

MEMORANDUM

TO: File No. S7-42-10 (Disclosure of Payments by Resource Extraction Issuers)

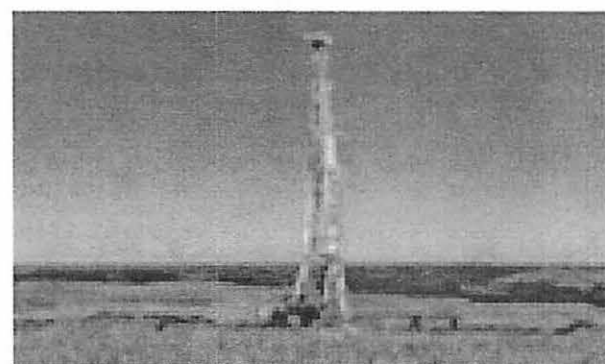
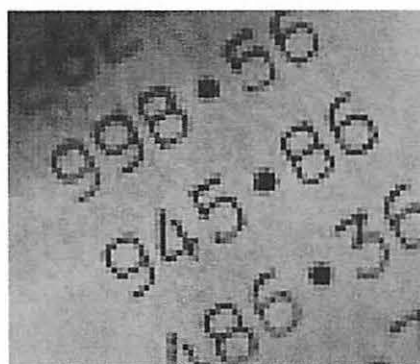
FROM: Barry N. Summer
Associate Director
Division of Corporation Finance

RE: Meeting with representatives from the American Petroleum Institute (API)

DATE: April 16, 2014

On April 16, 2014, Betsy Murphy, Barry N. Summer, Eduardo A. Aleman and Elliott Staffin of the Division of Corporation Finance and Vladimir Ivanov of the Division of Economic and Risk Analysis met with the following representatives of the API: Joe Horne and Jim Parsons of ExxonMobil; Stephen Blythe and Lauren Catipon of BP; Stephen Comstock, Aaron Padilla and Peter Tolsdorf of the API; Don McNeil of ConocoPhillips; and Jennifer Roberts and William Ferrara of Anadarko Petroleum Corporation.

The participants discussed issues relating to the rulemaking regarding payment disclosures by resource extraction issuers required by Section 1504 of the Dodd Frank Wall Street Reform and Consumer Protection Act.



Dodd-Frank 1504

Project-Level Reporting Proposal

Spring 2014

Agenda

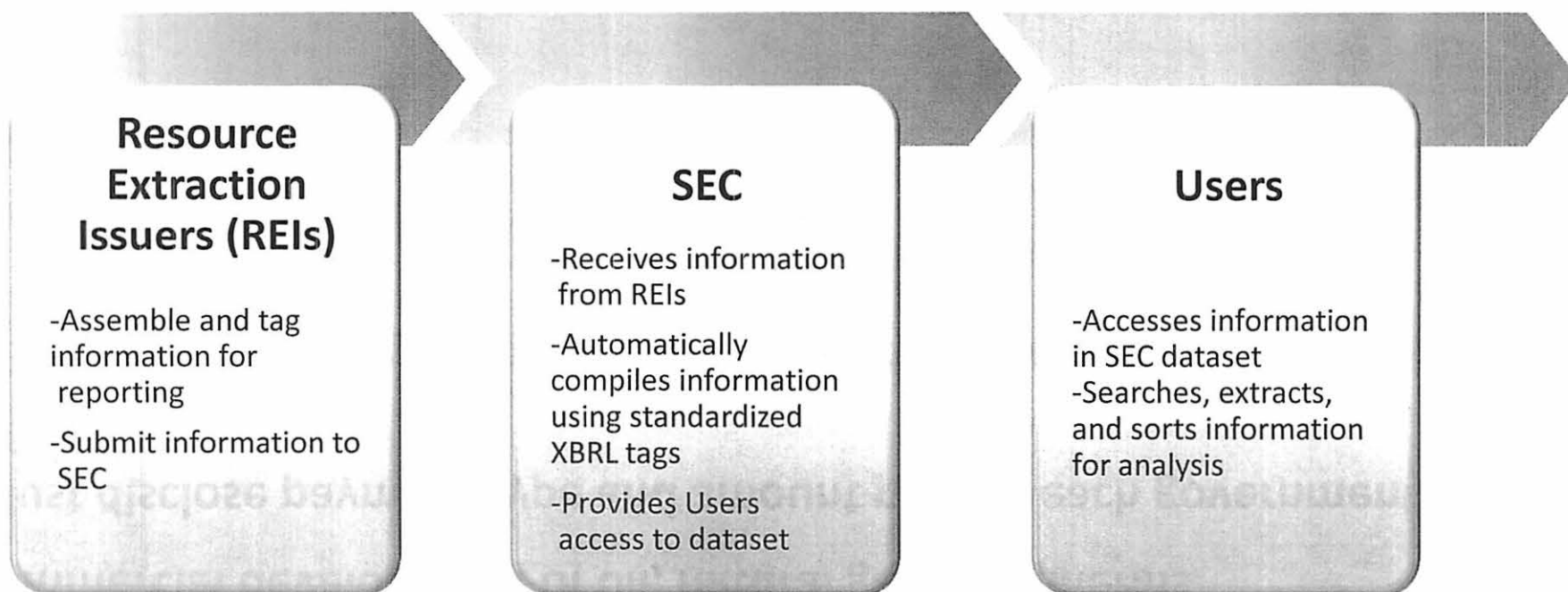
- Summary of DF 1504
- Objective
- Project Proposal
- Compilation and Reporting
- Model Demo
- Summary of Benefits
- Q&A

Dodd-Frank 1504

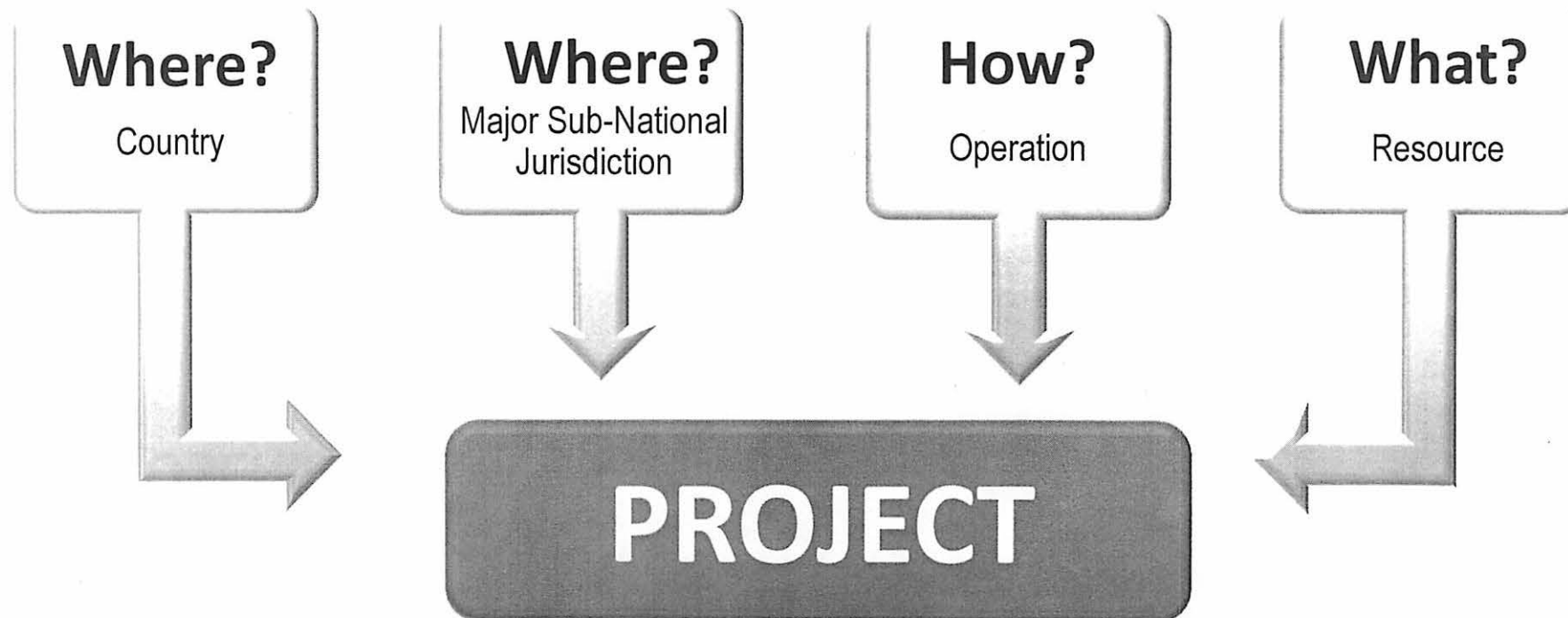


- Annual reporting of payments made to governments for the purpose of commercial development of oil, natural gas, or minerals
- Must disclose payment type and amount paid to each government, by project
- SEC to make a compilation of the information available to the public

Workable Transparency Solution for ALL Stakeholders



Standardized Interactive Definition of “Project” Driven By PREDETERMINED XBRL Taxonomy



Excludes REI Company-Specific Information (name/ticker)

Compilation

USERS

Retrieve,
sort and
analyze
localized data

SEC

Automated compilation
of all REI data, excluding
company-specific
information

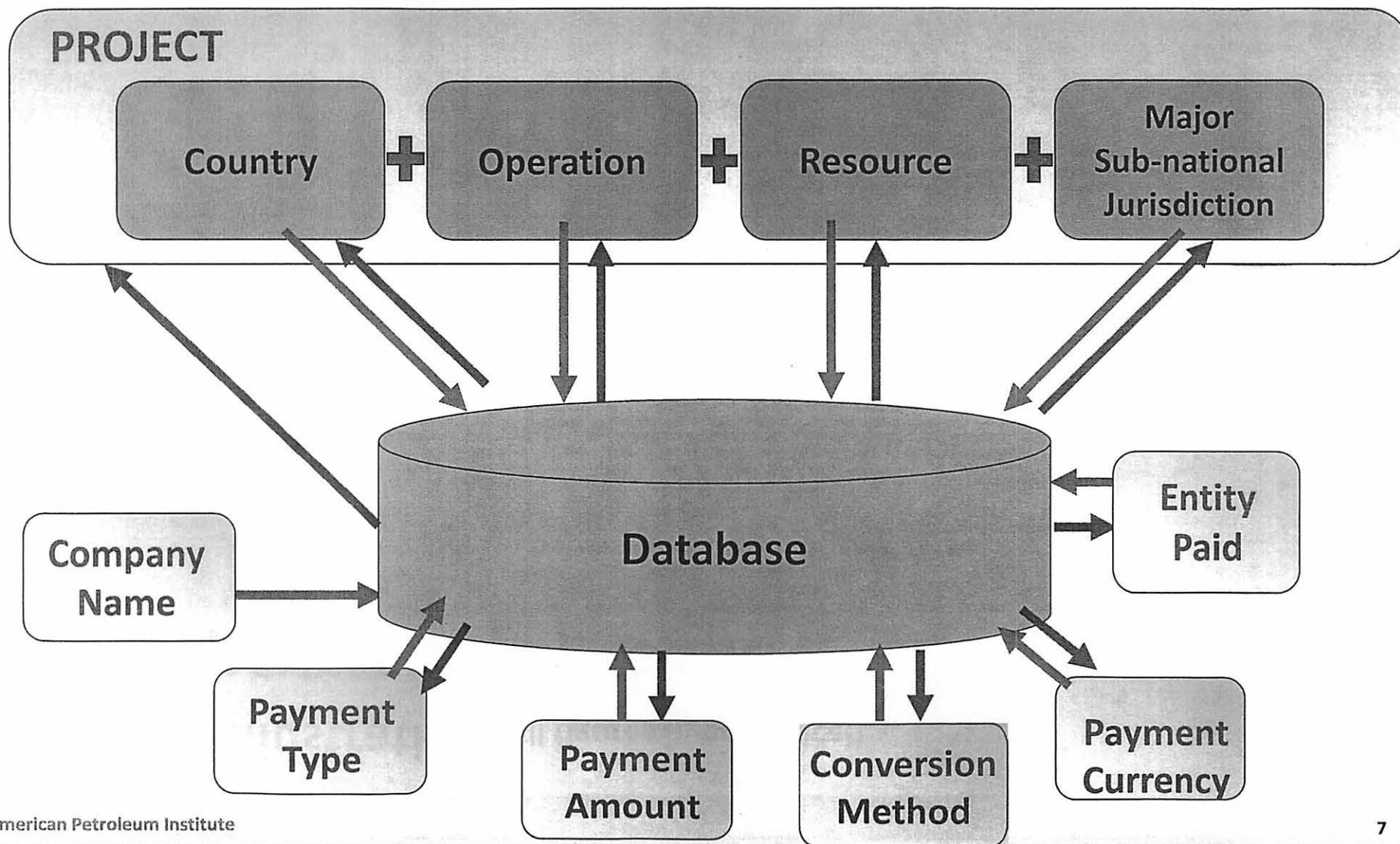
REI

Tagged data submissions

Dimension Structure

→ Data Submitted by REIs

→ Data Available for Analysis



Dataset Illustration (all figures hypothetical)



Total payments by country

Row Labels	 Sum of Amount (USD)
Mozambique	7,500
Nigeria	33,650
United States	17,150

Dataset Illustration



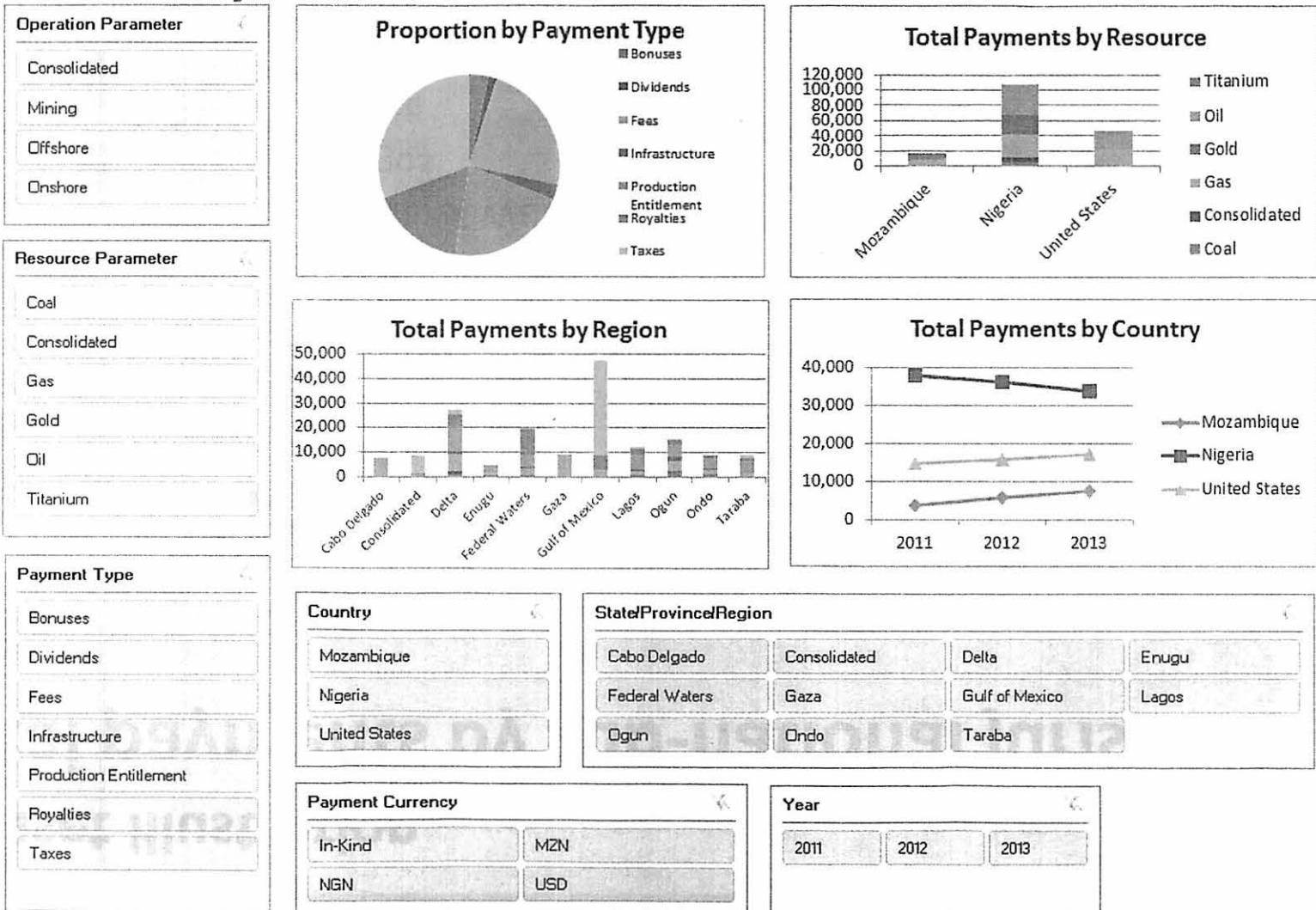
Total payments by sub-national jurisdiction

Row Labels	 Sum of Amount (USD)
☒ Nigeria	33,650
Consolidated	2,820
Delta	8,150
Enugu	1,820
Federal Waters	6,240
Lagos	3,715
Ogun	4,755
Ondo	3,135
Taraba	3,015
Grand Total	33,650

Dataset Illustration

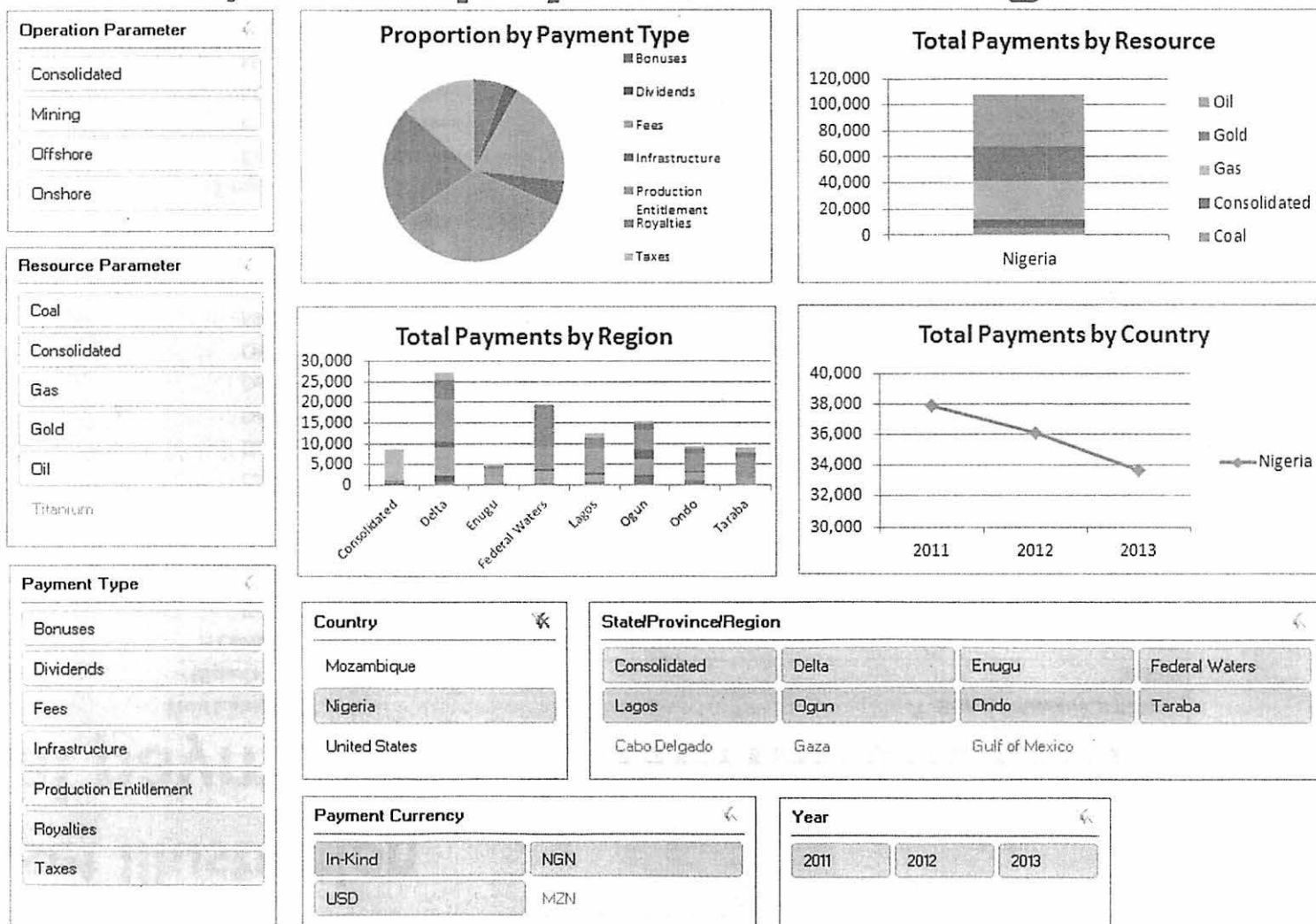


Chart view, consolidated



Dataset Illustration

Chart view, 2013 payments for Nigeria



Dataset Illustration

Total payments by government entity

Row Labels	Sum of Amount (USD)
Nigeria	33,650
Consolidated	2,820
Federal Inland Revenue Service	2,760
Nigeria National LNG	60
Delta	8,150
City of Asaba	170
City of Warri	100
Delta State Bureau of Lands	590
Delta State Department of Wildlife	180
Delta State Development Commission	940
Delta State Internal Revenue Service	535
Ministry of Petroleum Reserves	1,670
Nigeria Ministry of Ports and Harbors	120
Nigeria National LNG	110
Nigerian National Petroleum Corporation	3,735
Enugu	1,820
Enugu State Board of Internal Revenue	215
Enugu State Lands Bureau	390
Ministry of Mines and Steel Development	550
Nigerian Coal Corporation	665
Federal Waters	6,240
Ministry of Petroleum Reserves	3,860
Nigeria Ministry of Ports and Harbors	465
Nigerian National Petroleum Corporation	1,915
Lagos	3,715
Lagos State Board of Internal Revenue	60
Lagos State Lands Bureau	105
Lagos State Ministry of the Environment	155

Dataset Illustration

Total payments to Delta State Bureau of Lands, for payments related to projects in Delta state

Year	Operation Parameter	Resource Parameter	Country	State/Province/Region	Project	Entity Paid	Payment Currency	Conversion Method	Payment Type	Amount (USD)
2013	Onshore	Oil	Nigeria	Delta	NigeriaOnshoreOilDelta	Delta State Bureau of Lands	USD		Bonuses	100
2013	Onshore	Oil	Nigeria	Delta	NigeriaOnshoreOilDelta	Delta State Bureau of Lands	USD		Fees	400
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Fees	30
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Fees	30
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Infrastructure	0
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Dividends	0
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Bonuses	0
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Production Entitlement	0
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Fees	30
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Royalties	0
2013	Onshore	Gas	Nigeria	Delta	NigeriaOnshoreGasDelta	Delta State Bureau of Lands	USD		Taxes	0

Dataset Illustration

Total payments by entity paid, by payment type

Sum of Amount (USD)	Column 1							
Row Labels	Bonuses	Dividends	Fees	Infrastructure	Production Entitlement	Royalties	Taxes	Grand Total
- Nigeria	1,660	175	6,710	1,030	12,280	7,405	4,390	33,650
- Consolidated	0	0	60	0	0	0	2,760	2,820
Federal Inland Revenue Service	0	0	0	0	0	0	2,760	2,760
Nigeria National LNG			60					60
- Delta	100	100	2,285	320	3,500	1,310	535	8,150
City of Asaba	0	0	70	100	0	0	0	170
City of Warri	0	0	100		0	0	0	100
Delta State Bureau of Lands	100	0	490	0	0	0	0	590
Delta State Department of Wildlife	0	0	180	0	0	0	0	180
Delta State Development Commission	0	0	720	220	0	0	0	940
Delta State Internal Revenue Service	0	0	0	0	0	0	535	535
Ministry of Petroleum Reserves	0	100	495	0	0	1,075	0	1,670
Nigeria Ministry of Ports and Harbors	0	0	120	0	0	0	0	120
Nigeria National LNG			50					50
Nigeria National LNG			60					60
Nigerian National Petroleum Corporation	0	0	0	0	3,500	235	0	3,735
- Enugu	210		520		630	245	215	1,820
Enugu State Board of Internal Revenue							215	215
Enugu State Lands Bureau	100		290					390
Ministry of Mines and Steel Development	110		230			210		550
Nigerian Coal Corporation					630	35		665
- Federal Waters	200	0	925	0	1,650	3,465	0	6,240
Ministry of Petroleum Reserves	200	0	460	0	0	3,200	0	3,860
Nigeria Ministry of Ports and Harbors	0	0	465	0	0	0	0	465
Nigerian National Petroleum Corporation			0		1,650	265		1,915
- Lagos	280	0	505	100	1,800	970	60	3,715
Lagos State Board of Internal Revenue							60	60
Lagos State Lands Bureau	30		75					105
Lagos State Ministry of the Environment			155					155
Ministry of Mines and Steel Development	250	0	275	0	0	500	0	1,025
Nigeria Ministry of Ports and Harbors	0	0	0	100	0	0		100
Nigerian Gold Corporation	0	0	0	0	1,800	470	0	2,270
- Ogun	660	0	1,255	520	1,600	630	90	4,755
City of Abeokuta	0	0	40	300	0	0	0	340
Ministry of Mines and Steel Development	160	0	150	0	0	300	0	610
Ministry of Petroleum Reserves	200		350					550
Nigeria Ministry of Ports and Harbors			30					30
Nigerian Gold Corporation	0	0	0	0	1,100	300	0	1,400
Nigerian National Petroleum Corporation			0		500	30		530
Ogun State Development Commission	0	0	190	100	0	0	0	290
Ogun State Internal Revenue Service							90	90

Dataset Illustration



Total payments for each project, by payment type

Sum of Amount (USD)		Column ▾							
Row Labels		Bonuses	Dividends	Fees	Infrastructure	Production Entitlement	Royalties	Taxes	Grand Total
- Nigeria		1,660	175	6,710	1,030	12,280	7,405	4,390	33,650
NigeriaConsolidatedConsolidatedConsolidated		0	0	0	0	0	0	1,860	1,860
NigeriaMiningCoalEnugu		210		520		630	245	215	1,820
NigeriaMiningConsolidatedConsolidated		0	0	0	0	0	0	500	500
NigeriaMiningGoldLagos		280	0	505	100	1,800	970	60	3,715
NigeriaMiningGoldOgun		460	0	450	100	1,100	600	0	2,710
NigeriaMiningGoldOndo		210	0	310	50	800	350	40	1,760
NigeriaOffshoreOilDelta		0	0	890	220	1,600	900	75	3,685
NigeriaOffshoreOilFederal Waters		200	0	925	0	1,650	3,465	0	6,240
NigeriaOffshoreOilOgun		0	0	220	100	300	20	50	690
NigeriaOnshoreGasConsolidated		0	0	60	0	0	0	400	460
NigeriaOnshoreGasDelta		0	100	955	100	1,800	390	450	3,795
NigeriaOnshoreGasOndo		0	0	345		700	80	250	1,375
NigeriaOnshoreGasTaraba		0	75	505	40	1,600	355	440	3,015
NigeriaOnshoreOilDelta		100		440		100	20	10	670
NigeriaOnshoreOilOgun		200	0	585	320	200	10	40	1,355
Grand Total		1,660	175	6,710	1,030	12,280	7,405	4,390	33,650

Dataset Illustration



Total payments for each project, by entity paid

Sum of Amount (USD)	Column City of Abeokuta	City of Akure	City of Asaba	City of Jalingo	City of Ondo	City of Warri	Delta State Bureau of Lands	Delta State Department of Wildlife	Delta State Development	Delta State Internal Revenue	Enugu State Board of	Enugu State Lands	Federal Inland Revenue
Row Labels													
Nigeria	340	140	170	40	60	100	590	180	940	535	215	390	2,760
NigeriaConsolidatedConsolidatedConsolidated													1,860
NigeriaMiningCoalEnugu											215	390	
NigeriaMiningConsolidatedConsolidated													500
NigeriaMiningGoldLagos													
NigeriaMiningGoldOgun	140												
NigeriaMiningGoldOndo		95											
NigeriaOffshoreOilDelta								110	700	75			
NigeriaOffshoreOilFederal Waters													
NigeriaOffshoreOilOgun													
NigeriaOnshoreGasConsolidated													400
NigeriaOnshoreGasDelta			170			100	90	70	200	450			
NigeriaOnshoreGasOndo		45			60								
NigeriaOnshoreGasTaraba				40									
NigeriaOnshoreOilDelta							500		40	10			
NigeriaOnshoreOilOgun	200												
Grand Total	340	140	170	40	60	100	590	180	940	535	215	390	2,760

Dataset Illustration

Total payments to entity paid, by project and payment type

Sum of Amount (USD)		Column 1							Column 2					
Row Labels		Nigeria Consolidated							Nigeria Mining Coal Enugu					
		Bonuses	Dividends	Fees	Infrastructu	Production	Royalties	Taxes	Bonuses	Fees	Production	Royalties	Taxes	
- Nigeria		0	0	0	0	0	0	1,860	210	520	630	245	210	
City of Abeokuta														
City of Akure														
City of Asaba														
City of Jalingo														
City of Ondo														
City of Warri														
Delta State Bureau of Lands														
Delta State Department of Wildlife														
Delta State Development Commission														
Delta State Internal Revenue Service														
Enugu State Board of Internal Revenue													210	
Enugu State Lands Bureau									100	290				
Federal Inland Revenue Service		0	0	0	0	0	0	1,860						
Jalingo (Local Government Area) Bureau of														
Lagos State Board of Internal Revenue														
Lagos State Lands Bureau														
Lagos State Ministry of the Environment														
Ministry of Mines and Steel Development									110	230		210		
Ministry of Petroleum Reserves														
Nigeria Ministry of Ports and Harbors														
Nigeria National LNG														
Nigeria National LNG														
Nigerian Coal Corporation											630	35		
Nigerian Gold Corporation														
Nigerian National Petroleum Corporation														
Ogun State Development Commission														
Ogun State Internal Revenue Service														
Ogun State Lands Bureau														
Ogun State Ministry of the Environment														
Ondo State Development Commission														
Ondo State Internal Revenue Service														
Ondo State Land Ministry														
Owo (Local Government Area) Treasury														
Taraba State Development Commission														
Taraba State Internal Revenue Service														
Grand Total		0	0	0	0	0	0	1,860	210	520	630	245	210	

Benefits



- **Efficiency and Usability**

- *Provides compiled localized data*
- *Extracted data readily sortable to maximize user analysis*
- *Leverages existing technology*
- *Minimizes manual intervention*

- **Flexibility**

- **Protects commercially sensitive information**