

# RESERVOIR SOLUTIONS

Published quarterly by Ryder Scott Co. LP April – June 2018 / Vol. 21, No. 2

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at May conference on  
petroleum reserves

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**Ryder Scott Canada  
Reserves Conference**

**May 17**

# Ryder Scott Canada Reserves Conference

## Oil and gas experts to meet at May conference on petroleum reserves

North American experts will share their insights into petroleum reserves and related topics at the Ryder Scott Canada Reserves Conference, Thursday, May 17. Organizers anticipate that more than 150 oil and gas professionals will attend the full-day event at the Calgary TELUS Convention Centre in Calgary. For more information, please send an email to [ConferencesCalgary@ryderscott.com](mailto:ConferencesCalgary@ryderscott.com).

### Speakers and agenda

The resolution of social and environmental issues has become increasingly important in the implementation of resource extraction projects. At year-end 2016, the *Financial Post* newspaper reported that 35 Canadian projects, worth \$129 billion, were stalled or cancelled because of opposition from environmental, aboriginal and community groups.

To address that, **David Elliott**, former chief petroleum advisor at the Alberta Securities Commission, will present, "Socio-Environmental Aspects of Resources Classification."

Evaluation standards — such as the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS) and guidelines in the Canadian Oil & Gas Evaluation Handbook (COGEH) — cite social and environmental factors to be considered when classifying resources.

"However, there is little or no guidance on how to do that," said Elliott. His presentation will report on the work of the United Nations on socio-environmental issues as part of the UN Framework Classification of Resources.

**Ian McDonald**, vice president – reserves at Nexen Energy ULC, will present, "Contingent Resources – Not All Created Equal." Investors do not understand the "unloved cousin of the resources family" as well as reserves, especially proved reserves.

While some contingent resources have a 90 percent chance of development, others classified as "contingent resources development not viable" have a zero percent chance. Yet a public company can cite contingent resources in a press release with no intention to develop them.

The length of time prior to development is not spelled out, but rather relies on a "reasonable potential

for commerciality," according to the SPE-PRMS or "80 percent chance of development," states COGEH.

**Morad Rizkalla**, director of A&D advisory and energy at BMO Capital Markets, will present, "Market Perspectives of Resources Assessments." He said, "With the emergence of unconventional plays in the Western Canadian Sedimentary Basin, resource assessments have become an important component in oil and gas transactions and their valuations in the marketplace."

He will discuss the effect of those assessments on acquisitions, joint ventures, initial public offerings and royalty transactions, and will present case studies for each one.

Another conference presentation will feature auto-forecasting (AF) to reliably estimate ultimate recoveries from hundreds, sometimes thousands of wells, within a limited timeframe through type-well (type-curve) analysis. Used properly, AF generates best-fit declines and decline models, including the commonly used two-segment Arps.

**Anton Siyatskiy**, senior petroleum engineer, plans to provide a general comparison on how blind, black-box AF compares with properly adjusted AF.

"I will demonstrate what key metrics are applied to AF to minimize forecasting errors," said Siyatskiy. He will also show a typical workflow for building proper auto forecasting parameters for most of the asset wells in an unconventional Alberta play.

**Craig Burns**, manager petroleum at the Alberta Securities Commission, will present an update of the agency's annual report. In that report, the ASC stated that public issuers (PIs) are not always disclosing timing of development for proved undeveloped and probable undeveloped reserves. Discussion of timing is required under Item 5.1 of Form 51-101F1.

The ASC has also "observed an absence of disclosure regarding non-producing wells and wells that do not have reserves assigned to them." The regulator earlier this year reminded PIs that item 6.1(2) requires the disclosure of both producing oil and gas wells and non-producing oil and gas wells, regardless of whether reserves are currently assigned.

The ASC also questioned the methodology used for

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Elliott



McDonald



Siyatskiy



Burns



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type wells when preparing analogous information. The regulator said, “Information prepared and disclosed by PIs sometimes includes only the best wells and excludes dry holes and poor performing wells, while wells with dissimilar reservoir parameters or completion procedures are sometimes included.”

Regarding analogous information, Section 5.8 of the 51-101CP states that “it is important to present a factual and balanced view of the information being provided.”

**Doug Wright**, who led the steering committee of the Calgary chapter of the Society of Petroleum Evaluation Engineers in updating and completing draft versions of COGEH sections, will provide an update on that work. At its annual meeting, SPEE said it anticipates publishing the handbook by the end of the second quarter.



Wright

Ryder Scott Canada will provide space for an SPEE table at the conference. The society plans to sell monographs 3 and 4.

**Jean Liu Halfe**, vice president – project coordinator, will make a presentation on using the Spotfire analytics platform in evaluation work. She will show the power of using this tool to put together an analysis of where a firm’s value lies and what assets hold the key to its future growth based on the firm’s reserves valuation database.



Liu Halfe

“Used properly, Spotfire can provide a quick, efficient and cost-effective way to do this,” said Liu Halfe.

She also will demonstrate how tools like Spotfire can be used to “tease out” key technical performance outcomes on new plays from public databases.

Organizers also are planning to present a panel discussion, “Goldilocks Question: NI 51-101 – Too Much, Too Little or Just Right.”

## Ryder Scott reserves conference in downtown Houston slated for Thursday, Sept. 13

Organizers of the 14th Annual Ryder Scott Reserves Conference were beginning to slot speakers and agenda in April, months before the event, which is expected to draw more than 350 attendees. The one-day session is at the Hyatt Regency hotel in downtown Houston, Thursday, Sept. 13.

**Marc Falladori**, senior counsel at Haynes and Boone LLP, is a perennial speaker at the conference. His presentation this year is on comment letters from the U.S. Securities and Exchange Commission, also a perennial topic that he updates annually while providing critical analysis.

**Tom Gardner**, CEO at Millennium Energy Advisors LLC, plans to present the A&D landscape and activity over the past year. **John Lee**, a Texas A&M University professor and member of the National Academy of Engineering, is also a perennial speaker and plans to present again this year.

**Dan Olds**, managing senior vice president at Ryder Scott, plans to present updates to the 2017 SPE-PRMS, which is at the draft stage.

**Lance S. Kinney**, executive director at the Texas Board of Professional Engineers, will make a presentation on professional qualifications during the ethics hour.

The previously mentioned speakers and topics may change because at press time, the event was a full five months away. Conference organizers are developing other speakers and topics to be announced.

Email requests, questions or comments to [RSCConfHouston@ryderscott.com](mailto:RSCConfHouston@ryderscott.com). Attendance is mostly by invitation only, with priority given to clients. However, closer to the event date, a limited number of reservations will be available to non-invitees depending on availability of seating.

## Details at a glance:

**What:** Ryder Scott Canada Reserves Conference

**When:** Thursday, May 17, 7:30 a.m. to 7 p.m.

**Where:** Calgary TELUS Convention Centre, 120 9 Ave SE, Calgary, AB T2G 0P3, Macleod Hall BC

**Who:** Conference agenda is targeted to an audience with at least a “big picture view” of petroleum reserves. For a wider appeal, presentations on other oil-and-gas-related subjects are scheduled.

**CPD hours:** APEGA-licensed geologists and engineers will earn up to eight Continuing Professional Development hours.

**Costs:** No cost for the event. Complimentary food and beverage will be catered.

## Schedule of Events

### “Evaluation Challenges in a Changing North America”

Time	Speaker	Affiliation	Topic
7:30 a.m. – 8:10 a.m.			Conference Check In and Light Breakfast
8:10 a.m. – 8:30 a.m.	<b>Dave Haugen</b> Senior Vice President	Ryder Scott Canada	Welcome and Introduction
8:30 a.m. – 9:15 a.m.	<b>David Elliott</b> Former ASC Chief Pet. Advisor	Independent	Socio-Environmental Aspects of Resources Classification
9:15 a.m. – 10:00 a.m.	<b>Ian McDonald</b> Vice President – Reserves	Nexen Energy ULC	Contingent Resources – Not All Created Equal
10:00 a.m. – 10:30 a.m.			Break
10:30 a.m. – 11:15 a.m.	<b>Morad Rizkalla</b> Dir. of A&D Advisory & Energy	BMO	Market Perspectives on Resources
11:15 a.m. – 12:00 p.m.	<b>Anton Siyatskiy</b> Senior Petroleum Engineer	Ryder Scott Canada	Auto Forecasting – Its Current Reliability and Uses
12:00 p.m. – 1:00 p.m.			Buffet Luncheon
1:00 p.m. – 1:45 p.m.	<b>Craig Burns</b> Manager Petroleum	Alberta Securities Comm.	ASC Update
1:45 p.m. – 2:30 p.m.	<b>Jean Liu Halfe</b> Vice Pres. – Proj. Coordinator	Ryder Scott Canada	Using Spotfire in Evaluation Work
2:30 p.m. – 3:00 p.m.			Break
3:00 p.m. – 3:45 p.m.	<b>Doug Wright</b>	SPEE Calgary	Update on COGEH Changes
3:45 p.m. – 4:45 p.m.	<b>Panel TBA</b>		Panel Discussion on NI 51-101
4:45 p.m. – 5:00 p.m.	<b>Dave Haugen</b> Senior Vice President	Ryder Scott Canada	Concluding Statements
5:00 p.m. – 7:00 p.m.			Cocktail Reception