

APPROVED
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Directors April 15, 2021.*



PPDM ASSOCIATION: WHAT IS A FACILITY

TERMS OF REFERENCE

PRESENTED BY: THE PPDM ASSOCIATION

PROFESSIONAL PETROLEUM DATA MANAGEMENT
ASSOCIATION
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What is a Facility TOR – PPDM Association

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Why PPDM?

A recognized professional discipline is created by a governed body of ethics-driven professionals who have an intentional and common purpose to develop, deploy and support a body of knowledge and professional development for the practice of data management as a professional discipline.

Helping industry use relevant standards and best practices is a critical part of this program. These make industry more efficient through access to consistent and trusted data, and promote the emergence of a portable, skilled and prepared work force of professional data managers.

We hope you will support this PPDM project, which will add value to all of industry.

PPDM Association: What is a Facility

ABOUT THE PPDM ASSOCIATION

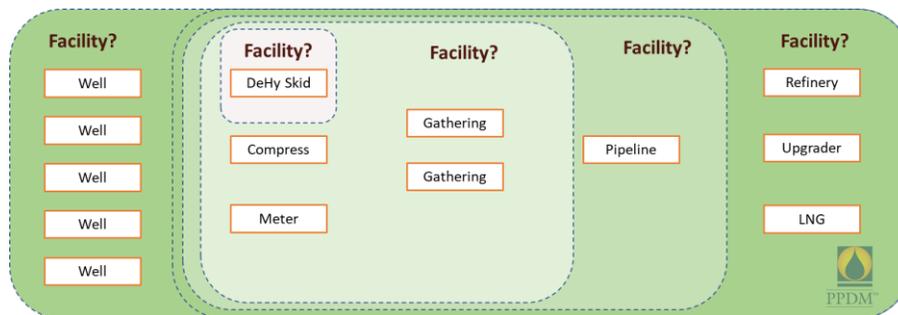
The Professional Petroleum Data Management (PPDM) Association is the global, not for profit society that supports data professionals in the petroleum industry. The PPDM Association works collaboratively with volunteer members to develop vendor neutral International Petroleum Data Standards and Best Practices (IPDS). These products help industry communicate effectively, prevent data attenuation, and drive data systems to convergence, regardless of what technology platforms you may want to use.

Broadly speaking, industry leaders subscribe, at least in principle, to the philosophy that standards support and enhance competitiveness, operating efficiency, regulatory compliance, safety and return on investment. While proprietary standards can make implementation support unsustainably difficult and often fail to support effective intercompany data sharing, collaboratively built industry standards benefit everyone and create a supporting economy of products and services that can be leveraged by all stakeholders.

PROJECT BACKGROUND AND PURPOSE

Data sharing between operators and regulators is increasing in scope, volume, and complexity, particularly as it relates to water use, greenhouse gas (GHG) and carbon production or capture. Regulatory reporting expectations are more stringent, and substantial differences between regulatory regimes may reporting expensive, time consuming and difficult.

To obtain critical information data must be drawn from underlying systems developed by operators, regulators, software vendors, data vendors and even individual data users. Lack of commonality in how facilities are defined in these systems makes reporting complicated and error prone.



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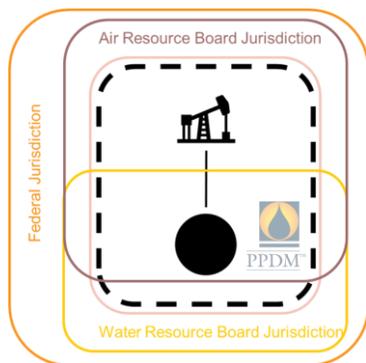
A common language and data standards are vital for consistent reporting, analysis, decision making and interpretation.

The PPDM Association's member based collaborative methodology is well suited to the development of a mechanism to classify and group facilities in ways that will help industry support this growing need for data that is related to environmental concerns. Working collectively, PPDM members will disambiguate key terminology used by industry, help clarify how facilities are for reporting and bring data practitioners into better alignment will position industry.

FEASIBILITY STUDY (2020)

In 2020, PPDM Association members launched a short feasibility study to determine whether application of PPDM methodologies to the problem of facilities reporting would improve clarity and add industry value. Completed in only ten weeks, the study explored whether a catalogue of "What is a Facility" facets can be articulated for both regulators and operators.

A working facility definition was used: *"A facility is the collection of commonly owned or operated equipment at any life cycle stage that is located within a specific geographic boundary or surface site for the purpose of production, processing, transmission, storage, or distribution of products prior to the point of custody transfer."*



To accomplish this, thirteen regulatory agencies were reviewed (primarily for air emissions) and significant differences identified. *(note: this study did not attempt to interpret regulations)*. A high-level example of key differences is illustrated below to the left. As you can see, each agency has a different definition of what is included in a facility and what is not.

The feasibility study focused on four key areas:

1. Develop a facet framework and baseline definitions.
2. Review, but not interpret, regulatory definitions for comparative purposes.
3. Compile reference material.
4. Evaluate the PPDM Association's methodology for effectiveness.

STUDY OUTCOMES

The results of the study are discussed in a short presentation available from the PPDM Association. Four delivery recommendations were made to the PPDM Association membership and Board of Directors:

1. Disambiguation of Facility for the industry with guidelines that will support consistent usage.

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2. Working set of facets and related terms/data definitions to ensure a complete understanding of Facility as it relates to the scope of the project.
3. Descriptive framework demonstrating the application of the Facility definition.
4. Data object definitions demonstrating how Facility definitions can be unified.

STARTING FACET DEFINITIONS

Six facets have been recommended for first development.



OPERATOR/
OWNER



LIFE CYCLE



LOCATION



PURPOSE



PRODUCT



EQUIPMENT

DELIVERABLES

KEY DELIVERABLES	PRIORITY / ORDER	SPECIFIC RECOMMENDATIONS
Disambiguation materials with illustrations and clarifications.	H	The scope of disambiguation will focus on obtaining clarity for reporting GHG and other emissions.
Data object outlines, scope based on funding and other resources.	H	Data object design will be coordinated with other data object work underway at the PPDM Association.
Faceted taxonomy definition, using the recommendations as a starting point.	H	Faceted taxonomy will be an aid to data systems and to learning programs for data professionals.

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ASSUMPTIONS

1. **Sufficient Funding:** This project requires industry funding to support the research, development and publication of materials. The final scope and duration of the project will be contingent on industry funding or access to dedicated resources. The following costs (USD) are based on a 6-month project duration:

Research and investigation	\$60,000
Materials development	\$40,000
Publication Preparation, graphics	\$20,000
Legal	\$5,000

2. **Committed, paid resources position projects for success:** PPDM staff will support logistical and organizational requirements, will ensure that the committee is well formed and adheres to appropriate Policies (including Code of Ethics and applicable Anti-trust law)
3. **Industry participation is essential for success:** Work will be done by a combination of paid and volunteer resources, coordinated by the PPDM Association. Volunteer participants will be available to serve a two-year term, renewable if mutually desired.
4. **IP contribution rights protect industry:** The necessary IP contribution rights will be supported, as it is recognized that contributors may require a separate grant of rights for this project. This may be partly addressed through appropriate licensing arrangements (such as the Public GNU).
 - Grant of right given by contributors
 - Grant of right to use given to users of the website.
5. **Industry support will build through early success:** Identifying and developing appropriate avenues to support the ongoing development and maintenance of this site is critical to long term success.

RISKS & CONSTRAINTS

1. **Vendor Neutrality Policy:** Neutral optics are essential to success and is a PPDM requirement.
2. **Delays may impact delivery:** Economic conditions may result in some program delivery delays, both for funding and resource gaps.
3. **Long-term planning is essential:** We recognize that making the information complete and filling content gaps will take time and require trust building to encourage participation. Industry patience as the first phases are built out is needed, so expectations management is critical.