

Appendix II
2006 Action Plan
Oil and Gas Subcommittee

The Methane to Markets Partnership creates a framework for international cooperation to reduce methane emissions to increase energy security, enhance economic growth, improve air quality, improve industrial safety and reduce greenhouse gases.

The Methane to Markets Oil & Gas Subcommittee is responsible for guiding the oil and gas sector activities and engaging all representatives of the private, public and non-governmental arenas in those activities. The Subcommittee's first concerns are:

- developing an action plan within one year,
- producing progress reports,
- reporting on milestones, and
- researching and presenting outreach and communication opportunities for the sector.

The Subcommittee is required to meet its obligations utilizing electronic media to minimize travel. The Subcommittee will make decisions by consensus.

The table below contains potential ideas and activities for the action plan. The key elements for the action plan are taken from the Charge to Subcommittees document, which was agreed to on November 7, 2004:

1. Identify methane recovery opportunities and describe available technologies and best practices,
2. Identify key barriers and issues for project development,
3. Conduct market assessment,
4. Discuss country-specific needs, opportunities, and priorities,
5. Identify possible cooperative activities to increase methane recovery and use in the sector,
6. Conduct outreach to Project Network members, and
7. Identify project finance opportunities and mechanisms.

The Subcommittee may use the table as a starting point to build an action plan or generate other ideas and activities.

<i>Activity</i>	<i>Timeline</i>	<i>Lead</i>	<i>Other Participants</i>
1) Identify Methane Recovery Opportunities, Available Technologies, and Best Practices			
1.1) Collect and share existing studies and materials, which will help identify opportunities within the following four subcategories: a) production; b) processing; c) transmission; and d) distribution. <ul style="list-style-type: none"> • Share articles on interesting case studies • Share successful projects • Enhance existing list of available technologies and best practices, building on those compiled for US • Share other useful data (e.g., country specific emission factors and activity data) 	March, 2006	Roger Fernandez	All Methane to Markets Oil and Gas Subcommittee Members
1.2) Other: Identify complementary Methane to Markets organizations within each member's jurisdiction <ul style="list-style-type: none"> • Identify each organizations' and Web sites and contact names • Encourage each organization to join the project network <i>*Each participant will assure that all information is clearly linked to the Methane to Markets Partnership</i>	Initial information November, 2005 Final information March, 2006	ASG & Roger Fernandez	All Methane to Markets Oil and Gas Subcommittee Members
2) Identify Key Barriers and Issues For Project Development			
2.1) Translate existing technical documents into appropriate languages and economics to overcome communication barriers	Discuss task 2.1 at next oil and gas subcommittee meeting in Mexico		
2.2) Assist Methane to Markets oil and gas subcommittee members in identifying and overcoming barriers both financial and regulatory on specific project opportunities	On-going		All Methane to Markets Oil and Gas Subcommittee Members
2.3) Project information should be disseminated in both economic and environmental terms	On-going		All Methane to Markets Oil and Gas

<i>Activity</i>	<i>Timeline</i>	<i>Lead</i>	<i>Other Participants</i>
<i>Example – a) cost per tonne of carbon dioxide reduced; b) potential tones of carbon dioxide reduced; and c) economic value of gas.</i>			Subcommittee Members
<p>2.4) Establish key decision makers concerning inclusion of methane in the second phase of the European emissions trading scheme from 2008 onward and other relevant flexible mechanism such as trading schemes, CDM, JI and others.</p> <ul style="list-style-type: none"> • <i>Specific participants will identify key decision makers within the EU.</i> • <i>The subcommittee will pass this charge on to the Methane to Markets Steering Committee in Buenos Aires.</i> • <i>The oil and gas participants will finalize charge to the steering committee at the Buenos Aires meeting.</i> 		Douglas Griffen –UK Emel Pena - US	
3) Conduct Market Assessment			
<p>3.1) Evaluate existing country profiles</p> <ul style="list-style-type: none"> • Each country will share country profile with oil and natural gas companies and provide feedback to the subcommittee to ensure accuracy of country profiles • Disseminate country profiles via the website 	At each oil and gas subcommittee meeting, members will update their country information	All Methane to Markets Oil and Gas Subcommittee Members	
4) Discuss Country-Specific Needs, Opportunities, and Priorities			
<p>4.1) Using information from the market assessment, discuss country specific needs, opportunities, and priorities. Outline priority projects or opportunities within their country and possible assistance to other Methane to Markets countries</p> <p>Information will include but is not limited to prioritized</p> <ul style="list-style-type: none"> - list of projects, key decision makers, amounts of gas that is available for a project, and investment scale 	One month prior to the meeting in Mexico, the subcommittees present project proposals at the next oil and gas subcommittee meeting in Mexico	Oil and Gas Subcommittee Members	

<i>Activity</i>	<i>Timeline</i>	<i>Lead</i>	<i>Other Participants</i>
<ul style="list-style-type: none"> - In addition countries can provide information on available technologies and investment opportunities from such organizations as investment banks - Where possible, the methane emissions reduction possibly will be defined 			
5) Identify Possible Cooperative Activities to Increase Methane Recovery and Use in the Sector			
5.1) Encourage associations (e.g., ARPEL and International Petroleum Industry Environmental Conservation Association) to promote methane recovery based on technologies aimed at emissions reduction	On-going		
5.1.a. ARPEL	November, 2005	Roger Fernandez	Natural Gas STAR Program
5.1.b. Offshore Technology Conference	May, 2006 Houston, TX	Roger Fernandez	Natural Gas STAR Program
5.1.c. ASG will provide a stock presentation on Methane to Markets on the Web site	December, 2005	Erin Birgfeld	
5.2) Develop international data base on emission factors and activity factors	November, 2005	Larry Richards – API Compendium Dave Picard - IPCC	Roger Fernandez
6) Conduct Outreach to Project Network Members			
6.1) Sponsor workshops and conferences on methane emissions reduction in the oil and gas sector	Buenos Aires, Argentina, 2005 Spring Oil and Gas Meeting, 2006	Oil and Gas Subcommittee Members Roger Fernandez and conference host	

<i>Activity</i>	<i>Timeline</i>	<i>Lead</i>	<i>Other Participants</i>
6.2) Promote Project Network to companies and industry associations		This point is covered under point 1.1.	
6.3) Promote Methane to Markets project proposal mechanism		This point is covered under point 4.4.	
6.4) Track projects and activities facilitated by the Methane to Markets Partnership	Annually	Roger Fernandez	Oil and Gas Subcommittee Members
6.5) Disseminate information on financing mechanisms to companies	November, 2005 discussion at the Buenos Aires meeting		
6.6) Develop brochure on company specific benefits to methane reductions		This point is covered under 6.10	
6.7) Encourage companies to publish successful projects and lessons learned in international journals	On-going	Roger Fernandez	
6.8) Request that the Steering Committee create company / country Methane to Markets recognition program	November, 2005 Buenos Aires, Argentina	Oil and Gas Subcommittee Members	
6.9) Request that the Steering Committee create a long-term public relations effort, including the generation a major article for publication in, for example, Wall Street Journal on a yearly basis	November, 2005 Buenos Aires, Argentina	Oil and Gas Subcommittee Members	
6.10) Write a Methane to Markets Oil and Gas article for publication in major oil and gas journals	Develop Outline - November, 2005 Print, Spring, 2006	Roger Fernandez	
6.11) Each individual country representative is responsible for disseminating information on oil and gas industry personnel and reporting on successes in this area on annual basis	Spring Oil and Gas Subcommittee Meeting, 2006	Oil and Gas Subcommittee Members	
6.12) Oil and gas sector web-based tool development that will serve as a resource for project network members, citizenry, financiers, etc. on various topics. This tool will be designed in a manner that is easily updated.	Develop Web Content Proposal Buenos Aires, Argentina November, 2005	Michael Layer	

<i>Activity</i>	<i>Timeline</i>	<i>Lead</i>	<i>Other Participants</i>
7) Identify Project Finance Opportunities and Mechanisms			
7.1) Provide information and guidance to help overcome financial barriers, for example: <ul style="list-style-type: none"> • Provide information on financing mechanisms • Identify criteria financiers use to approve a project • Develop project development templates for investors and stakeholders • Engage financial sector through project network (All) • Prepare brief background paper on project financing opportunities 	November, 2005 discussion at the Buenos Aires meeting		
7.2) Other:			