



SPE Approves New Petroleum Resources Management System

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RICHARDSON, Texas (10 April 2007) -- A new Petroleum Resources Management System has been approved by the Society of Petroleum Engineers (SPE) Board of Directors, which culminates two years of intense collaboration by SPE, the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE). The system also was approved by the boards of the other societies following a significant industry review and comment period.

Coordinated by the SPE Oil and Gas Reserves Committee (OGRC), the new Petroleum Resources Management System consolidates, builds on, and replaces guidance previously contained in the 1997 SPE/WPC Petroleum Reserves Definitions, the 2000 SPE/WPC/AAPG Petroleum Resources Classification and Definitions publications, and the 2001 SPE/WPC/SPEE Guidelines for the Evaluation of Petroleum Reserves and Resources.

“By late 2004, it became increasingly clear to many users that the current guidance was not sufficiently rigorous or encompassing to meet the requirements of industry stakeholders due to advancements in technology, the international expansion of the industry and the increasing role of unconventional resources,” said John Ritter, chairman of the OGRC. “The 2007 system builds on previous industry efforts to provide appropriate guidance to achieve a high level of consistency in estimating resource quantities, incorporating best practices identified in other international petroleum and mineral classification systems.”

Jaleel Al-Khalifa, 2007 SPE president, added, “Development of the new system provides a product that better allows the industry to reflect the nature of its resource base, and underscores the high value that can be derived through inter-societal cooperation. The SPE is proud to have spearheaded the effort, acting in a coordinating role.” The co-sponsors worked to ensure that the new system consolidates consensus opinions from a diverse group of stakeholders. In addition to critical contribution from the sponsoring societies, direct input and comment was solicited from approximately 120 companies and other organizations through direct mailings, from a series of over 30 presentations worldwide and through postings of the documents for comment on the SPE and AAPG websites.

The new system is now available at www.spe.org/reservesdef. The primary updates are summarized below:

- Combines four previous documents into a single Petroleum Resources Management System:
- 1997 SPE/WPC Petroleum Reserves Guidelines
- 2000 SPE/WPC/AAPG Petroleum Resources Classification and Definitions
- 2001 SPE/WPC/AAPG Guidelines for the Evaluation of Petroleum Reserves and Resources
- 2005 SPE/WPC/AAPG Glossary of Terms
- Base case uses forecast conditions but still permits option to use constant conditions
- Recognizes growing importance of unconventional resources
- Low, mid and high categories of Contingent Resources relabeled to 1C, 2C and 3C, respectively
- Introduces classification modifiers:

- Reserves status of developed and undeveloped can be applied to 1P, 2P and 3P Reserves
- Reserves, Contingent Resources and Prospective Resources sub-classified by project maturity
- Contingent Resources subdivided into “marginal economic” and “sub-marginal economic”

The OGRC will continue to maintain and update these best practice resource assessment guidelines as technology and commercial conditions continue to evolve, working with its partners and other groups to realize consistency in application.

SPE is sponsoring a series of workshops over the next year at selected international sites to familiarize key users with the new system and discuss implementation issues. Information on the workshops can be found at www.spe.org/meetings.

About SPE

The Society of Petroleum Engineers (SPE) is a not-for-profit professional association whose members are engaged in energy resources development and production. SPE serves more than 73,000 members from 110 countries worldwide. SPE is a key resource for technical knowledge related to the oil and gas exploration and production industry and provides services through its publications, conferences, workshops, forums and website at www.spe.org.