



July 26, 2019

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. S7-05-19

Amendments to Financial Disclosures about Acquired and Disposed Businesses

Release No. 33-10635; 34-85765; IC-33465;

Dear Ms. Countryman,

Denbury Resources Inc. ("Denbury") appreciates the opportunity to submit this letter in response to the Securities and Exchange Commission's request for public comment on the proposed amendments to financial disclosures about acquired and disposed businesses (the "Proposal"). Denbury is an independent oil and natural gas company active in seven states in the Gulf Coast and Rocky Mountain regions, with an emphasis on CO₂ enhanced oil recovery. Denbury is generally supportive of the proposed rules; however, we believe one area warrants additional attention, that being the proposed revisions to Section 1-02(w)(1)(i) of Regulation S-X (the "Investment Test"), the test comparing a registrant's investment in and advances to an acquired business to the aggregate worldwide market value of the registrant's voting and non-voting common equity ("Aggregate Worldwide Market Value").

We understand that many past commentators have opined that the current significant subsidiary test does not accurately reflect the relative significance of a registrant to an acquired business. We, however, believe that the Proposal would have the effect of substituting a different "one size fits all" standard in the current Investment Test's place, when in fact many entities have significantly different capital structures. We believe utilizing Enterprise Value, which is a more comprehensive alternative to Aggregate Worldwide Market Value, would be a superior approach in measuring an acquisition's economic significance to a registrant and better accommodate entities across many different industries.

While the proposed amendment is intended, in part, to reduce the complexity and costs to prepare disclosures relating to acquired and disposed businesses, the amendment could have the opposite effect of increasing the number of circumstances in which historical financial statements of acquired and disposed businesses are required. The proposing release itself discusses under "Alternatives Considered" using an enterprise value test, as "more comprehensively reflecting the value of the entity because it includes equity, debt, minority interests and preferred shares." Using enterprise value therefore may be a more accurate reflection of fair value for entities with a disproportionate amount of debt to equity. By using an alternative test, the rule itself will accommodate the widely varying capital structures found in the marketplace while still making important information available to investors.

Denbury appreciates the opportunity to comment on the Proposal and hopes these comments are helpful. Should you have any questions with respect to our comments, please do not hesitate to contact me.

Sincerely,



Alan Rhoades
Vice President and Chief Accounting Officer
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Plano, TX 75024