



Exploration & Production
Le Directeur Général

February 15, 2008

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File Number S7-29-07
Concept Release on Possible Revisions to the
Disclosure Requirements Relating to Oil and Gas Reserves

Dear Ms. Morris:

I am writing on behalf of Total S.A. ("Total") in response to the concept release by the SEC on possible revisions to the disclosure requirements relating to oil and gas reserves.

To meet the challenges of a rapidly growing global demand for energy, in the past decade Total has expanded its upstream oil and gas activities to frontier area and unconventional resources such as heavy and extra-heavy crude oil, deepwater and ultra-deepwater reservoirs, very deep high-pressure/high-temperature fields, and sour gas fields. To profitably produce these resources while respecting its sustainable development principles, the company has been driven to implement new technological solutions and raise its engineering practices to the highest standards.

Total therefore welcomes this SEC initiative to consider revisiting and modernizing the definitions and disclosure requirements related to oil and gas reserves in light of the global evolution of the oil and gas industry and we appreciate the opportunity to add our comments to this public consultation.

In response to questions 1 through 9 in the concept release, related to the definitions of reserves, we would recommend the following:

- 1) Reserves definitions should be "principle based" and the SEC should adopt the Society of Petroleum Engineers Petroleum Resources Management System (the "SPE PRMS") as a framework for reserves definitions and classification.

Adresse postale : 2 place de La Coupole - La Défense 6 - 92078 Paris La Défense Cedex
Tél. + 33 (0)1 47 44 45 46

TOTAL S.A.
Société Anonyme au capital de 6 350 151 080 euros
Siège social : 2 place de La Coupole - La Défense 6 - 92400 Courbevoie - France
542 081 180 RCS Nanterre

- The definitions of proved reserves in Rule 4-10 of regulation S-X set out the main principles required to qualify reserves as proved reserves. These principles are simple, robust, and well accepted within the industry. In contrast, the application of these rules and the interpretative guidance provided by the SEC staff have become unduly restrictive and have not evolved to account for technological advances and the specific characteristics of frontier area and unconventional resources developments. Hence, we recommend maintaining "principle based" definitions which emphasize the data, methods, and assumptions used to support reserves evaluations and classifications.
 - In more practical terms, we recommend that the SEC adopt the SPE PRMS definition and classification framework. This classification system, developed through the contribution of industry experts and the supervision of the Oil and Gas Reserve Committee, accurately reflects current industry practice. Its adoption by the SEC would ensure that regulatory disclosures are in line with industry standards. However, the SEC, the Society of Petroleum Engineers and various industry participants would need to create a framework whereby these definitions could be updated regularly and outline their respective responsibilities.
 - In particular, as regards proved undeveloped reserves, the concept of certainty applied to undrilled units should be revised in line with SPE PRMS framework.
- 2) SEC filings should only require disclosure of proved reserves.
- We feel that requiring the disclosure of only proved reserves in SEC filings appropriately serves the purpose of protecting investors by providing the reserve information that meets the most rigorous tests. The increased level of uncertainty related to probable reserves and resources would be less well adapted to this purpose. However, companies wishing to disclose reserves other than proved reserves should have the option of providing such information to investors. This additional information should nonetheless be based on the SPE-PRMS classification.

In response to question 10 in the concept release, regarding the oil price used for reserve estimates, we would recommend the following:

- The use of the year-end price to calculate reserves should be abandoned, due to the volatility of oil and gas prices and since this price does not reflect the long-term nature of investment decisions.
- A preferred solution, to limit the effect of price volatility, would be to base reserve estimates on a 12-month average price. For practical purposes using a 12-month running average determined at the end of September of the reporting year, would facilitate and improve the reserve evaluation process. This approach would also facilitate comparability of disclosure between companies, in particular if the SEC were to set and publish the average price to be used each year (based on a basket of oil and gas products).

In response to questions 11 through 13 in the concept release, related to current exclusions from proved reserves, we would recommend that all oil and gas extraction activities should be included in the disclosure in SEC filings.

- Today, technical solutions exist to economically produce oil and gas from reservoirs that used to be considered as unconventional. Such activities are becoming an inherent part of the oil and gas industry, and as such should be reported in regulatory disclosures based on what is produced (petroleum products) and regardless of the nature of the reservoir or the extraction process.

- For hydrocarbon products that require further processing such as bitumen, the perimeter for reserve estimates should be limited to upstream activities and exclude downstream processing; the transfer point between upstream and downstream activities being defined as the processing plant inlet.

In response to question 14 of the concept release, related to engaging independent third parties to evaluate reserves to be included in SEC filings, we would recommend the following:

The SEC should not require companies to engage independent third parties to evaluate reserves disclosed in SEC filings.

- We believe that reserve evaluation is an essential element of the field management process and that the technical staff employed by companies is best qualified to establish reserve estimates based on their knowledge of their fields.
- We believe that emphasis should be put on education and training to ensure that a company reserve evaluator is up-to-date on reserves definitions and classifications. A certification process for reserve evaluators could be put in place with the assistance of non-profit professional associations.

Once again, we thank you for this opportunity to be involved in the discussions related to these important issues.

Very truly yours,



Yves-Louis Darricarrère
President of Exploration & Production