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September 4, 2008

Re: **File No. S7-15-08**
Modernization of the Oil and Gas Reporting Requirements

Ms. Florence E. Harmon
Assistant Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Dear Ms. Harmon:

We are submitting this letter in response to the solicitation by the Securities and Exchange Commission (the "Commission") of comments on the proposed amendments to Regulation S-K, Regulation S-X and Industry Guide 2 related to resource disclosure (the "Proposed Amendments") set forth in release no. 33-8935; 34-58030 (the "Release").

We commend the Staff on its proposal to broaden the types of resource information that can be included in filings with the Commission. Given the Commission's general view that "sunshine is the best disinfectant", it has always been anomalous that the Commission has flatly prohibited the inclusion of resource disclosure beyond proved reserves in Commission filings by issuers regardless of materiality (subject to limited exceptions in connection with acquisitions and by foreign issuers when required by law). While we understand that investors may fail to understand the limitations of resource disclosure if improperly presented, there is nothing inherent about resource disclosure that renders it incapable of being presented in an accurate and non-misleading fashion that would warrant this unique prohibition.

The Commission's current limitations on resource disclosures are inconsistent with international standards and market practice even within the United States. Internationally, disclosure beyond proved reserves is the norm with classification systems such as the Petroleum Resource Management System (PRMS) jointly sponsored by the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation setting standards not only for a broad range of categories of reserves but also for

contingent resources and prospective resources. Within the United States, disclosure of resource information beyond proved reserves is also widespread just not in Commission filings. As noted in the Release, "[n]umerous oil and gas companies currently disclose unproved reserves on their Web sites and in press releases." Given that investors value and demand this information, it is unclear what policy purpose is being served by sequestering this information to Web sites and press releases as opposed to permitting it to be included in Commission filings where it can be subject to higher disclosure and liability standards under the Securities Act of 1933 and the Securities Exchange Act of 1934.

While we commend the Staff for its proposal to permit the inclusion of probable and possible reserve information, for the reasons noted above we fail to see why the Commission should continue its information embargo on oil and gas resource information other than reserves, such as prospective and contingent resources. We share the Staff's concern that such information can be ". . . too speculative and may lead investors to incorrect conclusions", but only if it is improperly presented. As technological advancements, such as 3D and 4D seismic technology, continue, the reliability and materiality of this information is increasing dramatically. Whether or not permitted to be included in Commission filings, the information is of increasing relevance and use in acquisitions and capital market transactions. Since many investors may be relying upon this information, we see a policy benefit to including this information in Commission filings and thereby securing a higher disclosure and liability standard for investors.

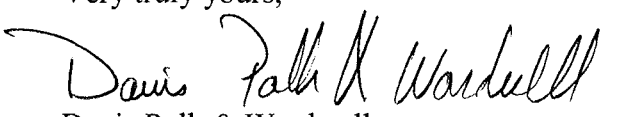
With respect to required disclosures, we agree that revisions to the Commission rules are appropriate. Dramatic increases in energy prices have caused previously uncommercial unconventional resources (such as shales and bitumen) to become commercially viable. As noted in the Release, non-traditional resources are supplying an ever increasing proportion of energy production. In addition, advancements in technology, have created alternative reliable means for determining reserves. Accordingly, we support the Commission's proposals to include extraction from "non-traditional" and "unconventional" sources as "oil and gas producing activities" and to permit the use of alternative technologies as the basis for determining reserve disclosures.

In addition, we support the Commission's principles based definitions of "oil and gas producing activities" and "proved", "probable" and "possible" reserves. While there is always the risk of some degree of non-comparability with principles based rules, it is critical that these definitions be able to evolve as technological advancements continue. Since these definitions are relatively "principles" based, we also support the proposal to require additional disclosure regarding reserves from conventional versus continuous accumulations and the technological basis for their reserve calculations to help investors better access the comparability of information.

The proposed implementation dates of January 1, 2010 for registration statements and fiscal years beginning after December 31, 2009 for annual reports seems appropriate given the significant time that will be required for many companies to comply with the new disclosure requirements. While we understand that the need for comparability militates against permitting early adoption, we would recommend that companies be permitted to supplementally provide any of the information permitted by the Proposed Amendments prior to the required implementation date.

We appreciate the opportunity to comment on the proposed rule. We would be happy to dicuss our comments or any questions the Commission or its staff may have with respect thereto. Please do not hesitate to contact Richard D. Truesdell, Jr. at 212-450-4674 if you would like to discuss these matters.

Very truly yours,



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