

SAMOG Committee Meeting Minutes

Date of Meeting	19 April 2023	Time	15:30
Chaired by:	Peter Dekker	Location	Zoom
Minutes prepared by:	Camielah Jardine		
Present: Peter Dekker Chairperson	Andy Clay Sean Davids Mike Tosdevin	By invitation: Zakaria Rashid Shane Hattingh	
<u>SAIMM Secretariat:</u> Camielah Jardine			
<u>Apologies:</u> Jeff Aldrich Annalie de Bruyn			
Bernadine Joubert Siobhan Joubert			
Topic	Discussion		
1. Welcome	Mr Dekker welcomed everybody to the meeting and the apologies were noted.		
2. Minutes of previous meeting	The minutes of 02 March 2023 as previously circulated were accepted as a true reflection of the meeting proceedings, subject to the following amendment: On Page 1, it was noted that Siobhan had attending the previous meeting part-time. Ms Jardine agreed to make the corrections and send the amended minutes to all members. Action: Camielah Jardine		
3. Action items from previous meeting	Actions and outstanding items: The minutes had been corrected and redistributed to all members. Two versions of the updated document had been sent out; one with mark-ups and one without. Mr Tosdevin’s proposal had been sent out to all members. A version showing Mr Clay’s comments had been sent to Ms de Bruyn, but she advised that she had not received it. This would be kept as an action point for the next meeting. Action: Andy Clay		

4. CHARTERED MEMBERSHIP

Mr Dekker believed that the e-mail sent by Mr Tosdevin was well-written around the fact that the RPO should have a Code of Conduct with disciplinary procedures and that there were four criteria which had to be satisfied for the individual to qualify as a QRE in SAMOG:

The individual had to be a member of good standing. This was acceptable, provided that that membership category be subject towards support for the professional code. He asked if everyone could use this to go forward. Mr Clay had a couple of concerns. From what he understood from Mr Aldrich, with AAPG, he did not believe there had been any disciplinary action against professional members, but that it was not actually in the genera remit to do that. He would like to get clarity from Mr Aldrich on that. He believed it was the same at SPE and he was not sure about SPEE but, for him, that was what he liked about the Oil & Gas profession compared to the Mineral Resources sector; that the mineral resources seemed to be very quick to want to take action and knock people on the head for bad behaviour – whereas the Oil & Gas sector did not seem to want to do that. He believed it came partly from the geographical jurisdiction where they came from, because if they did not take action like that, then the consequences of legal action against them was worth more than the action. He believed that that should be taken into account, because if the South African intention was to open the can for professional discipline and legal action, he was totally against it.

Mr Tosdevin responded that he did not think this was legal action. The disciplinary recourse just meant that they were expelled from the organisation. This meant that the individual could take legal action against the company, but he did not think it would be done readily. There would have to be good reason for them to be expelled.

Mr Clay advised that this had been looked at years ago with the SAMREC Code and he had tried looking at the comparable between the South African Institute of Chartered Accountants as an accounting process for professional bodies and then also lawyers. The Legal Society of South Africa would divulge whether or not any of its members had been expelled in case there was legal action against them. That was the problem.

Mr Dekker advised that what he did know from the AAPG was that you had to understand the Code of Conduct and there was some committee to discuss this. The committee had sat once or twice, but had not expelled members. It had called them back to order and given them a warning.

Mr Clay noted that he had just raised this for general background and Mr Aldrich had been very good at giving feedback on what the AAPG and SPE were doing.

Mr Dekker suggested that the GSSA did not have the knowledge to do it and that should be done by another organisation. The biggest issue he had was that if a person was recognised by the one, they should be recognised by the other as well, i.e. reciprocity.

Mr Clay believed it was enough to say that SAMOG had at least considered it and to be quite aware of the fact that it was not necessarily the same in the oil and gas industry.

Mr Dekker confirmed that that had been confirmed to Dr Marshall in several e-mails. He wanted to close this chapter.

5. RESIGNATION OF MR HATTINGH	Mr Dekker had received an e-mail from Mr Hattingh saying that he was in Stellenbosch caring for his ill parents and that he would miss the SAMOG meeting. He apologised for missing several of the meetings recently due to high workloads and felt duty-bound to remove himself from the Committee. Mr Dekker understood where this came from, but the Committee would miss someone with so much experience. Mr Clay suggested that Mr Hattingh should notify SPEEE of his resignation and ask for them to formally nominate a replacement. It was becoming harder to find younger people to volunteer to be on these organisations. Action: Shane Hattingh He believed that Mr Hattingh should be thanked for his input and Mr Dekker agreed to do this. Action: Peter Dekker
6. SAMOG CODE UPDATE	Mr Dekker asked whether there were any comments from members on the edited version of the SAMOG Code which he had sent out. He was not sure how to deal with 'Product Type', i.e. light crude, medium crude, heavy crude. He was unsure whether all of these should be listed. The same issue applied to the gases, where much was made of conventional natural gas, unconventional natural gas, gas hydrates, i.e. expanding it out. Mr Tosdevin advised that his particular issue was around liquid hydrocarbon, as this was a spectrum and he questioned why a line was drawn in different places. Some discussion followed and it was agreed to change that to 'crude oil'. Mr Tosdevin added that he did not separate unconventional and conventional natural gases either. The committee agreed and the changes would be made. Part 6 - Definitions Under the opening paragraph, the wording had been changed to read: 'Definitions in this section are also applicable to Form 1'. Abandonment costs Mr Dekker asked whether the term 'abandonment costs' should be changed to read ADR as it is done in the PRMS. ADR stood for 'abandonment, decommissioning and restoration' cost. Mr Clay believed that SAMOG should adopt what was in PRMS. All agreed that the PRMS definition should be lifted into there. Alternate Reference Point Mr Clay asked whether this should be left in. After some discussion, it was agreed to leave it as: '<i>Alternate reference point means a location at which quantities of a product type are measured before the first point of sale</i>'. Analogous Mr Tosdevin suggested that perhaps the wording from PRMS should be used. Mr Clay suggested that having common definitions as far as possible was important. Mr Dekker agreed to do this for the PRMS definitions and would send the edited list to members. Anticipated Results To be left as is. Bitumen

	To be left as is. BOE (Barrels of Oil Equivalent) This would be updated in line with PRMS. By-Product To be left as is. Coal bed methane To be left as is. Contingent resources data That product type had been removed, but natural gas should remain. ECSA To be left as is. Effective date To be left as is. As an aside, Mr Clay advised that PRMS was not prescriptive about the form and content in which reports were prepared; it was guidance. SAMOG had something which was more prescriptive in terms of ultimately filling out the form, which was the objective for trying to create a standardised document. He believed SAMOG should stick to its guns on modifying this and, where it could, gradually adapt to definitions and concepts that were emerging from PRMS. That was great, but he believed SAMOG was good in terms of clarity on how to report. Mr Dekker agreed. It was very difficult to report, for example, on the different oils; as everyone had a different definition of light, medium and heavy oils. He questioned why these should be separate if the value one got was completely different. Mr Clay believed this should be taken up with the ASX; that in order to standardise, SAMOG had shifted to PRMS. Entity To be left as is. First point of sale Mr Clay believed that the definition under this was quite a nice clarifier, because it said it was the point where there is a transfer of ownership of the product type. He was not sure that was the same as a Reference Point. Mr Dekker advised that the Reference Point was the point of sale. It was agreed to incorporate what was in PRMS and adapt where necessary. Future net revenue The only change that Mr Dekker suggested was to replace 'Abandonment' with 'ADR' and remove 'reclamation costs'. Gas Hydrates To be checked against PRMS. Hydrocarbons Not discussed. McfGE's Mr Tosdevin suggested that what was put in here should mirror was put in under BOE.
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	Medium Crude Oil To be left as is. Natural Gas To be changed as per PRMS definition. Natural Gas Liquids To be changed as per PRMS definition. Netback To be changed as per PRMS definition. Oil & Gas Metric To be left as is. Property To be changed as per PRMS definition. Prospective Resource Data To be changed as per PRMS definition. Reclamation Costs This could be taken out, as it is covered under ADR. Reporting Entity To be left as is. Reserve Data To be left as is. Reserve Information Remove (SPE Audit Standards). SACNASP To be left as is. Synthetic Gas To be left as is. Synthetic Crude Oil To be left as is. Unproved property To be left as is. Mr Dekker asked whether something should be added at the beginning of the section to say that reference was made to the PRMS; or advise readers to refer to the PRMS for any definitions that are not listed. Mr Clay believed it was a good idea. He suggested putting in, after Form 1 – 'For the sake of clarity, for any definitions not clearly identified in this section, reference should be made to PRMS'. Mr Tosdevin asked whether it should say: 'If a definition occurs in two places, then it is the one listed here that prevails'. Mr Dekker would verify this with the PRMS and once that was done, he would send it out again. Action: Peter Dekker The next meeting would look at Part 7, Form 1 (11 pages). Mr Clay suggested that that section on its own be circulated to members, asking them to strike out and underscore for discussion at the next meeting. He thanked Mr Dekker for co-ordinating this. He also
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	suggested that some queries be raised through Ms de Bruyn to the Alberta Securities Commission, just to give them an update and advise that SAMOG had departed from the strict parallel to NI 51.101 to the extent that PRMS had been adopted; and whether they could give insight as to what they planned to do, because alignment to PRMS was the way to go. Mr Dekker reminded the meeting that last time he had asked members to provide him with questions for the Canadians, he had received very little feedback and it had been very difficult to set up a meeting. He agreed that they had to be informed about that. Mr Clay offered to put some of his ideas together on this. Action: Andy Clay On Form 1, Mr Dekker suggested getting rid of all the 'repeated' sections and starting a new form without them. Mr Clay agreed. Mr Dekker asked Zakaria if Form 1 was finished at the next meeting, what the process would be going forward. Mr Clay advised that it had to go out for comment, but this had to be done in tandem with the Exchange. It had to go with SAMOG's recommendations for the changes and showing where the changes actually were and why they had been done as a motivation. This had to be sent to the FSB. Zakaria advised that the changes on the specific requirements were marked up and then the process would be for the JSE to consult with their internal committee to get EXCO approval. It would then go out for public consultation. The last round included the FCSA's (60 days). Mr Dekker advised that this would be discussed at the next meeting, but he asked everyone to start thinking about this. Mr Clay would put together a motivation letter (draft). The overriding objective of this committee was to finish what they were doing now and then Mr Dekker could step down as Chair. Mr Clay would take over as Chair in the meantime and then steps could be taken with regard to enervating the sector. Mr Tosdevin was thanked for all the input. Action: Andy Clay
6. ANY OTHER BUSINESS	With regard to the Chartered status, Mr Clay felt that it should be made clear to the SSC that SAMOG felt there had been inadequate consultation in the process for that <i>fait accompli</i>. In the same vein, he had heard via the grapevine that SAMVAL was proposing to introduce more stringent rules about who could actually do evaluation. That would impact on SAMOG and he believed that these organisations should not be acting without due consultation with this group. He suggested that even if it was just a short note to Mr McDonald as the SSC Chair, advising that SAMOG did not feel that this consultative process also included SAMOG. Mr Dekker asked how SAMVAL putting in more stringent requirements affected SAMOG. Mr Clay responded that SAMVAL was part of IMVAL; and IMVAL scooped up Oil and Gas. IMVAL included it and SAMVAL recognises IMVAL, which was a problem. Mr Tosdevin agreed that there needed to be alignment and working together. Some discussion followed on this. Mr Clay was asked to drop Mr Dekker a short e-mail with bullet points and he would liaise with Mr McDonald. Action: Andy Clay and Peter Dekker

7. MEETING CLOSURE	Mr Dekker thanked everyone for their attendance and contribution.
8. NEXT MEETING	Date of the next meeting is 11 May 2023 at 15:30.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
19/04/23	Correct previous minutes and circulate	C Jardine	26/04		
19/04/23	Resend version showing comments to Annalie de Bruyn	A Clay	26/04		
19/04/23	Notify SPEEE of resignation and ask them to nominate replacement	S Hattingh	11/05		
19/04/23	Send letter of thanks to Mr Hattingh	P Dekker	26/04		
19/04/23	Verify suggested wording at beginning of section with PRMS	P Dekker	26/04		
19/04/23	Put together some ideas around Part 7, Form 1	A Clay	11/05		
19/04/23	Put together motivation letter around changes	A Clay	11/05		
19/04/23	Drop an e-mail with bullet points regarding better consultation between SAMCODES committees	A Clay and P Dekker	11/05		