TOTAL

Exploration & Production
Le Directeur Général

September 5, 2008

Ms Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File Number S7-15-08.
Modernization of the Oil and Gas Reporting Requirements

Dear Ms. Harmon,

TOTAL is pleased to provide its comments to the Securities and Exchange Commission ("SEC") on the rule proposal "Modernization of the Oil and Gas Reporting Requirements" (the "Proposing Release"). First, we would like to commend the SEC for the positive steps taken in these new proposed rules. We welcome that you have taken into account the suggestions provided by TOTAL and other industry participants in response to the SEC's "Concept Release on Possible Revisions to the Disclosure Requirements Relating to Oil and Gas Reserves" (the "Concept Release").

We believe that the Proposing Release is an important step forward in modernizing oil and gas reserves definitions and reporting requirements. We are pleased that the general philosophy behind many of the proposed rule changes is consistent with the definitions of the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE). The SEC's reference to the SPE-PRMS classifications represents a further step toward the worldwide acceptance of these definitions, which have been developed by a group of experts in the oil and gas reserves and resources domain. As discussed below, however, we are concerned by certain additional disclosures requested in the Proposing Release, in particular with respect to the dramatically increased granularity of many of the proposed disclosures. We believe that this level of detailed disclosure would be counter-productive to the goal of improving investors' understanding of the industry, and, in our view, of no, or very limited, interest to such investors.

We have set forth our general positions in this letter and have included more detailed comments on certain of your specific questions in the Proposing Release in Annex A attached hereto.

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 5 981 907 382,50 euros
Siège social : 2 place de La Coupole - La Défense 6 - 92400 Courbevoie - France
542 051 180 RCS Nanterre

1. Year-End Pricing

TOTAL welcomes the proposal to use an annual average price instead of the price at year end to determine whether resources are economically producible based on current economic conditions. Applying an annual average price will help smooth price variations from year-to-year while still allowing for consistency and comparability across oil and gas registrants. However, we favor a calculation of the average over a period of 12 months ending earlier than an issuer's fiscal year-end, or so-called "trailing year-end" in the Proposing Release (e.g., average based on the prices on the first day of each month), in order to provide issuers more time to complete their reserves estimates. In addition, we propose that all oil and gas issuers be required to use the same source (e.g., the SEC or some other third party published source) to obtain the applicable average prices to use in calculating the main industry markers, such as the Brent or WTI prices.

Moreover, we believe that it is essential to have consistency between the SEC's disclosure requirements and the applicable accounting rules. Therefore, we do not support the use of a different price for reserves reporting than that used for depletion, depreciation and amortization calculations for accounting purposes.

2. Non-Traditional Resources

The proposed inclusion of "non-traditional" resources (e.g., bitumen from oil sands, extraction of synthetic oil from oil shales, etc.) as oil and gas reserves will improve the quality of disclosure, since these assets are currently considered by both management and investors as being an integral part of oil and gas assets. We believe that their inclusion in issuers' disclosure would improve the quality and completeness of an issuers' portfolio and closer reflect the operations as seen from the perspective of management. However, we believe that the disclosure of "non-traditional" resources should be limited to situations where technical solutions already exist to economically produce oil and gas from these reservoirs.

3. Definitions for Oil and Gas Reserves

We agree with the general approach to the definitions of oil and gas reserves set forth in the Proposing Release. In particular, we believe that the SEC's proposal to recognize the role of new technology as the basis for determining a company's reserves is a positive step, since it will allow issuers to align their reserve calculations closer to how they approach their day-to-day business operations and decisions. However, we do not believe that the definition of "reliable technology" requires that the technology be "widely accepted", as certain effective technologies are proprietary in nature and not widely used. In addition, it is our view that not all technologies need to be applied on "the formation being evaluated or in an analogous formation" to be considered as reliable (e.g., measures of pressure gradients in wells, simulation).

Furthermore, we concur with the proposed approach for the definition of proved undeveloped (PUD) reserves, which is based on the concept of "reasonable certainty" rather than "certainty" of continuity of production. However, we are not in favor of imposing arbitrary thresholds on distance or time duration criteria for assigning proved reserves to undrilled locations. We believe that distance criteria to characterize PUD reserves beyond drilled units should not be fixed based on arbitrary standards but should be determined on a case-by-case basis using available data, analogs and professional experience. Similarly, we believe that imposing an arbitrary time limit on the period during which reserves may be categorized as proved undeveloped reserves is not adapted to the range of projects in the oil and gas industry and that the proposed time limit of five years is too short with respect to the development cycle of many projects, in particular for large scale projects with long-term production plateaus, or for many unconventional oil and gas projects. Furthermore, imposing a time constraint on PUD volumes would only give investors a partial, short-term view of recoverable proved volumes.

4. Unproved Reserves

As stated in our response to the concept release, we believe that the disclosure of proved reserves in the SEC filing appropriately serves the purpose of protecting investors by providing the reserves information that meets the most rigorous test. However, to meet investors' demand, we feel that the proposed optional reporting of unproved reserves is an acceptable alternative to mandatory reporting. Consequently, we believe the final rules should not prevent issuers from continuing to publish information beyond proved reserves in its public documents that are not filed with the SEC, which would be consistent with current industry practice. Such information that is not filed with the SEC should nonetheless be based on SPE-PRMS classifications.

5. Detailed Disclosure of Reserves Estimates

The SEC's Proposing Release, if adopted as is, would significantly increase the granularity of the reporting of reserves information by requiring additional information to be disclosed by technology, by geographical area, by the developed/undeveloped status, by maturity and by field or well disclosures. As detailed in Annex A, TOTAL does not believe that this additional data provides a more meaningful and comprehensive understanding of oil and gas reserves to investors. Furthermore, providing this level of detailed disclosure publicly would raise a number of legal and confidentiality issues, both with host countries and among partners in the industry, and may also lead to the disclosure of commercially sensitive, proprietary information that companies have developed as part of their competitive advantage, thereby distorting competition in the industry.

6. Disclosure of Qualifications of Persons Responsible for Reserves Estimates

We believe that detailed disclosure of the qualifications of all persons primarily responsible for preparing the reserves estimates at large companies such as TOTAL would not be practical, considering the number of engineers and geoscientists involved in this process. An alternative to the proposed detailed disclosure would be for companies to provide disclosure on their reserves booking process and procedures.

Concerning the need for the certification of evaluators, we suggested in our response to the Concept Release that a specific, international certification should be introduced on a worldwide level to ensure homogeneity of training and qualification. Given the difficulties and complexity that implementation of this certification requirement within a reasonable timeframe would entail, an alternative could be to have issuers' training programs certified by an appropriate international professional organization.

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
TOTAL SA

ANNEX A: Detailed Comments to Questions in Proposing Release
For Modernization of the Oil and Gas Reporting Requirements

II. Revisions and Additions to the Definition Section of Rule 4-10 of Regulation S-X

B. Year-End Pricing

TOTAL welcomes the proposal to use an annual average price instead of the price at year end to determine whether resources are economically producible based on current economic conditions. Applying an annual average price will help smooth price variations from year-to-year while still allowing for consistency and comparability across oil and gas registrants.

However, we favor a calculation of the average over a period of 12 months ending earlier than an issuer's fiscal year-end, or so-called "trailing year-end" in the Proposing Release (e.g., average based on the first day of each month), in order to provide issuers more time to complete their reserves estimates. In addition, we propose that all oil and gas issuers be required to use the same source (e.g., the SEC or some other third party published source) to obtain the applicable average prices to use in calculating the main industry markers, such as the Brent or WTI prices.

Moreover, we believe that it is essential to have consistency between the SEC's disclosure requirements and the applicable accounting rules. Therefore, we do not support the use of a different price for reserves reporting than that used for depletion, depreciation and amortization calculations for accounting purposes.

1. 12-month average price

II.B.1 1 Should the economic producibility of a company's oil and gas reserves be based on a 12-month historical average price?

Yes, we believe that a twelve month historical price average could significantly reduce the impact of short-term volatility while maintaining comparability of disclosure among issuers.

II.B.1 2 Should we consider an historical average price over a shorter period of time, such as three, six, or nine months?

An annual period (as opposed to a shorter period of time) is more in line with the publishing of reserves on a yearly basis.

II.B.1 3 Should we consider a longer period of time, such as two years? If so, why?

We believe trends will be properly reflected using a 12 month price average and that a longer period of time is not necessary. Furthermore, we believe that the basis for accounting and reserves disclosures should be based on the same price.

II.B.1 4 Should we require a different pricing method?

Ideally, prices based on management forecasts should be used to determine whether resources are economically producible. However, as a practical matter, it is unlikely that oil and gas companies could arrive at a unanimous approach to determine which prices and forecasts to use. Therefore, we believe that the use of a historical price, which can be verified externally and ensures comparability, is appropriate. The annual average price offers the advantage of being rather simple to apply and reflects trends over time, albeit imperfectly.

II.B.1 5 Should we require the use of futures prices instead of historical prices?

Please refer to our comment above regarding economic producibility at comment II.B.1.1. With respect to the use of quoted future prices, we do not believe these quotations are necessarily applicable for the long-term appreciation over the life of fields. Furthermore, costs associated with futures do not correspond to current markets and would have to be determined.

II.B.1 6 Is there enough information on futures prices and appropriate differentials for all products in all geographic areas to provide sufficient reporting consistency and comparability?

We do not believe that there is sufficient information on future prices and in particular regarding differentials for all products in all geographic areas to provide adequate consistency and comparability in the reporting.

II.B.1 7 Should the average price be calculated based on the prices on the last day of each month during the 12-month period, as proposed?

We do not believe the use of the last day of each month during the 12-month period is helpful, in particular if the amended rule is based on the fiscal year period instead of a "trailing year-end", as issuers would still have to wait until early January to complete their reserves estimates (assuming a December 31 fiscal year end).

II.B.1 8 Is there another method to calculate the price that would be more representative of the 12-month average, such as prices on the first day of each month? Why would such a method be preferable?

An average based on the prices on the first day of each month would be preferable to the one calculated on the last day, since it would provide issuers with an additional month to prepare reserve figures for the accounting year-end close.

II.B.1 9 Should we require, rather than merely permit, disclosure based on several different pricing methods? If so, which different methods should we require?

We do not see any advantage to requiring different pricing methods and would encourage the SEC to adopt one pricing method for the reasons described above.

II.B.1 10 Should we require a different price, or supplemental disclosure, if circumstances indicate a consistent trend in prices, such as if prices at year-end are materially above or below the average price for that year?
If so, should we specify the particular circumstances that would trigger such disclosure, such as a 10%, 20%, or 30% differential between the average price and the year-end price?
If so, what circumstances should we specify?

We believe that requiring companies to recalculate the reserves estimates with year end prices as suggested would continue to make it very difficult for companies to meet filing deadlines; this proposed requirement would not be an improvement on the current situation.

The level of sensitivity to prices depends largely on the structure of a company's portfolio of assets (e.g., production sharing contract versus concession, duration of licenses, breakeven point, etc.), which could vary significantly among different issuers. As a result, we believe it would not be appropriate to attempt to set a fixed threshold of price variation to trigger reserves disclosure based on year-end prices. However, we believe companies should be permitted to disclose sensitivity calculations.

2. Trailing year-end

II.B.2 1 Should the price used to determine the economic producibility of oil and gas reserves be based on a time period other than the fiscal year, as some commenters have suggested? If so, how would such pricing be useful?

As stated in our reply to the Concept Release, a time period from October 1 to September 30 could provide issuers with more time to prepare the annual closing, without a significant distortion in price trend. However, considering that the price used for reserves estimates should preferably refer to a time period consistent with the fiscal year, an acceptable alternative would be to use an annual average price based on the first day of each month (January 1rst , December 1rst), as described in question II B I 8.

II.B.2 2 Is a lag time between the close of the pricing period and the end of the company's fiscal year necessary? If so, should the pricing period close one month, two months, three months, or more before the end of the fiscal year? Explain why a particular lag time is preferable or necessary.

We believe it is preferable to have a time lag before the end of the fiscal year to give companies additional time to complete their reserves estimates in due time for disclosure in SEC filings (see also II.B.1 8, II.B.1 10 and II.B.2 1).

II.B.2 3 Do accelerated filing deadlines for the periodic reports of larger companies justify using a pricing period ending before the fiscal year end?

Yes, the SEC's recently adopted accelerated filing deadlines for annual reports on Form 20-F applicable to foreign private issuers justify using a period ending before such issuers' fiscal year-end.

3. Prices used for accounting purposes

II.B.3 1 Should we require companies to use the same prices for accounting purposes as for disclosure outside of the financial statements?

We believe that it is essential to have consistency between the SEC's disclosure requirements outside the financial statements and those applicable for accounting purposes. An issuer's reserves booking and financial statements form part of one consistent set of information. We do not believe it is appropriate to dissociate reserves estimations from the financial statements and vice versa.

II.B.3 2 Is there a basis to continue to treat companies using the full cost accounting method differently from companies using the successful efforts accounting method?
For example, should we require, or allow, a company using the successful efforts accounting method to use an average price but require companies using the full cost accounting method to use a single-day, year-end price?

We believe all companies should be treated in the same way with respect to the accounting method used.

II.B.3 3 Should the disclosures required by SFAS 69 be prepared based on different prices than the disclosures required by proposed Section 1200?

No, we believe basing SFAS 69 disclosures on different prices than the prices proposed in Section 1200 would create unnecessary work, render issuers' financial reporting less understandable and potentially confuse investors.

II.B.3 4 If proved reserves, for purposes of disclosure outside of the financial statements, other than supplemental information provided pursuant to SFAS 69, are defined differently from reserves for purposes of determining depreciation, should we require disclosure of that fact, including quantification of the difference, if the effect on depreciation is material?

We urge the SEC and the FASB to agree on one definition of reserves for the purposes of publishing volumes and determining depreciation. We would prefer not to create a new and complex form of reconciliation that would necessarily be confusing to investors.

II.B.3 5 Would companies have sufficient time to prepare separate reserves estimates for purposes of reserves disclosure on one hand, and calculation of depreciation on the other? Would such a requirement impose an unnecessary burden on companies?

We believe this would impose an unnecessary burden on companies. It is our view that no benefit would be obtained in terms of either external publications or internal management information.

II.B.3 6 Will our proposed change to the definitions of proved reserves and proved developed reserves for accounting purposes have an impact on current depreciation amounts or net income and to what degree?

Although we believe the proposed change may have an impact on current depreciation amounts or net income, we would expect it to be minimal.

II.B.3 7 If we change the definitions of proved reserves and proved developed reserves to use average pricing for accounting purposes, what would be the impact of that change on current depreciation amounts and on the ceiling test? Would the differences be significant?

Please refer to our previous comment at II.B.3 6.

However, for the ceiling test we use proved and probable reserves estimated with management long-term forecast prices, as provided for in IAS36 – section 33 "in measuring value in use, an entity shall base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset".

C. Extraction of Bitumen and Other Non-Traditional Resources

We recommend that all oil and gas extraction activities should be included in disclosure in SEC filings regardless of the nature of the reservoir or the extraction process. We feel that the extraction of bitumen from oil sands and other non-traditional resources are activities that are clearly part of the upstream oil and gas business and their inclusion in disclosure would improve the quality and completeness of reporting. However, this disclosure should be limited to cover activities where technical solutions already exist and the extracted or transformed products are marketable petroleum products.

II.C.1 Should we consider the extraction of bitumen from oil sands, extraction of synthetic oil from oil shales, and production of natural gas and synthetic oil and gas from coalbeds to be considered oil and gas producing activities, as proposed?

Yes, given that such activities are becoming an inherent part of the oil and gas industry and that technical solutions exist to economically produce oil and gas from these reservoirs.

II.C.2 Similar issues could arise regarding oil shales, although to a significantly less extent, because those resources currently are used as direct fuel only in limited applications. How should we treat the extraction of oil shales?

The extraction of oil shales may eventually be a process very similar to oil sands, and, therefore, we favor the inclusion of oil shales as an oil and gas activity in particular as technical solutions already exist and the extracted or transformed products are marketable petroleum products.

D. Reasonable Certainty and Proved Oil and Gas Reserves

In general, TOTAL supports the definition of reasonable certainty as "much more likely to be achieved than not".

II.D.1 Is the standard in the proposed definition appropriate? Would a different standard be more appropriate?

*The concept of estimated ultimate recovery (EUR) being much more likely to increase than decrease with time is appropriate for **proved** EUR.*

II.D.2 Is the proposed 90% threshold appropriate for defining reasonable certainty when probabilistic methods are used? Should we use another percentage value? If so, what value?

Yes, we believe that the 90% threshold is appropriate for defining reasonable certainty when probabilistic methods are used. This threshold has been the industry standard for many years, and we are not aware of any reason to change it at this time.

1. New technology

II.D.1.1 Is our proposed definition of "reliable technology" appropriate?

We agree with the proposed definition that technology should be considered "reliable" only when it has been sufficiently field-tested and has demonstrated repeatability and consistency. However, we do not believe that technology can be only reliable if it has been "widely accepted" within the oil and gas industry to be considered as reliable. Imposing such a constraint would harm companies that have developed proprietary technology that has been field-tested and demonstrated repeatability and consistency. Furthermore, we consider that not all technologies need to have been applied on "the formation being evaluated or in an analogous formation" to be considered as reliable (e.g., formation pressure measurements using wireline, computational methods).

Should we change any of its proposed criteria, such as widespread acceptance, consistency, or 90% reliability?

It is our view that consistency and repeatability are important criteria to assess reliability of a new technology. However, as stated above, widespread acceptance is not necessarily a good criterion for reliability. Moreover, the requirement for 90% reliability criteria is ambiguous and would be impracticable to assess.

II.D.1.2 Is the open-ended type of definition of "reliable technology" that we propose appropriate?
Would permitting the company to determine which technologies to use to determine their reserves estimates be subject to abuse?

We do not believe that permitting registrants to determine which technologies to use to determine their reserve estimates would be subject to abuse given the importance of reserves evaluations in general field management and in an issuer's investment decision process. It is our view that it is simply not in a registrant's best interest to misuse technology for reserves evaluation.

II.D.1.3 Is the proposed disclosure of the technology used to establish the appropriate level of certainty for material properties in a company's first filing with the Commission and for material additions to reserves estimates in subsequent filings appropriate?
Should we require disclosure of the technology used for all properties?
Should we require companies currently filing reports with the Commission to disclose the technology used to establish appropriate levels of certainty regarding their currently disclosed reserves estimates?

Disclosing the technology used to establish appropriate levels of certainty would not be practical since reserves estimates are generally based on the use of a full set of technologies. Attributing reserve estimates for a particular field to one technology would be inaccurate, while attributing estimates to all technologies actually used would result in very complex and technical disclosure, which, in our view, would not be useful to investors. Furthermore, this information can be sensitive information, which could harm an issuer's competitive position or raise confidentiality issues with its consortium partners.

2. Probabilistic methods

II.D.2.1 Are the proposed definitions of "deterministic estimate" and "probabilistic estimate" appropriate? Should we revise either of these definitions in any way? If so, how?

For the deterministic estimate, we would not limit the definition of reserves to an oil or gas in-place multiplied by a recovery factor. We would suggest limiting the definition as follows: "Deterministic estimate: an estimate that is based on using the most appropriate value for each variable used in the estimation of reserves."

The proposed definition of "probabilistic estimate" is, in our view, adequate.

II.D.2.2 Are the statements regarding the use of deterministic and probabilistic estimates in the proposed definition of "reasonable certainty" appropriate? Should we change them in any way? If so, how?

We believe these statements are appropriate.

II.D.2.3 Should an oil and gas company have the choice of using deterministic or probabilistic methods for reserves estimation, or should we require one method? If we were to require a single method, which one should it be? Why? Would there be greater comparability between companies if only one method was used?

We believe that issuers should have flexibility to select the type of method they use for reserves estimation, depending on available data and field maturity. The method used to evaluate reserves of a particular field may vary over the life of a field depending on available geosciences and engineering data. In addition, within deterministic and probabilistic methods, various approaches may be used.

II.D.2.4 Should we require companies to disclose whether they use deterministic or probabilistic methods for their reserves estimates?

Reserves estimates are far more sensitive to input reservoir variables and their associated ranges than the method used. Hence, we believe that disclosing the method used has limited interest and would not be practical for issuers that have interests in an extensive portfolio of assets.

3. Other revisions related to proved oil and gas reserves

We believe that any reliable technology that could reduce the uncertainty regarding fluid contact, or more generally on any reservoir parameter used in reserve evaluation, should be permitted.

II.D.3.1 Should we permit the use of technologies that do not provide direct information on fluid contacts to establish reservoir fluid contacts, provided that they meet the definition of "reliable technology," as proposed?

It is our view that any technology that provides additional information on fluid contacts should be permitted, provided that they meet the definition of "reliable technology". It should be noted that fluid contacts are already derived from indirect measurements of water saturation measured on logs. When using indirect measurements of fluid contacts, it is the role of the reserve evaluator to cross-check coherency of all available relevant data and to justify and document technical choices and approach used.

II.D.3.2 Should there be other requirements to establish that reserves are proved? For example, for a project to be reasonably certain of implementation, is it necessary for the issuer to demonstrate either that it will be able to finance the project from internal cash flow or that it has secured external financing?

We do not believe that additional elements other than those already described above should be required to establish proved reserves. Moreover, the approval of a project, which is a key element in booking proved

reserves, takes into account the financing aspect. Therefore, we believe it is not necessary to demonstrate that a company has the capacity to finance a project.

E. Unproved Reserves – "Probable Reserves" and "Possible Reserves"

II.E.1 Should we permit a company to disclose its probable or possible reserves, as proposed? If so, why?

As stated in our response to the concept release, we believe that the disclosure of proved reserves in the SEC filing appropriately serves the purpose of protecting investors by providing the reserves information that meets the most rigorous test. However, to meet investors' demand, we feel that the proposed optional reporting of unproved reserves is an acceptable alternative to mandatory reporting. In addition we believe the final rules should not prevent issuers from continuing to publish information beyond proved reserves in its public documents that are not filed with the SEC, which would be consistent with current industry practice. Such information that is not filed with the SEC should nonetheless be based on SPE-PRMS classifications.

Should we require, rather than permit, disclosure of probable or possible reserves? If so why?

Disclosure of probable or possible reserves should not be required in the SEC filing as it would make the reporting process longer and more onerous.

II.E.2 Should we adopt the proposed definitions of probable reserves and possible reserves? Should we make any revisions to those proposed definitions? If so, how should we revise them?

We suggest that SEC should adopt the SPE–PRMS definitions, given their increasing worldwide acceptance and as they have been developed by a group of experts in the oil and gas reserves and resources domain.

II.E.3 Are the proposed 50% and 10% probability thresholds appropriate for estimating probable and possible reserves quantities when a company uses probabilistic methods? Should probable reserves have a 60% or 70% probability threshold? Should possible reserves have a 15% or 20% probability threshold? If not, how should we modify them?

We believe it is appropriate to use the proposed 50% and 10% probability thresholds for estimating probable and possible reserves quantities when a company uses probabilistic methods as it is current industry practice.

F. Definition of "Proved Developed Oil and Gas Reserves"

II.F.1 Should we revise the definition of proved developed oil and gas reserves, as proposed? Should we make any other revisions to that definition? If so, how should we revise it?

We suggest the following modification to the proposed definition of proved oil and gas reserves:

"'Proved developed oil and gas reserves' are proved reserves that:

- *In projects that extract oil and gas through wells, can be expected to be recovered through existing wells with existing equipment (or new equipment that requires minor expenditure) and operating methods; and*
- *In projects that extract oil and gas in other ways, can be expected to be recovered through extraction technology installed and operational (or that requires minor expenditure to become operational)*

This proposed modification is in line with the current SEC guidance which indicates that currently producing wells and wells awaiting minor sales connection expenditures, recompletion, additional perforations or borehole stimulation would be examples of proved developed reserves since the majority of the expenditure to develop these reserves has been spent.

G. Definition of "Proved Undeveloped Reserves"

In general, we support the alignment of the definition of proved undeveloped reserves with that for proved reserves, with the adoption of "reasonable certainty" instead of "certainty" as the criterion for undeveloped reserves. However, we are not in favor of imposing arbitrary thresholds on distance or time duration criteria for assigning proved reserves to undrilled locations.

It is our view that distance criteria to characterize proved undeveloped reserves beyond drilled units should not be fixed based on arbitrary standards but should be determined on a case-by-case basis using available data, analogs and professional experience. Similarly, we feel that imposing an arbitrary time limit on the period during which reserves may be categorized as proved undeveloped reserves is not adapted to the range of projects in the oil and gas industry and that the proposed time limit of five years is too short with respect to the development cycle of many projects, in particular for large scale projects with long-term production plateaus, or for many unconventional oil and gas projects. Furthermore, imposing a time constraint on proved undeveloped volumes would only provide investors a partial, short-term view of recoverable proved volumes.

1. Proposed replacement of certainty threshold

II.G.1.1 Are the proposed revisions appropriate? Would the proposed expansion of the PUDs definition create potential for abuses?

The proposed revisions are appropriate and better aligned with SPE-PRMS. We do not believe that the revised definition will create potential for abuses.

II.G.1.2 Should we replace the current "certainty" threshold for reserves in drilling units beyond immediately adjacent drilling units with a "reasonable certainty" threshold as proposed?

Overall, we support the alignment of the definition of proved undeveloped reserves with that for proved reserves, with the adoption of "reasonable certainty" instead of "certainty" as the criterion for undeveloped reserves. We feel that distance criteria to characterize proved undeveloped reserves beyond drilled units should not be fixed based on arbitrary standards but should be determined on a case-by-case basis using available data, analogs and professional experience

We also note that the proposed rule makes reference to the term "drilling units". This concept is mostly applicable in the United States and Canada. We suggest, as an alternative, to refer to "development spacing" which should have broader international acceptance.

II.G.1.3 Is it appropriate to prohibit a company from assigning proved status to undrilled locations if the locations are not scheduled to be drilled more than five years, absent unusual circumstances, as proposed?
Should the proposed time period be shorter or longer than five years?
Should it be three years?
Should it be longer, such as seven or ten years?

We believe that imposing an arbitrary time limit on the period during which reserves may be categorized as proved undeveloped reserves is not adapted to the range of projects in the oil and gas industry. The proposed time limit of five years is certainly too short and not appropriate for the development cycles of many large scale projects with long-term production plateaus or for many unconventional oil and gas projects.

The volumes corresponding to proved undeveloped reserves are a subset of the proved volumes and as such have met the requirements that are set for proved volumes. In particular, by reporting these volumes as proved, issuers are committed to develop these reserves in a time frame that is defined and optimized in the development plan. Hence, imposing such a time constraint on proved undeveloped volumes would only give investors a partial, short-term view of recoverable proved volumes.

II.G.1.4 Should the proposed definition specify the types of unusual circumstances that would justify a development schedule longer than five years for reserves that are classified as proved undeveloped reserves?

We believe that, given the variety of oil and gas projects, it would be difficult to define a comprehensive set of circumstances that would justify the booking of proved undeveloped reserves for more than five years. In addition, this approach would lead to create another category of proved undeveloped reserves and would add an additional level of complexity to disclosure.

2. Proposed definitions for continuous and conventional accumulations

Based on the principle that all oil and gas extraction activities should be included in disclosure in SEC filings, regardless of the nature of the reservoir or the extraction process, we believe that disclosure should concentrate on the final product (i.e., oil and gas) rather than the type of accumulation.

II.G.2.1 Should we provide separate definitions of conventional and continuous accumulations, as proposed?
Would separate disclosure of these accumulations be helpful to investors?

We do not see a need to provide separate definitions for the reasons given above. We believe conventional and continuous accumulations should be reported as the same kind of reserves, according to the final product.

3. Proposed treatment of improved recovery projects

II.G.3.1 Should we expand the definition of proved undeveloped reserves to permit the use of techniques that have been proven effective by actual production from projects in an analogous reservoir in the same geologic formation in the immediate area or by other evidence using reliable technology that establishes reasonable certainty?

Yes, we believe that expanding the definition of proved undeveloped reserves to improved recovery projects in such a manner would be appropriate.

H. Proposed Definition of Reserves

II.H.1 Is the proposed definition of "reserves" appropriate? Should we change it in any way? If so, how?

We suggest using the SPE-PRMS definition of reserves.
In addition, the proposed definition includes the "legal right to produce" which is restrictive compared to the current definition under FAS 19, Par 11 "Mineral interests in properties", which include fee ownership or a lease, concession, or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest. Properties also include royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others. Properties include those agreements with foreign governments or authorities under which an enterprise participates in the operation of the related properties or otherwise serves as a "producer" of the underlying reserves". We therefore would suggest to add "and other non-operating interests" to "legal right to produce".

I. Other Proposed Definitions and Reorganization of Definitions

We suggest adopting the SPE-PRMS definitions, rather than adopting new definitions derived from SPE-PRMS.

III. Proposed Amendments to Codify the Oil and Gas Disclosure Requirements in Regulation S-K

B. Proposed New Subpart 1200 of Regulation S-K Codifying Industry Guide 2 Regarding Disclosures by Companies Engaged in Oil and Gas Producing Activities –

As discussed below, we are concerned by certain additional disclosures requested in the Proposing Release, in particular with respect to the dramatically increased granularity of many of the proposed disclosures. We believe that this level of detailed disclosure would be counter-productive to the goal of improving investors' understanding of the industry, and, in our view, of no, or very limited, interest to such investors.

2. Proposed Item 1201 (General instructions to oil and gas industry-specific disclosures)

III.B.2.1 In particular, should we permit a company to disclose reserves estimates from conventional accumulations in the same table as it discloses its reserves estimates from continuous accumulations?

Yes, please refer to our comment to question II.G.1.

3. Proposed Item 1202 (Disclosure of reserves)

i. Oil and gas reserves tables

III.B.3.i.1 Should we permit companies to disclose their probable reserves or possible reserves? Is the probable reserves category, the possible reserves category (or both categories) too uncertain to be included as disclosure in a company's public filings? Should we only permit disclosure of probable reserves? What are the advantages and disadvantages of permitting disclosure of probable and possible reserves, from the perspective of both an oil and gas company and an investor in an oil and gas company that chooses to provide such disclosure? Would investors be concerned by such disclosure? Would they understand the risks involved with probable or possible reserves?

See our comments in section II-E.1.

III.B.3.i.2 Would the proposed disclosure requirements provide sufficient disclosure for investors to understand how companies classified their reserves?
Should the proposed Item require more disclosure regarding the technologies used to establish certainty levels and assumptions made to determine the reserves estimates for each classification?

See our comments to II-D1.1 through II-D.1.9 above.

III.B.3.i.3 Should we require all reported reserves to be simple arithmetic sums of all estimates, as proposed?
Alternatively, should we allow probabilistic aggregation of reserves estimated probabilistically up to the company level?
If we do so, will company reserves estimated and aggregated deterministically be comparable to company reserves estimated and aggregated probabilistically?

We are in favor of arithmetic aggregation for reason of simplicity and comparability. However, it should be noted that the arithmetic aggregation of 3P volumes may be misleading to investors, since this aggregate figure is over optimistic by definition.

III.B.3.i.4 Should we revise the proposed form and content of the table? If so, how should we revise the table's form or content?

The existing format is adequate. We feel that the proposed table is too detailed, as indicated in our overall comments on section B above.

III.B.3.i.5 Should we eliminate the current exception regarding the disclosure of estimates of resources in the context of an acquisition, merger, or consolidation if the company previously provided those estimates to a person that is offering to acquire, merge, or consolidate with the company or otherwise to acquire the company's securities?
If so, would this create a significant imbalance in the disclosures being made to the possible acquirer, as opposed to the company's shareholders?

No, we believe that the current exception regarding such disclosure should not be eliminated.

ii. Optional reserves sensitivity analysis table

III.B.3.ii.1 Should we adopt such an optional reserves sensitivity analysis table? Would such a table be beneficial to investors? Is such a table necessary or appropriate?

We believe that sensitivity disclosure should not be mandatory. Please refer to our comment to Section II B.1.10 above.

III.B.3.ii.2 Should we require a sensitivity analysis if there has been a significant decline in prices at the end of the year?
If so, should we specify a certain percentage decline that would trigger such disclosure?

Please refer to our comment to section II.B.1.10 above.

III.B.3.ii.3 As noted above in this release, SFAS 69 currently uses single-day, year-end prices to estimate reserves, while the reserves estimates in the proposed tables would be based on 12-month average year-end prices.. If the FASB elects not to change its SFAS 69 disclosures to be based on 12month average year-end prices, should we require reconciliation between the proposed Item 1202 disclosures and the SFAS 69 disclosures?

We would strongly recommend that the accounting and disclosure requirements be aligned, based on the same price assumption.

iii. Geographic specificity with respect to reserves disclosures

To provide investors with information regarding concentration of reserves without providing commercially sensitive information on specific fields or countries that could cause competitive harm, we would propose that the amended disclosure requirement include certain additional information such as number of fields and the number of countries in an issuer's proved reserves portfolio.

We have a number of concerns on the increased disclosure requirement as proposed. The detailed segmentation would have to be applied to a number of other disclosures which are currently not available at this level of detail. This information is, moreover, often considered to be confidential by the countries in which we operate. In addition, such detailed disclosure may lead to revealing certain proprietary, commercially sensitive information and would thereby distort competition in the industry.

III.B.3.iii.1 Is there a better way to provide disclosure that a company heavily dependent on a particular field or basin may be subject to risks related to the concentration of its reserves?

Instead of providing standard tables, the relevant information could be addressed via the Business Overview section.

iv. Separate disclosure of conventional and continuous accumulations

III.B.3.iv.1 Should we require separate disclosure of conventional accumulations and continuous accumulations, as proposed?

No, as discussed in comment in Section II.G.2, conventional and continuous accumulations should be reported as the same kind of reserves when they result in the same final product, and accordingly we believe that no such separate disclosure should be required.

III.B.3.iv.2 Should we permit combining of columns if the product of the oil and gas producing activity is the same, such as natural gas, regardless of whether the reserves are in conventional or continuous accumulations?

Yes, we believe that it would be appropriate to combine the columns if the product of the oil and gas producing activity is the same, regardless of whether the reserves are in conventional or continuous accumulations. Please refer to our comment in Section II.G.2.

v. Preparation of reserves estimates or reserves audits

We agree that the qualifications of persons responsible for reserve estimates are crucial to ensuring the quality of reserve evaluation and that education and training are essential to maintain evaluators up to date with reserves definitions, classification and use of technology. However, detailed disclosure of the qualifications of all TOTAL reserves estimators would not be practical considering the number of engineers and geoscientists involved in our process. As an alternative, we propose that the amended rules require issuers to provide disclosure on their reserves booking process and procedures.

4. Proposed Item 1203 (Proved undeveloped reserves)

As discussed in our comment to Section II.G above, we believe that a rolling five-year period is not adapted to the range of projects in the oil and gas industry and that five years is too short with respect to the development cycle of many projects, in particular for large scale projects with long-term production plateaus or for many unconventional oil and gas projects. Furthermore, providing only five-year information on proved undeveloped volumes would only give investors a partial, short-term view of recoverable proved volumes.

III.B.4.1 Should we adopt the proposed table? Alternatively, should we simply require companies to reclassify their PUDs after five years?

TOTAL is not in favor of the adoption of the proposed table of proved undeveloped reserves for the reasons described immediately above. Furthermore, information regarding annual capital expenditures (capex) cannot be directly connected to the transfer of reserves from PUD to Proved Developed, since capex is spent over several years while developed reserves are booked when wells are drilled and capable of production.

III.B.4.2 Should we require disclosure of the reasons for maintaining PUDs that have been classified as PUDs for more than five years, as proposed? If not, why not?

As discussed above, we believe that the time period of five years is not adapted to the range of project with long development cycle which may constitute a significant part of an issuer's portfolio.

III.B.4.3 Should we require a company to disclose its plans to develop PUDs and to further develop proved oil and gas reserves, as proposed? If not, why not?

We do not believe that an issuer should be required to disclose its plans to develop PUDs and to further develop proved oil and gas reserves. It is our view that the information currently required to be disclosed on future capex destined to develop reserves within the next three years is sufficient.

5. Proposed Item 1204 (Oil and gas production)

III.B.5.1 Should we adopt the proposed table?

TOTAL does not support the adoption of the table. In particular, we object to the column requiring production cost information by product, since this information cannot be determined in industrial units extracting different products.

III.B.5.2 Should the disclosure be made based on the proposed definition of "geographic area," or should we continue to follow the definition set forth in SFAS 69?

As described in Section III.B.3.iii, we are not in favor of the definition of geographic area proposed in Item 1201 and we recommend the SEC to continue to follow the FAS 69 definition.

6. Proposed Item 1205 (Drilling and other exploratory and development activities)

We believe that the granularity of this proposed disclosure would be overly broad and complex, would require significant additional work for issuers and would not provide investors with a more meaningful and comprehensive understanding of oil and gas reserves.

In addition to the comments below, we believe that a breakdown by product would also be difficult to implement as some wells are drilled for multiple purposes.

III.B.6.1 Should we adopt the proposed table? Should the disclosures be made based on the definition of "geographic area" in proposed Item 1201(d)?

We believe that this disclosure should be presented consistently with the reserves breakdown, but as mentioned in Section III.B.3.iii, we are not in favor of adopting the geographical criteria proposed in Item 1201.

III.B.6.2 Should we require separate disclosure about the two new proposed categories of wells—extension wells and suspended wells?

Although the definition of an extension well is clear (i.e., aimed to extend the limits of a proved reservoir), this concept might be difficult to implement, as industry technology increasingly offers multiple purpose drilling. Regarding suspended wells, we believe this information will not provide significant insights to investors.

7. Proposed Item 1206 (Present activities)

III.B.7.1 Should the disclosure of present activities be made based on the definition of "geographic area" in proposed Item 1201(d)?

Disclosure should be presented consistently with the reserves breakdown, but as previously mentioned, we are not in favor of adopting the geographical criteria proposed in Item 1201.

III.B.7.2 Should we adopt any other changes to the disclosures currently set forth in existing Item 7 of Industry Guide 2 that we propose to codify in Item 1206?

No, we believe no other changes to the disclosures should be made.

8. Proposed Item 1207 (Delivery commitments)

We believe the proposed revision, which aims to restructure and reword disclosure on oil and gas commitments, is too vague to develop an opinion as to its appropriateness. However, as a general matter, we believe detailed

disclosure of these commitments may compromise confidential, proprietary information that companies develop in their attempts to obtain competitive advantages.

9. Proposed Item 1208 (Oil and gas properties, wells, operations, and acreage)

i. Enhanced description of properties disclosure requirement

We believe that the proposal to structure and standardize the disclosure of oil and gas properties can benefit investors by giving an overview of the registrant's assets.

III.B.9.i.1 Are the proposed disclosure enhancements regarding oil and gas properties appropriate? Would this enhanced disclosure be helpful to investors?

We believe most of this information is already provided in the Business Overview section contained in an issuer's annual reports on Forms 10-K or 20-F.

This proposed revision could, however, bring a better view to investors by standardizing the presentation.

III.B.9.i.2 Should the disclosures be made based on the definition of "geographic area" in proposed Item 1201(d)?

The disclosure should be presented consistently with the reserves breakdown, but as mentioned in Section III.B.3.iii, we are not in favor of adopting the geographical criteria proposed in Item 1201.

III.B.9.i.3 Do we need to define any of the terms in the proposed language?

No.

ii. Wells and acreage

We believe that disclosing the number of producing wells and acreage (gross and net) is of little use for investors.

III.B.9.ii.1 Is the proposed table appropriate? Is there a better way to disclose such information?

With respect to the proposed wells disclosure, taking into account changes in drilling technology, we believe that this disclosure is not relevant because it mixes highly sophisticated wells with traditional vertical wells.

With respect to the proposed acreage disclosure, we believe that this information is not appropriate for the producing properties.

III.B.9.ii.2 Should the disclosures be made based on the definition of "geographic area" in proposed Item 1201(d)?

As mentioned in Section III.B.3.iii, we are not in favor of adopting the geographical criteria proposed in Item 1201.

iii. New proposed disclosures regarding extraction techniques and acreage

In line with our earlier comments on conventional accumulations disclosure, we consider that the proposed disclosure is too detailed.

10. Proposed Item 1209 (Discussion and analysis for registrants engaged in oil and gas activities)

We believe that the proposed level of detail required in the MD&A would be overly granular, would significantly increase the reporting burden of issuers and may compromise confidential information that companies develop to gain competitive advantages.

We recommend limiting such MD&A disclosure requirements to significant elements with material impacts.

III.B.10.1 Proposed Item 1209 is not intended to increase a company's disclosure requirements, but specify disclosures already required generally by MD&A. Is such an item helpful?

For a financial reader, such detailed disclosure is not appropriate, as it is likely to be overly technical and/or not significant, such as water production of producing wells and the use of enhanced recovery techniques to maintain production.

In addition, some elements of such disclosure are competitively sensitive and may compromise confidential information that companies develop as part of their attempt to gain competitive advantages (e.g., anticipated exploration activities and well drilling programs).

IV. Proposed Conforming Changes to Form 20-F

Since the IASB is expected to shortly issue its own standard for disclosure of extractive activities, this reporting may add an additional burden if the SEC standards differ from IFRS. We suggest that the SEC consider exempting companies which will report under IFRS extractive industries standards from reconciling such disclosure with that required by the SEC for non-IFRS reporting companies.

In the meantime, we are in favor of updating Appendix A of Form 20- F to reflect the new principles proposed but making appropriate limitations to the disclosure requirements for foreign private issuers. Such limitations could essentially include wells and acreage of producing area.

IV.1 Should we delete Appendix A and refer to Subpart 1200 with respect to Form 20-F, as proposed? Why?

We are in favor of updating Appendix A, as discussed above.

IV.2 Would the proposed reference to Subpart 1200 in Form 20-F significantly change the information currently disclosed by foreign private issuers?
If so how? Would such a change be appropriate?

Yes, we believe that the proposed reference to Subpart 1200 would change the current information disclosed by foreign issuers and as a consequence, would result in a significant additional workload.

IV.3 Is the proposed exception for foreign laws that prohibit disclosure about reserves and agreements appropriate?
Do such laws affect domestic companies as well?
Should Subpart 1200 have a general instruction with respect to such foreign laws?

We believe that it is appropriate that Subpart 1200 include as a general instruction an exception for foreign laws that prohibit disclosure about reserves and agreements, since the international character of oil and gas operations requires many issuers to enter into a vast array of agreements governed by foreign laws, some of which include civil and, in some case, criminal penalties for the disclosure of certain sensitive information related to a particular country's oil and gas resources.

V. Impact of Proposed Amendments on Accounting Literature

B. Change in Accounting Principle or Estimate

Whatever the final conclusions, we believe that it is not appropriate to present retroactive data and, considering the required level of detail, such detailed information might not necessarily be available for every asset of the company.

C. Differing Capitalization Thresholds Between Mining Activities and Oil and Gas Producing Activities

D. Price Used to Determine Proved Reserves for Purposes of Capitalizing Costs

V.D.1 Would the effect of such changes be material or have a material effect on historical amortization levels?

We believe that unit of production depreciation should not be significantly modified.

V.D.2 Would it be appropriate to continue to require the use of the year-end price for purposes of determining reserves for purposes of amortization expense while using a different price for purposes of disclosing reserves estimates in Commission filings?
This would result in a different value associated with the use of the term "proved reserves" for purposes of disclosure, as opposed to the use of that term for purposes of accounting. Would this be confusing? Should we use a different term? Should we otherwise clarify the two different meanings of that term in different contexts?

We believe that it would certainly be confusing for both investors and management to have two sets of proved reserves. In fact, the use of year-end prices is not conceptually justified when calculating unit of production depreciation. We urge the SEC and FASB to harmonize their standards.

VII. Solicitation of Comment Regarding the Application of Interactive Data Format to Oil and Gas Disclosures

Since we have not currently adopted XBRL, adapting an electronic format would result in a significant increase in the work required.

VIII. Proposed Implementation Date

VIII.1 Should we provide a delayed compliance date, as proposed above? If so, is the proposed date appropriate?

We believe that it is important that the FASB update the related accounting standards within a timeframe that would allow companies to organize their reporting procedures. Therefore, the proposed implementation date for annual reports on Form 10-K or Form 20-F for the fiscal year ending December 31, 2009 would appear to be too soon.

VIII.2 If we provide a delayed compliance date, should we permit early adoption by companies?

We believe that all companies should adopt the new disclosure standards for the same reporting period.

X. Paperwork Reduction Act

We request comment in order to evaluate the accuracy of our estimate of the burden of the collections of information

We believe that the SEC's assessment significantly underestimates the incremental burden for preparing the proposed additional disclosure. The burden on foreign private issuers would be particularly acute, as many such issuers do not currently provide the same level of specificity of certain disclosures that U.S. issuers already do. The actual incremental burden on foreign private issuers would, in our view, be estimated in thousands of hours instead of tens of hours.