documents or to address technology changes.

Other SPE Committees/Subcommittees

The OGRC may from time to time be requested to supply representatives to participate on other SPE committees or joint subcommittees. Members will be solicited to volunteer to participate, and, the OGRC will make reasonable efforts to provide participants with the means to meet such requests on membership commitments.

Relationships to External Bodies

For-Profit Organizations

Formal relationships with commercial bodies that are basically business organizations must be carefully considered due to the structure, independent status and mission of the SPE and OGRC. Such relationships should be avoided and should be managed at the SPE organizational level as deemed necessary.

Lobby Organizations

Relationships with industry organizations that are involved in lobbying could be problematical for the OGRC and SPE due to their legal status. If at all, relationships with these types of organizations should be kept at arms-length, and any such relationships should be maintained at the SPE organizational level.

Regulatory Bodies

Relationships with worldwide regulatory bodies are viewed as appropriate when the relationship is based on the exchange of technical knowledge, consistent with SPE's mission, especially considering the implications of the PRMS on both the operating industry (and the organizations representing that industry) and the regulatory bodies to which the industry reports. It would be further appropriate, if possible, to foster a formal relationship (and observer status on OGRC) with the International Organization of Security Commissions (IOSCO) which has representation from 110 separate regulatory bodies, including the SEC, CSA, ASC, and UK FSA.

United Nations Economic Council of Europe (UNECE)

Due to the worldwide scope of the UNECE's work with the Expert Group on Resource Classification (EGRC) and the development of the United Nations Framework Classification (UNFC) system, and in consideration of the Memorandum of Understanding (MOU) signed between the UNECE and SPE, the OGRC should maintain a formal relationship with the UNECE and a presence with the EGRC, in so far as attempting to ensure that the UNFC encompasses the PRMS and application of the MOU terms. The Chair of the OGRC should occupy the position on the Extended Bureau of the EGRC allotted for SPE. The Extended Bureau is essentially the Executive Committee of the EGRC. For further information on the EGRC and its activities, see the UNECE website. The OGRC Chair is responsible for reporting back to the full committee on EGRC activity. One to two meetings of the EGRC are called each year, with the annual meeting usually scheduled in April/May in Geneva, Switzerland. The OGRC Chair or nominated representative is expected to attend, as is reasonable based on existing obligations.

Committee for Mineral Reserves International Reporting Standards (CRIRSCO)

The working relationship between the OGRC and CRIRSCO should be maintained due to the relationship of reserves and accounting issues inherent in both the petroleum and mining industries. This inter-relationship is especially valuable considering further interaction with evolving international standards for the extractive industries as being developed by such organizations as IASB, IOSCO, and UNECE.

International Accounting Standards Board (IASB)

SPE (through the OGRC) and CRIRSCO have committed to jointly provide technical advice on reserves and resources classification and definition issues to the IASB in support of developing International Financial Reporting Standards applicable to extractive industries (petroleum and minerals). Moreover, OGRC and CRIRSCO have committed to evaluating the potential to more closely align language and classification structures or alternatively to supply a mapping between the petroleum and mineral systems appropriate for reference by accounting professionals in developing their standards.

6. PROVIDE GUIDELINES ON THE PRODUCTION AND REVIEW OF RESERVES-RELATED PUBLICATIONS

The OGRC is the custodian of a set of definitions, standards and guidelines referred to as the "Technical Publications." The documents which make up the Technical Publications may vary from time to time and currently comprise the following:

- The SPE/WPC/AAPG/SPEE *Petroleum Resources Management System*, approved by the SPE Board in March 2007 ("PRMS"). The PRMS was developed in collaboration with the WPC, AAPG and SPEE and has been endorsed by their respective boards, along with the Board of SEG.
- *Guidelines for Application of the Petroleum Resources Management System*, approved by the Board of the SPE in October 2012 (henceforth called "the Guidelines"). The Guidelines were developed in collaboration with the AAPG, SEG, SPEE and WPC and have been endorsed by their respective boards. This document is a valuable source of information regarding the application of reserves and resources estimating principles.
- Standards Pertaining to the Estimation and Auditing of Oil and Gas Reserves Information, approved by the SPE Board in March 2007 ("Auditing Standards").
- Comparison of Selected Reserves and Resources Classifications and Associated Definitions, Final Report and Appendix A, SPE OGRC December 2005 (Mapping Report).

In the future, Technical Publications may also include Implementation Guidelines, Examples, Supplementary Practice Notes and Bulletins which may be issued from time to time to support the Technical Standards.

In line with its function, the OGRC is required to recommend revisions to the Technical Publications and may also periodically produce explanatory notes, bulletins, presentation material, or other documents which may be used to promote, communicate or clarify the Technical Publications.

The OGRC will create a designated subcommittee responsible for the review and production of the Technical Publications when needed.

Timetable for Periodic Review of the Technical Publications

The OGRC will ensure that the Technical Publications are kept current and represent industry recommended practices where practical. The frequency of their revision will need to balance their efficacy, the need for stakeholders to have stability in their application and the degree of effort required to update and communicate changes. The situation must be avoided where continual updates to the Technical Publications results in too frequent restating or re-classifying of reserves. The definitions included in the PRMS, in particular, represent a set of values or principles that should not be readily changed.

The judgment of the OGRC for issuing revisions to the Technical Publications should consider changes in technology and industry practice in the intervening period and the overall benefit of the stakeholders. The following guidelines for the frequency of reviews are recommended:

- Annual internal OGRC reviews of the Technical Publications and issuing of bulletins or supplementary practice notes when deemed necessary. The annual review will include a recommendation on when a formal revision to the Technical Publications is anticipated to be required
- Formal revisions of the Technical Publications by a designated subcommittee every 5 to 7 years unless special circumstance arises.

Review and Publication Process

Stakeholders who have an interest in the Technical Publications include, but may not be limited to, the following:

- Oil and gas industry companies and service providers
- Oil and gas industry professionals
- Governments and non-government organizations
- Financial institutions
- Stock exchanges and regulatory agencies
- Professional organizations, including the sponsoring bodies of the Technical Publications who have observer status on the OGRC
- Representative industry organizations

For the Technical Publications to meet their objectives, it is important that the review process is as inclusive as possible and that stakeholders are consulted when necessary. The designated OGRC subcommittee will maintain a current list of stakeholders to be directly consulted when changes to the Technical Publications are proposed. Formal revisions of the Technical Publications will include a public consultation period of typically 3 to 4 months duration and will require approval by the SPE Board and provide the opportunity for endorsement by other sponsoring bodies.

SPE Board approval is generally sought during the course of regularly-scheduled Board meetings held three times annually. In the case of Technical Publications, approval is sought through the Board Committee to which the OGRC reports. Final versions of committee-approved documents are generally sent to the Board Committee three to four weeks ahead of the Board meeting to allow time for appropriate review. In any case, overall review and approval processes may vary depending on the specific document, and the SPE staff person should in all cases be consulted as to the proper approval protocol, which may be subject to periodic change. In the course of Board Committee review, Board Committee members critically review the proposed document, providing their comments and suggested revisions. Only when all final comments are adequately addressed will the Board Committee approve, by majority vote, the proposed document, and pass through for final full Board approval.

Supplementary Practice Notes or Bulletins as approved by the OGRC, will not require full Board approval and will be issued with the caveat that they represent the consensus opinion of the OGRC and have not been approved by the Board or endorsed by other sponsoring bodies.

The OGRC will maintain a set of standard presentation and publication material for use by OGRC members. OGRC members may amend this material as considered appropriate for their audience, using their best judgment, and are free to offer their personal opinions provided they are declared as such. Material sourced from the OGRC should be clearly acknowledged. If the changes materially alter the conclusions of the OGRC material, prior approval should be sought from the OGRC Chair.

Papers, presentation materials and publications prepared by OGRC members on behalf of the OGRC should be approved by the OGRC Chair before dissemination. The Chair should call on other OGRC members to assist in review of such publications as appropriate. In all cases, commercial brand names and logos shall not be used, consistent with the SPE's policy and general guidelines to authors.

The OGRC, also will maintain a catalog for future use of presentations, articles, papers and publications made by OGRC members on behalf of the OGRC. This material should be provided to the catalog as presented, along with details of the presenter and the event.

From time to time, the OGRC may be requested to review or endorse reserves-related publications generated by others outside of SPE. Such requests should be considered on a case-by-case basis with the overriding concern that it is in the interests of the stakeholders and within the mission of the OGRC. Any such endorsement must be approved by both the OGRC and the SPE Board.

Requests for peer review of reserves-related papers and publications should be handled by individual members of the OGRC in their personal professional capacity at their own discretion.

OGRC members, as part of their role, may be requested to communicate to stakeholders via conferences, workshops, seminars and the media. Reasonable efforts should be made to support these requests, based on the specific situation. It is appropriate to liaise with SPE International to discuss potential attendance.

7. COMMUNICATION

Due to the often critical nature of the activities undertaken by the OGRC, and the potential industry impact, development of communication plans with membership, sister organizations and the external community as a whole becomes very important. There are several vehicles that are, or potentially can be, utilized:

SPE Website

To encourage communication within the industry regarding the activities and mission of the OGRC and to promote transparency, the industry should be aware of the OGRC's complete membership. The names of all members and observers should be posted on the SPE website. Additionally, as may be acceptable by observer groups, a minimum of observers' names and OGRC roles should be published on observers' organization websites. Additional pertinent OGRC information may be posted to the observers' organization's website if acceptable to both organizations.

Journal of Petroleum Technology (JPT)

The names of all members and observers should be published annually in *JPT*. Additionally, at least one OGRC update should be published annually on significant committee activities, assuming different, significant activities have occurred from year to year. The length of the article should be limited and detail left to links to websites where detail is published. The OGRC Chair shall be responsible for coordinating *JPT*-related activities.

8. INDEPENDENCE AND CONFLICT OF INTEREST

SPE, the OGRC representing a standing committee therein, is an independent organization that exists to serve the benefit of its members, the oil and gas industry and its stakeholders. To maintain its credibility as a professional organization, the OGRC and its members when representing the OGRC, must avoid situations which create either actual or perceived conflicts of interest over its independence. Such situations may arise if OGRC members are placed in a position of representing or providing favor to vested interests or providing an opinion on individual cases.

The OGRC is a body which the stakeholders will rely upon for setting technical standards. Because of the often interpretive nature of classification and categorization of oil and gas reserves, from time to time, the OGRC and its members when representing the OGRC may be requested to provide opinions. To preserve its independence, the OGRC will not opine on individual cases. OGRC members are of course free to provide opinion on individual cases, provided it is represented as a personal or professional opinion and not that of the OGRC.

The OGRC will not review or comment on specific applications of the PRMS. However, the OGRC will respond to requests for technical interpretations of the PRMS when the issues raised have to do with an interpretation of the

meaning of language in the standard. Requests for technical interpretations will be referred to the OGRC Chair. Such interpretations will be reviewed by the committee before being issued by SPE.

OGRC members and prospective members should read and understand the SPE's Guide to Professional Conduct and related policies. If any OGRC member feels that they are not able to meet the professional conduct guidelines, they should decline to serve on the OGRC. Additionally, OGRC members must comply with SPE's Conflict of Interest Policy (Attachment 4). New members will be asked to sign a form indicating they have read the policy and will abide by it.

Attachment 1

SPE Code of Conduct

SPE Professionals are to exhibit the highest standards of competency, honesty, integrity, and impartiality; and are fair and equitable; and accept a personal responsibility for adherence to applicable laws, the protection of the environment, and safeguarding the public welfare in their professional actions and behavior. These principles govern professional conduct in serving the interests of the public, clients, employers, colleagues, and the profession.

SPE Professionals:

1. Offer services in the areas of their competence and experience affording full disclosure of their qualifications.
2. Consider the consequences of their work and societal issues pertinent to it and seek to extend public understanding of those relationships.
3. Are honest, truthful, ethical, and fair in presenting information and in making public statements reflecting on colleagues professional matters and their professional role, whether verbal or through printed or electronic media.
4. Engage in professional relationships without bias or prejudice based on race, religion, gender, age, ethnicity, national origin, sexual orientation, marital status, socioeconomic status, political affiliation, or disability.
5. Act in professional matters for each employer or client as faithful agents or trustees by not disclosing without consent, or taking improper advantage of, anything of a proprietary or confidential nature concerning the business affairs or technical processes of any present or former client or employer.
6. Disclose to affected parties known or potential conflicts of interest or other circumstances which might influence-or appear to influence-judgment or impair the fairness or quality of their performance.
7. Are responsible for enhancing their professional competence throughout their careers, for promoting others to advance their learning and competence, and not falsely obtaining competency credentials through misrepresentation of experience or misconduct.
8. Accept responsibility for their actions; seek and acknowledge criticism of their work; offer honest and constructive criticism of the work of others; properly credit the contributions of others; and do not accept credit for work that is not their own work.
9. When perceiving a consequence of their professional duties to adversely affect the present or future public health and safety shall formally advise their employers or clients, and subordinates and, if warranted, consider further disclosure to appropriate parties.
10. Seek to adopt technical and economic measures to render potentially adverse impacts to environment or the health, safety, and security of the public as low as reasonably practicable.

11. Act in accordance with all applicable laws and the canons of ethics as applicable to the practice of engineering as stated in the laws and regulations governing the practice of engineering in their country, territory, or state, and lend support to others who strive to do likewise.
12. Do not engage to offer or accept bribes or facilitate payments, either directly or indirectly, not only in compliance with anti-bribery laws but also in maintenance of high professional and ethical standards.
 - *Approved by the Board of Directors February 25, 1985*
 - *Revised by the Board of Directors September 26, 2004*
 - *Revised by the Board of Directors September 19, 2010*
 - *Revised by the Board of Directors September 29, 2013*

Violation of the SPE Code of Conduct may result in non-compliance filed with the SPE Conduct Review Committee, and the Committee can recommend actions that may include no penalty, to give a warning, to suspend the member's SPE membership for a set period, or to permanently expel the member from SPE membership.

Non-compliance filing can be initiated by contacting president@spe.org.

Attachment 2

SOCIETY OF PETROLEUM ENGINEERS, INC.

OIL AND GAS RESERVES COMMITTEE

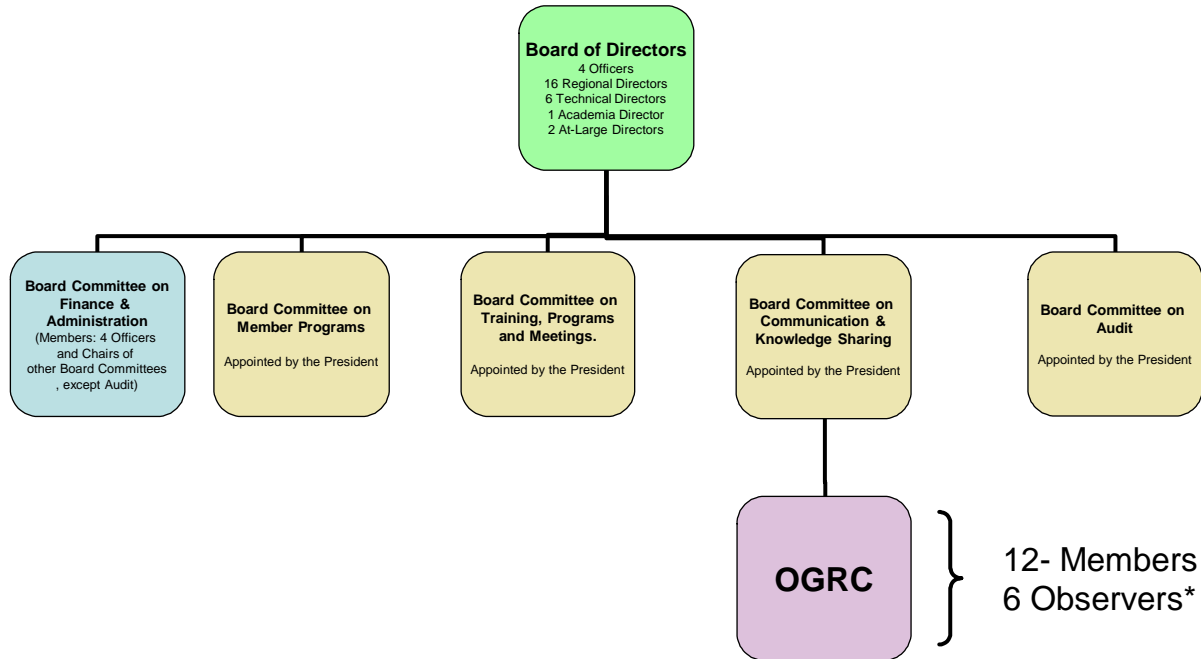
STRUCTURE: The committee is composed of nine members, with three members appointed each year by the President-Elect for three-year terms. Worldwide representation should be included in committee appointments. The chairman is appointed by the President-elect, usually from those persons serving the final year on the committee.

FUNCTION: The committee is charged with:

1. Responsibility for programs dealing with oil and gas reserve matters, including reserve definitions and standards;
2. Disseminating reserve information to other organizations, agencies, and companies involved in reserve matters;
3. Liaising with other organizations in efforts to achieve worldwide use of standard reserve definitions;
4. Monitoring of activities of other organizations in the reserve definition area and provide reports to the SPE Board on these matters; and
5. Providing periodic reports to the SPE Board on oil and gas reserves issues including recommendations for revisions to SPE's reserve definitions.

Attachment 3

OGRC in the SPE Hierarchy



*As of 25 June 2015

Attachment 4

Society of Petroleum Engineers (SPE)

Conflict of Interest Policy

Members of the Society of Petroleum Engineers (SPE) expect high standards of integrity of themselves and of other members. SPE members should not participate in any Board or Committee decision for which they may be unable to maintain professional objectivity because of a personal situation, employment, or other conflicts of interest.

A **conflict of interest** is a situation in which someone in a position of trust (such as a member of the SPE Board or a Committee)¹ has a direct or indirect interest in an entity and that entity enters into a transaction with SPE. Direct or indirect interest includes any legal, equitable, or fiduciary interest or position in an entity held by a member of the Board or of any Committee, or a member of that person's family². Such competing interests can make it difficult for the Board or Committee member to fulfill his or her duties impartially. Even if there is no evidence of improper actions, a conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that person to act properly in his/her position.

More generally, conflict of interest can be defined as any situation in which an individual or corporation is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. The term conflict of interest is interpreted broadly to describe any circumstance that could cast doubt on an SPE Board or Committee member's ability to act with total objectivity with regard to SPE's interest.

Having a conflict of interest is not, in and of itself, evidence of wrongdoing. In fact, for many professionals, it is virtually impossible to avoid having conflicts of interest from time to time. A conflict of interest can, however, become problematic *if* an individual tries (and/or succeeds in) influencing the outcome of a decision, for personal benefit.

Someone accused of a conflict of interest may deny that a conflict exists because he/she did not act improperly. In fact, a conflict of interest does exist even if there are no improper acts as a result of it. (One way to understand this is to use the term "conflict of roles." A person with two roles, for example, may experience situations where those two roles conflict. The conflict can be mitigated, but it still exists. In and of itself, having two roles is not illegal, but the differing roles will certainly provide an incentive for improper acts in some circumstances.)

Those with a conflict of interest are (ethically) expected to **recuse** themselves from (i.e., abstain from) decisions where such a conflict exists. For example, if SPE is considering hiring a consulting firm for some task, and one firm being considered has, as a partner, a close relative of one of the SPE Board members, then that board member should not vote on which firm is to be selected. In fact, to minimize any conflict, the Board member should not participate in any way in the decision, including discussions.

In situations where a conflict of interest exists, the member of the Board or of any Committee having the conflict of interest in any matter should not be counted in determining the quorum of the meeting. No such member of the Board or a Committee should be present when the matter is being discussed or voted on. No such member should use personal influence to determine a decision on the matter.

The minutes of the meeting should reflect that the disclosure was made, that the Board or Committee member abstained and was not present during the discussion and vote, and that a quorum existed not counting such

¹ SPE employees are not covered by this Policy, because they are subject to similar rules set forth in SPE's Employee Handbook.

² Family member is interpreted to include a person's spouse, brothers, sisters, children, grandchildren, great-grandchildren, mother, father, mothers- and fathers-in-law, the spouses of brothers, sisters, children, grandchildren and great-grandchildren and anyone (other than domestic employees) who shares the person's home.

member. Such Board or Committee member, if requested by other members, may state a position on the matter, or answer pertinent questions of the other Board or Committee members.

Conflicts of interest also may arise when an SPE Board or Committee member, or a member of his or her family, receives improper personal benefits as a result of his or her position with SPE, whether received from SPE or a third party. Acceptance of gifts, entertainment, or other personal favors from any party that does or seeks to do business with SPE, including but not limited to vendors, may present an undesirable appearance of impropriety or may be inappropriate under specific circumstances. Exceptions are made for ordinary and customary tokens of nominal value, participation in a business lunch or other meal paid for by another party on an appropriate occasion and under appropriate circumstances, modest gifts in recognition or appreciation for speeches or presentations that are consistent with SPE's objectives, or inclusion in entertainment for a group of persons where the presence of SPE Board or Committee member is clearly appropriate and consistent with SPE's objectives. If in doubt about any such matter, an SPE Board or Committee member should seek the advice of the chairperson of the SPE activity in question.

SPE Board and Committee members also are obligated to keep secret and retain in strictest confidence, and not use for their personal benefit, all confidential SPE matters, including, without limitation, member lists, details of contracts, investment plans, and other SPE business affairs.

The chairperson of any SPE activity should make all members aware of the SPE Conflict of Interest policy. Any chairperson having questions about or desiring to discuss or seek further interpretation of this policy should contact the SPE President or the SPE Executive Director. An SPE chairperson, upon sensing or being advised of a possible conflict of interest, should not proceed with deliberation on an issue until there has been an opportunity to resolve possible conflicts of interest on the part of participating members in any activity.

This policy covers all SPE programs and activities, including those of SPE sections and student chapters. All references to members apply to members of SPE and its respective corporate entities.

Any conflict of interest on the part of any member of the SPE Board should be disclosed and made a matter of record at the time of election to the Board and maintained through an annual procedure and at the time the interest becomes a matter of Board action. If a Board member is unsure whether an interest in an entity is a conflict of interest, disclosure is recommended. The conflict of interest statement that follows should be completed by Board members on an annual basis.

Society of Petroleum Engineers (SPE)
Conflict of Interest Statement

This is to certify that the undersigned, a member of the Board of Directors, committee member and/or officer of Society of Petroleum Engineers (SPE) hereby attests:

1. I have reviewed and understand SPE’s Conflict of Interest Policy.
2. Set forth below (or an attachment hereto, if necessary) is a list of all interests and relationships involving me or members of my family as of the date hereof that may cause me to be biased or otherwise partial in any matter or transaction involving SPE (if none, please so indicate):

<u>Entity</u>	<u>Nature and Percentage of Ownership Interest*</u>	<u>Basis for Possible Conflict</u>

3. Within the last twelve (12) months of the date set forth below, neither I nor, to the best of my knowledge, any member of my family has any interest in or has taken any action which would contravene SPE’s Conflict of Interest Policy, except such interest or action as I have fully disclosed below (if none, please so indicate):

Name: _____ (Please Print)

Signature: _____

Date: _____

* In the case of a charitable or other nonprofit organization, please indicate positions and titles.