



**J. Michael Yeager**  
*Chief Executive*

BHP Billiton Petroleum  
1360 Post Oak Boulevard Suite 150  
Houston Texas 77056-3020 USA  
Telephone 713 961 8373  
Fax: 713 985 8180  
[bhpbilliton.com](http://bhpbilliton.com)

September 5, 2008

Ms. Florence E. Harmon, Acting Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

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

Dear Ms. Harmon:

BHP Billiton Petroleum is pleased to provide comments to the Commission on the proposed rule change "Modernization of the Oil and Gas Reporting Requirements." Overall, we support the Commission's efforts to better align reporting requirements with both current industry practices and investors' interests.

The Commission's extensive revision of oil and gas reporting rules relative to reserves definitions and reporting recognizes current industry practices and use of technology for making investment decisions, promoting greater transparency in the annual reporting process. Furthermore, we believe your efforts to better align with the basic framework and definitions of the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS) will promote a broader understanding of the underlying principles of reserves classification and reporting.

As a member of the American Petroleum Institute, BHP Billiton Petroleum supports the API's response to you dated 20 August, 2008. The API highlights a number of issues we also find concerning including numerous additional reporting requirements, most of which were not discussed in the December 2007 Concept Release. At the minimum, these additional reporting requirements deserve industry comment before finalization.

Additionally with regard to your request for specific comments, we offer the following:

Section II. B. Year-end Pricing: We agree in principle that a 12-month rolling average of monthly closing prices would reduce volatility and provide a better basis for consistent reserve estimates.

However, we cannot support making any change in the price basis for reserve estimation until SFAS 69 guidelines are similarly revised. Failure to align with SFAS 69 would result in significant additional efforts within the industry, and serve to only confuse the investment community.

Section III. B. 3. iii. Revised Definition of "Geographic Area:" BHP Billiton Petroleum does not support adoption of the revised definition of geographic area. The requirement as proposed could result in disclosure of potentially confidential information or strategies. Such disclosures could place some companies at a competitive disadvantage, particularly relative to entities not subject to US reporting requirements.

Section IX. Additional Comments/Suggestions: The text of Section 210.4-10 (25) does not allow for Proved Undeveloped Reserves that are related to major capital expenditure other than well costs, such as gas compression projects or improved recovery projects. We recommend additional text be added (following the SPE-PRMS) to explicitly recognize proved reserves may also be developed through a "relatively large expenditure" to install production or transportation facilities for primary or improved recovery projects.

In summary, BHP Billiton Petroleum supports the Commission's efforts to modernize oil and gas reporting regulations. We would be pleased to discuss this topic further with the Commission and look forward to your next steps in the process.

Yours sincerely,

A handwritten signature in cursive script that reads "J. Michael Yeager".

J. Michael Yeager  
Chief Executive Petroleum