

52nd SPEE ANNUAL MEETING

June 6-9, 2015 in Historic Halifax, Nova Scotia



Technical Session Agenda 2015 SPEE Annual Meeting

Tuesday, June 9, 2015 2015 SPEE Technical Session 2

8:40 AM Aggregation of Type Curves: The Good, The Bad & The Ugly

Jim Gouveia

The talk will start with a brief overview of the principles of aggregation. The Good is all about how Probabilistic reserves can be aggregated in compliance with SEC and PRMS guidance to significantly increase your Proved reserves. SPEE's ROTR aggregation guidance tells us to separate our 1P, 2P and 3P estimates without aggregation across these estimates. Why is this the recommended practice? The Bad is when we aggregate across the 1P, 2P and 3P categories based on limited data sets. This has the potential to significantly overbook our contingent resources. The presentation will conclude with a case study where 24 horizontal wells were used to determine the program's expectation of the following year's 10 well program. We will demonstrate how aggregation curves should be used to better understand the uncertainty in our data sets based on limited data. As Engineers we focus on the arithmetic mean of limited data sets, often to our peril – The ugly.

BIOGRAPHY

Jim Gouveia – Partner - Rose & Associates

Jim Gouveia (BaSc, Chemical Engineering, University of Toronto) is a Professional Engineer with a diverse technical, business and operations background in the petroleum industry. He joined Rose & Associates in March, 2002 after 21 years with Amoco and BP Energy. Jim has worked in a variety of technical and managerial assignments in exploration, production and reservoir engineering, strategic and business process planning, portfolio and risk management. Prior to BP's acquisition of Amoco in 1999, he was Director of Risk Management for the Amoco Energy Group of North America. In this role he was accountable for assurance of consistent project evaluation of all major capital. Jim has been a key author in the development of Rose & Associates course on the assessment of Unconventional resource plays. He has consulted with firms in North America, South America, S.E. Asia and Australia on the resource, reserve and economic evaluation of their Unconventional assets. He was a contributing author to the SPEE's 2011 Monograph 3. Jim is a member of APEGA, SPE, SPEE and AAPG and he is a partner in Rose & Associates.

