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**PRACTICAL APPLICATION OF THE UNITED NATIONS FRAMEWORK
CLASSIFICATION FOR RESERVES/RESOURCES IN UKRAINE**

(Submitted by the Government of Ukraine) *

Introduction

A classification of State mineral reserves and resources adapted to the International Classification (UNFC) was adopted in Ukraine in 1997. Instructions were prepared and approved for the application of the new classification to reserves/resources of uranium ores in 1998, oil and gas in 1999 and subsurface drinking water and process water in 2000.

A procedure for taking stock of reserves of oil, natural gas and identified components thereof was drawn up in 1999 on the basis of the new classification and approved as an industry standard of Ukraine.

It was then decided, on the basis of these regulatory instruments, to convert hydrocarbon reserves/resources, as indicated in the State mineral resources balance, to the taxonomy of the new classification approved in 1997.

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The main principles for undertaking the conversion are listed below:

1. The overall oil and gas pool outlines, situation of gas- and oil-water contacts, and hydrocarbon extraction ratios are not revised.
2. The calculation parameters adopted previously for sites estimated are not revised.
3. Total resources remain constant.
4. The following are reviewed and modified:
 - (a) geological assessment categories (definitions of stages of geological study);
 - (b) feasibility assessment categories (definitions of feasibility assessment);
 - (c) spatial location of the boundaries of reserves/resources of the various classes and their number;
 - (d) blocks of reserves/resources of the various categories are assigned codes of the international codification.
5. Economic importance (definitions of economic viability categories) is determined such that economic resources (balansovye zapasy) include only those reserves which are extractable (codes 111, 121, 122).

The difference between total and extractable reserves, which corresponds to remaining reserves, relates to potentially economic reserves (zabalansovye zapasy) of classes 221 and 222.

Hydrocarbon resources are resources whose economic importance has not been determined because the extent of their study does not allow the level of their economic viability to be defined more precisely.

6. The scheme for harmonizing hydrocarbon reserves as indicated in the State balance for 1 January 2000 with the new classification is shown in the table below.

Reserves and resources indicated on 1.1.2000 according to 1983 classification			Determining conditions taken into account for conversion of reserves	Reserves and resources harmonized with 1997 classification on 1.1.2000					
Economic importance	Category	Total extractable		Category	Code	Total	Economic	Conditional and submarginal economic	Economic importance not determined
1	2	3	4	5	6	7	8	9	10
Economic	A;B	$\begin{matrix} X \\ Y \end{matrix}$	Reserves confirmed by decisions of State Commission on Natural Reserves/Resources (geological assessment-1)	A;B	-	X			-
					111		Y		
					221				
	A;B	$\begin{matrix} X \\ Y \end{matrix}$	Reserves not formally confirmed (geological assessment-2)	A;B	-	X			-
					121		Y		
					221				
	C ₁	$\begin{matrix} X \\ Y \end{matrix}$	Reserves formally confirmed. Trial commercial exploitation (geological assessment-1)	C ₁	-	X			-
					111		Y		
					221				
	C ₁	$\begin{matrix} X \\ Y \end{matrix}$	Reserves not formally confirmed. Trial commercial exploitation (geological assessment-2)	C ₁	121	X			-
					221		Y		
	C ₁	$\begin{matrix} X \\ Y \end{matrix}$	No trial commercial exploitation (geological assessment-2)	C ₂		X			-
					122		Y		
222							X-Y		
C ₂	$\begin{matrix} X \\ Y \end{matrix}$	Study meets criteria of generally explored reserves of cat. C ₂ of 1997 classification (geological assessment-2)	C ₂		X			-	
				122		Y			
				222					X-Y
C ₂	$\begin{matrix} X \\ Y \end{matrix}$	Study does not meet criteria of generally explored reserves of cat. C ₂ of 1997 classification (geological assessment-3)	C ₃	333	X	-		X	
									-
Potentially economic	-	X	Feasibility calculations based on commercial or trial commercial exploitation (geological assessment-2)	C ₁	221	X	-	X	-
	-	X	No commercial or trial commercial exploitation (geological assessment-2)	C ₂	222	X	-	X	-
	C ₃	$\begin{matrix} X \\ Y \end{matrix}$	Geological assessment-3	C ₃	333	X	-	-	X