

**SECURITIES AND EXCHANGE COMMISSION**

**17 CFR Parts 210, 229, and 249**

**[Release Nos. 33-8935; 34-58030; File No. S7-15-08]**

**RIN 3235-AK00**

**MODERNIZATION OF THE OIL AND GAS REPORTING REQUIREMENTS**

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The Commission is proposing revisions to its oil and gas reporting requirements which exist in their current form in Regulation S-K and Regulation S-X under the Securities Act of 1933 and the Securities Exchange Act of 1934, as well as Industry Guide 2. The revisions are intended to provide investors with a more meaningful and comprehensive understanding of oil and gas reserves, which should help investors evaluate the relative value of oil and gas companies. In the three decades that have passed since adoption of these requirements, there have been significant changes in the oil and gas industry. The proposed amendments are designed to modernize and update the oil and gas disclosure requirements to align them with current practices and changes in technology. The proposed amendments would also codify Industry Guide 2 in Regulation S-K, with several additions to, and deletions of, current Industry Guide items. They would further harmonize oil and gas disclosures by foreign private issuers with the proposed disclosures for domestic issuers.

**DATES:** Comments should be received on or before September 8, 2008.

**ADDRESSES:** Comments may be submitted by any of the following methods:

Electronic comments:

















































































































- Total proved reserves;
- Probable reserves (optional); and
- Possible reserves (optional).

The proposed Item would provide for separate tables for reserves in conventional accumulations<sup>102</sup> and continuous accumulations.<sup>103</sup> However, a company may combine these two tables.<sup>104</sup> If a company does so, it must present different products in different columns. For example, because refining and processing, other than field processing of gas to extract liquid hydrocarbons, are not oil and gas producing activities, we believe that a company that extracts and processes oil sands into synthetic crude oil should report the first salable product, bitumen, as its reserves. The activity of processing bitumen into synthetic crude oil at a plant, even if on or near the extraction location, is a refining process. Forms of these two proposed tables are set forth below:

**Summary of Oil and Gas Reserves in Conventional Accumulations as of Fiscal-Year End Based on Average Fiscal-Year Prices**

	Reserves	
	Oil	Natural Gas
Reserves category	(mbbls)	(mmcf)
<b>PROVED</b>		
<b>Developed</b>		
Continent A		
Continent B		
15% Country A		
15% Country B		
10% Field A in Country B		
Other Fields in Country B		
Other Countries in Continent B		
<b>Undeveloped</b>		
Continent A		

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<sup>102</sup> See proposed Item 1202(a).

<sup>103</sup> See proposed Item 1202(b).

<sup>104</sup> See proposed Item 1201(b).











































































































































































































































































