

FINANCIAL ACCOUNTING SERIES



ACCOUNTING STANDARDS UPDATE

No. 2010-03
January 2010

Extractive Activities—Oil and Gas (Topic 932)

Oil and Gas Reserve Estimation and Disclosures

An Amendment of the *FASB Accounting Standards Codification*[™]

Financial Accounting Standards Board
of the Financial Accounting Foundation

The *FASB Accounting Standards Codification*™ is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. An Accounting Standards Update is not authoritative; rather, it is a document that communicates how the Accounting Standards Codification is being amended. It also provides other information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective.

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Summary

Why Is the FASB Issuing This Accounting Standards Update (Update)?

The objective of the amendments included in this Update is to align the oil and gas reserve estimation and disclosure requirements of Extractive Activities—Oil and Gas (Topic 932) with the requirements in the Securities and Exchange Commission's final rule, *Modernization of the Oil and Gas Reporting Requirements* (the Final Rule). The Final Rule was issued on December 31, 2008.

The summary to the Final Rule indicates that the Final Rule is “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.” Furthermore, the Final Rule states that “in the three decades that have passed since adoption of these disclosure items, there have been significant changes in the oil and gas industry,” adding that “the amendments are designed to modernize and update the oil and gas disclosure requirements [and related definitions] to align them with current practices and changes in technology.”

Who Is Affected by the Amendments in This Update?

The amendments to Topic 932 affect entities that engage in oil- and gas-producing activities, including entities that extract saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

What Are the Main Provisions?

The main provisions include the following:

1. Expanding the definition of *oil- and gas-producing activities* to include the extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.
2. Amending the definition of *proved oil and gas reserves* to indicate that entities must use the average, first-day-of-the-month price during the 12-month period before the ending date of the period covered by the report (the 12-month average price) rather than the year-end price,

when estimating whether reserve quantities are economical to produce. Likewise, the amendments in this Update also change the price used to calculate the aggregate amount of (and changes in) future cash inflows related to the standardized measure of discounted future cash flows from the year-end price to the 12-month average price used in calculating proved reserves.

3. Adding to and amending other definitions in the Master Glossary used in estimating proved oil and gas reserves quantities (for example, *reliable technology* and *reasonable certainty*).
4. Requiring that an entity disclose separately information about reserve quantities and financial statement amounts for geographic areas that represent 15 percent or more of proved reserves. In addition, Topic 932 is amended to indicate that the quantity of reserves is not the only factor that should be considered in determining whether reserves are significant (that is, an entity would be required to consider all facts and circumstances in determining whether reserves are significant).
5. Clarifying that an entity's equity method investments must be considered in determining whether it has *significant oil- and gas-producing activities*.
6. Requiring that an entity continue to disclose separately the amounts and quantities for consolidated and equity method investments. An entity also is permitted to disclose the total of the consolidated and equity method investment amounts for reserve quantities and standardized measure of cash flows. However, except as described in paragraph 932-235-50-28, an entity is not permitted to disclose the total of consolidated entity and equity method investee financial statement amounts.
7. Requiring that disclosures about equity method investments be in the same level of detail as is required for consolidated investments.
8. Updating the disclosure examples in Topic 932 for the effects of the amendments in this Update.

How Do the Main Provisions Differ from Current U.S. Generally Accepted Accounting Principles (GAAP) and Why Are They an Improvement?

The changes from current GAAP discussed in the main provisions section improve the reserve estimation and disclosure requirements by (1) updating the reserve estimation requirements for changes in practice and technology that have occurred over the last several decades and (2) expanding the disclosure requirements for equity method investments.

When Will the Amendments Be Effective?

The amendments to Topic 932 are effective for annual reporting periods ending on or after December 31, 2009. An entity should apply the adoption of the amendments as a change in accounting principle inseparable from a change in estimate. The amendments to Topic 932 specify the required disclosures for the effect of adoption. Early application is not permitted. An entity that became subject to the disclosure requirements of Topic 932 due to the change to the definition of significant oil- and gas-producing activities is permitted to apply the disclosure provisions of Topic 932 in annual periods beginning after December 31, 2009.

How Do the Provisions Compare with International Financial Reporting Standards (IFRS)?

International Financial Reporting Standard 6, *Exploration for and Evaluation of Mineral Resources* (IFRS 6), specifies the financial reporting for the exploration for and evaluation of mineral resources. IFRS 6 and Topic 932 differ in areas such as scope (for example, IFRS 6 specifies the financial reporting for mining activities, while Topic 932 does not), measurement, and disclosures. The amendments in this Update are not intended to address those differences.

Amendments to the *FASB Accounting Standards Codification*TM

Introduction

1. The Accounting Standards Codification is amended as described in paragraphs 2–21. In some cases, not only are the amended paragraphs shown but also the preceding and following paragraphs are shown to put the change in context. Terms from the Master Glossary are in **bold** type. Added text is underlined, and deleted text is ~~struck out~~.

Amendments to Topic 932

2. Supersede paragraph 932-10-05-2, with a link to transition paragraph 932-10-65-1, as follows:

Extractive Activities—Oil and Gas—Overall

Overview and Background

932-10-05-1 The Codification contains two Topics for the extractive industry due to the differing accounting treatment for various subindustries. The Topics include:

- a. This Topic, Extractive Activities—Oil and Gas
- b. Topic 930, Extractive Activities—Mining.

932-10-05-2 Paragraph superseded by Accounting Standards Update 2010-03. ~~The Extractive Activities—Oil and Gas Topic establishes standards of financial accounting and reporting for the oil and gas producing activities of a business entity. Those activities involve the acquisition of mineral interests in properties, exploration (including prospecting), development, and production of crude oil, including condensate and natural gas liquids, and natural gas (hereinafter collectively referred to as oil and gas producing activities).~~

3. Amend paragraph 932-10-05-3, with a link to transition paragraph 932-10-65-1, as follows:

932-10-05-3 This Topic provides guidance specific to **{glossary link}oil- and gas-producing activities{glossary link}**. It contains several Subtopics that interact with other Topics in the Codification. Guidance in these Subtopics rather than the more general guidance in the other Topics shall be applied to the specific issues addressed. These Subtopics are:

- a. Overall
- b. Income Statement
- c. Notes to Financial Statements
- d. Interim Reporting
- e. Segment Reporting
- f. Investments—Equity Method and Joint Ventures
- g. Inventory
- h. Intangibles—Goodwill and Other
- i. Property, Plant, and Equipment
- j. Debt
- k. Revenue Recognition
- l. Other Expenses
- m. Income Taxes
- n. Consolidation
- o. Derivatives and Hedging
- p. Interest.

932-10-05-4 This Subtopic provides overall guidance for extractive activities in the oil and gas industry, including identification of entities that fall within the scope of this Topic and common definitions of industry terms. The other Subtopics address unique requirements for the industry.

4. Amend paragraph 932-10-15-2, with a link to transition paragraph 932-10-65-1, as follows:

Scope and Scope Exceptions

> Overall Guidance

932-10-15-1 The Subtopics within the Extractive Activities—Oil and Gas Topic provide incremental industry-specific guidance for the entities defined in this Scope Section. Entities within the scope of this Topic shall also comply with the applicable guidance not included in this Topic.

> Entities

932-10-15-2 This Topic applies to all entities with **{glossary link}oil- and gas-producing activities{glossary link}**.

5. Add paragraph 932-10-15-2A, with a link to transition paragraph 932-10-65-1, as follows:

932-10-15-2A Oil- and gas-producing activities include the following:

- a. The search for crude oil, including **condensate** and natural gas liquids, or natural gas in their natural states and original locations
- b. The acquisition of property rights or **properties** for the purpose of further **exploration** or for the purpose of removing the oil or gas from such properties
- c. The construction, drilling, and **production** activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
 1. Lifting the oil and gas to the surface
 2. Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons).
- d. Extraction of **saleable hydrocarbons**, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

6. Amend paragraph 932-10-15-3, with a link to transition paragraph 932-10-65-1, as follows:

> Transactions

932-10-15-3 The guidance in this Topic does not apply to the following transactions and activities:

- a. ~~Financial accounting and reporting issues relating to the transporting~~Transporting, refining, and marketing of oil and gas
- b. ~~The production of other wasting (nonregenerative) natural resources~~Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by an entity that does not serve as a producer of such natural resources
- bb. Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted
- c. ~~The production of geothermal steam or the extraction of hydrocarbons as a by product of the production of geothermal steam and associated geothermal resources as defined in the Geothermal Steam Act of 1970~~
- d. Subparagraph superseded by Accounting Standards Update 2010-03.~~The extraction of hydrocarbons from shale, tar sands, or coal~~
- e. Accounting for interest on funds borrowed to finance an entity's oil- and gas-producing activities (~~see~~for general guidance, see Topic 835).

7. Add paragraph 932-10-15-4, with a link to transition paragraph 932-10-65-1, as follows:

932-10-15-4 This Topic does not prohibit an entity from applying the full-cost method of accounting.

8. Amend paragraphs 932-235-50-1 through 50-2 and their related heading, 932-235-50-4, 932-235-50-6, 932-235-50-7 through 50-9, 932-235-50-11, 932-235-50-15, 932-235-50-19 through 50-20, 932-235-50-23, 932-235-50-27 through 50-28, 932-235-50-30 through 50-31, 932-235-50-33, and 932-235-50-35, supersede paragraph 932-235-50-16 and its related heading, and add paragraphs 932-235-50-1A through 50-1C, 932-235-50-6A through 50-6B, 932-235-50-11A through 50-11B, and 932-235-50-35A, with a link to transition paragraph 932-10-65-1, as follows:

Extractive Activities—Oil and Gas—Notes to Financial Statements

Disclosure

> Disclosure Required for All Entities

932-235-50-1 All entities engaged in **{glossary link }oil- and gas-producing activities{glossary link}** shall disclose in their financial statements the method of accounting for costs incurred in those activities and the manner of disposing of capitalized costs relating to those activities.

932-235-50-1A An entity that has oil- and gas-producing activities also shall disclose, with complete sets of annual financial statements, information about continued capitalization of **exploratory well** costs (see the following paragraph). That disclosure is not considered to be supplementary information.

932-235-50-1B An entity shall make the following disclosures in the notes to the annual financial statements to provide information for users of financial statements about management's application of judgment in its evaluation of a project's capitalized exploratory well costs. These disclosures are not required routinely in interim financial statements; however, interim financial statements shall include information about significant changes from the information presented in the most recent annual financial statements. Any impairment of capitalized exploratory well costs that were capitalized for a period of greater than one year after the completion of drilling at the most recent annual balance sheet date shall be considered significant for purposes of determining whether the change shall be disclosed in interim financial statements. All of the following disclosures are required:

- a. The amount of capitalized exploratory well costs that is pending the determination of proved reserves. An entity also shall separately disclose for each annual period that an income statement is presented

changes in those capitalized exploratory well costs resulting from all of the following:

1. Additions to capitalized exploratory well costs that are pending the determination of proved reserves
 2. Capitalized exploratory well costs that were reclassified to wells, equipment, and facilities based on the determination of proved reserves
 3. Capitalized exploratory well costs that were charged to expense.
This disclosure shall not include amounts that were capitalized and subsequently expensed in the same annual period.
- b. The amount of exploratory well costs that have been capitalized for a period of greater than one year after the completion of drilling at the most recent balance sheet date and the number of projects for which those costs relate. Additionally, for exploratory well costs that have been capitalized for periods greater than one year at the most recent balance sheet date, an entity shall provide an aging of those amounts by year, or by using a range of years, and the number of projects to which those costs relate.
- c. For exploratory well costs that continue to be capitalized for more than one year after the completion of drilling at the most recent balance sheet date, a description of the projects and the activities that the entity has undertaken to date in order to evaluate the reserves and the projects, and the remaining activities required to classify the associated reserves as proved.

> Publicly Traded Companies

932-235-50-1C An entity is not required to make the disaggregated disclosures about its equity method investments required by paragraphs 932-235-50-2 through 50-36 if both of the following conditions are met:

- a. The entity's equity method investments were acquired before December 31, 2009.
- b. After making an exhaustive effort, the entity is unable to obtain the information necessary to provide the required disclosures.

If the preceding conditions are met, the entity shall continue to provide the disclosures required by those paragraphs in the aggregate and it shall disclose why it was not able to obtain the disaggregated information. This paragraph applies only as long as the entity continues to be unable to obtain the necessary information.

932-235-50-2 Publicly traded companies that have **significant oil- and gas-producing activities** shall disclose with complete sets of annual financial statements the information required by the remainder of this Section. Those disclosures relate to the following and are considered to be supplementary information:

- a. **Proved oil and gas reserve** quantities (see paragraphs 932-235-50-3 through ~~50-11~~**50-11B**)
- b. Capitalized costs relating to oil- and gas-producing activities (see paragraphs 932-235-50-12 through 50-15)
- c. ~~Subparagraph superseded by Accounting Standards Update 2010-03. Continued capitalization of **exploratory well** cost (see paragraph 932-235-50-16)~~
- d. Costs incurred for property acquisition, **exploration**, and development activities (see paragraphs 932-235-50-17 through 50-20)
- e. Results of operations for oil- and gas-producing activities (see paragraphs 932-235-50-21 through 50-28)
- f. A standardized measure of discounted future net cash flows relating to proved oil and gas reserve quantities (see paragraphs 932-235-50-29 through 50-33)
- g. Changes in the standardized measure of discounted future net cash flows (see paragraphs 932-235-50-34 through 50-36).

> > Proved Oil and Gas Reserve Quantities

932-235-50-3 See Example 1 (paragraph 932-235-55-2) for an illustration of these requirements.

932-235-50-4 Net quantities of an entity's interests in ~~{remove glossary link}~~ proved oil and gas reserves, ~~{remove glossary link}~~ ~~and proved developed oil and gas reserves~~, and **proved undeveloped oil and gas reserves** of both of each of the following shall be disclosed as of the beginning and the end of the year:

- a. Crude oil, including condensate and natural gas liquids (If significant, the reserve quantity information shall be disclosed separately for natural gas liquids)
- b. Natural ~~gas~~gas
- c. Synthetic oil
- d. Synthetic gas
- e. Other nonrenewable natural resources that are intended to be upgraded into synthetic oil and gas.

Net quantities of reserves include those relating to the entity's operating and nonoperating interests in **properties**. Quantities of reserves relating to royalty interests owned shall be included in net quantities if the necessary information is available to the entity; if reserves relating to royalty interests owned are not included because the information is unavailable, that fact and the entity's share of oil and gas produced for those royalty interests shall be disclosed for the year. Net quantities shall not include reserves relating to interests of others in properties owned by the entity.

932-235-50-5 Changes in the net quantities of an entity's proved reserves of oil and of gas during the year shall be disclosed. Changes resulting from all of the

following shall be shown separately with appropriate explanation of significant changes:

- a. Revisions of previous estimates. Revisions represent changes in previous estimates of proved reserves, either upward or downward, resulting from new information (except for an increase in proved acreage) normally obtained from development drilling and **production** history or resulting from a change in economic factors.
- b. Improved recovery. Changes in reserve estimates resulting from application of improved recovery techniques shall be shown separately, if significant. If not significant, such changes shall be included in revisions of previous estimates.
- c. Purchases of minerals in place.
- d. Extensions and discoveries. Additions to proved reserves that result from either of the following:
 1. Extension of the proved acreage of previously discovered (old) reservoirs through additional drilling in periods subsequent to discovery
 2. Discovery of new fields with proved reserves or of new reservoirs of proved reserves in old fields.
- e. Production.
- f. Sales of minerals in place.

932-235-50-6 ~~If an entity's proved reserves of oil and of gas are located entirely within its home country, that fact shall be disclosed. If some or all of its reserves are located in foreign countries, the~~The disclosures of net quantities of proved reserves of oil and of gas and changes in them required by paragraphs 932-235-50-4 through 50-5 shall be separately disclosed for both of the following: presented in the aggregate and separately by geographic area (see the following paragraph) in which significant reserves (see paragraph 932-235-50-6B) are located. If an entity's proved reserves of oil and of gas are located entirely within its home country, the entity shall disclose that fact.

- ~~a. The entity's home country (if significant reserves are located there)~~
- ~~b. Each foreign geographic area in which significant reserves are located.~~

~~Foreign geographic areas are individual countries or groups of countries as appropriate for meaningful disclosure in the circumstances.~~

932-235-50-6A Any one of the following may constitute a geographic area, as appropriate for meaningful disclosure in the circumstances:

- a. An individual country
- b. A group of countries within a continent
- c. A continent.

932-235-50-6B In determining whether reserves are significant:

- a. An entity shall consider all facts and circumstances and not solely the quantity of reserves.
- b. At a minimum, net quantities of reserves shall be presented in the aggregate and separately by geographic area and for each country containing 15 percent or more of an entity's proved reserves, expressed on an oil-equivalent-barrels basis.

Reserves shall include an entity's proportionate share of reserves of equity method investees.

932-235-50-7 Net quantities disclosed in conformity with paragraphs 932-235-50-4 through ~~50-650-6B~~ shall not include oil or gas subject to purchase under long-term supply, purchase, or similar agreements and contracts, including such agreements with governments or authorities. However, quantities of oil or gas subject to such agreements with governments or authorities as of the end of the year, and the net quantity of oil or gas received under the agreements during the year, shall be separately disclosed if the entity participates in the operation of the properties in which the oil or gas is located or otherwise serves as the producer of those reserves, as opposed, for example, to being an independent purchaser, broker, dealer, or importer.

932-235-50-8 In determining the reserve quantities to be disclosed in conformity with paragraphs 932-235-50-4 through 50-7:

- a. If the entity issues **consolidated financial statements**, 100 percent of the net reserve quantities attributable to the **parent** and 100 percent of the net reserve quantities attributable to its consolidated **subsidiaries** (whether or not wholly owned) shall be included. If a significant portion of those reserve quantities at the end of the year is attributable to a consolidated subsidiary or subsidiaries in which there is a significant **noncontrolling interest**, that fact and the approximate portion shall be disclosed.
- b. If the entity's financial statements include investments that are proportionately consolidated, the entity's reserve quantities shall include its proportionate share of the investees' net oil and gas reserves.
- c. If the entity's financial statements include investments that are accounted for by the equity method, ~~the investees' net oil and gas reserve quantities shall not be included in the disclosures of the entity's reserve quantities. However, the entity's (investor's) share of the investees' net oil and gas reserves shall be separately disclosed as of the end of the year.~~ the entity shall separately disclose the net reserve

quantities required by paragraphs 932-235-50-4 through 50-7 for both of the following:

1. Consolidated entities

2. The entity's share of equity method investees.

The entity may, in addition to separate disclosure, disclose a combined total for items (1) and (2) for each of the quantities required to be disclosed by this paragraph.

932-235-50-9 In reporting reserve quantities and changes in them, oil and synthetic oil reserves and natural gas liquids reserves shall be stated in barrels, and gas and synthetic gas reserves in cubic feet.

932-235-50-10 If important economic factors or significant uncertainties affect particular components of an entity's proved reserves, explanation shall be provided. Examples include unusually high expected development or lifting costs, the necessity to build a major pipeline or other major facilities before production of the reserves can begin, and contractual obligations to produce and sell a significant portion of reserves at prices that are substantially below those at which the oil or gas could otherwise be sold in the absence of the contractual obligation.

932-235-50-11 An entity need not disclose the proved reserves in either of the following circumstances:

- a. The government of a country containing reserves prohibits disclosing reserves in that country.
- b. The government of a country containing reserves prohibits disclosing a particular field, and disclosing reserves in that country would have the effect of disclosing reserves in particular fields.

~~If a government restricts the disclosure of estimated reserves for properties under its authority, or of amounts under long-term supply, purchase, or similar agreements or contracts, or if the government requires the disclosure of reserves other than proved, the entity shall indicate that the disclosed reserve estimates or amounts do not include figures for the named country or that reserve estimates include reserves other than proved.~~

932-235-50-11A If a country's government prohibits disclosing the reserves in that country but does not prohibit including those reserves as part of a more aggregated total quantity of reserves (for example, the quantity of reserves disclosed for a group of countries within a continent or a continent), the entity shall include the reserves located in that country in total reserves disclosed for the most disaggregated geographic area that does not violate specific government prohibitions.

932-235-50-11B If a government restricts the disclosure of estimated reserves for properties under its authority, or of amounts under long-term supply, purchase, or similar agreements or contracts, or if the government requires the

disclosure of reserves other than proved, the entity shall indicate that the disclosed reserve estimates or amounts do not include figures for the named country or that reserve estimates include reserves other than proved.

> > Capitalized Costs

932-235-50-12 See Example 2 (paragraph 932-235-55-3) for an illustration of these requirements.

932-235-50-13 The aggregate capitalized costs relating to an entity's oil- and gas-producing activities (see paragraph 932-360-25-4) and the aggregate related accumulated depreciation, depletion, amortization, and valuation allowances shall be disclosed as of the end of the year. Paragraph 360-10-50-1 requires disclosure of balances of major classes of depreciable assets, by nature or function. Thus, separate disclosure of capitalized costs for asset categories in paragraph 932-360-25-4 or for a combination of those categories often may be appropriate.

932-235-50-14 If significant, capitalized costs of **unproved properties** shall be separately disclosed. Capitalized costs of **support e equipment a nd fa cilities** may be disclosed separately or included, as appropriate, with capitalized costs of proved and unproved properties.

932-235-50-15 If the entity's financial statements include investments that are accounted for by the equity method, ~~the entity's share of the investees' net capitalized costs relating to oil- and gas-producing activities as of the end of the year shall be separately disclosed.~~ the entity shall separately disclose the amounts required by paragraphs 932-235-50-13 through 50-14 for both of the following:

- a. Consolidated entities
- b. The entity's share of equity method investees.

The entity shall not disclose the combined total of items (a) and (b).

>> Continued Capitalization of Exploratory Well Costs

932-235-50-16 Paragraph superseded by Accounting Standards Update 2010-03. ~~This disclosure provides users of financial statements with information about management's evaluation of capitalized exploratory well costs. The guidance requires management to apply judgment in evaluating whether the costs meet the criteria for continued capitalization. Accordingly, this guidance requires the following disclosures in the notes to the annual financial statements to provide information for users of financial statements about management's application of judgment in its evaluation of a project's capitalized exploratory well costs. These disclosures are not required routinely in interim financial statements; however, interim financial statements shall include information about significant changes from the information presented in the most recent annual financial statements. Any impairment of capitalized exploratory well costs that were capitalized for a~~

~~period of greater than one year after the completion of drilling at the most recent annual balance sheet date shall be considered significant for purposes of determining whether the change shall be disclosed in interim financial statements. All of the following disclosures are required:~~

- ~~a. An entity shall disclose the amount of capitalized exploratory well costs that is pending the determination of proved reserves. An entity also shall separately disclose for each annual period that an income statement is presented changes in those capitalized exploratory well costs resulting from all of the following:
 - ~~1. Additions to capitalized exploratory well costs that are pending the determination of proved reserves~~
 - ~~2. Capitalized exploratory well costs that were reclassified to wells, equipment, and facilities based on the determination of proved reserves~~
 - ~~3. Capitalized exploratory well costs that were charged to expense. This disclosure shall not include amounts that were capitalized and subsequently expensed in the same annual period.~~~~
- ~~b. An entity shall disclose the amount of exploratory well costs that have been capitalized for a period of greater than one year after the completion of drilling at the most recent balance sheet date and the number of projects for which those costs relate. Additionally, for exploratory well costs that have been capitalized for periods greater than one year at the most recent balance sheet date, an entity shall provide an aging of those amounts by year, or by using a range of years, and the number of projects to which those costs relate.~~
- ~~c. For exploratory well costs that continue to be capitalized for more than one year after the completion of drilling at the most recent balance sheet date, an entity shall describe the projects and the activities that it has undertaken to date in order to evaluate the reserves and the projects, and the remaining activities required to classify the associated reserves as proved.~~

> > Costs Incurred for Property Acquisition, Exploration, and Development Activities

932-235-50-17 See Example 3 (paragraph 932-235-55-4) for an illustration of these requirements.

932-235-50-18 All of the following types of costs for the year shall be disclosed (whether those costs are capitalized or charged to expense at the time they are incurred under the provisions of paragraphs 932-360-25-7 through 25-14, 932-360-40-2, and 932-720-25-1):

- a. Property acquisition costs
- b. Exploration costs
- c. Development costs.

As defined in paragraphs 932-360-25-9 and 932-360-25-13, exploration and development costs include depreciation of support equipment and facilities used in those activities and do not include the expenditures to acquire support equipment and facilities.

932-235-50-19 ~~If some or all of those costs are incurred in foreign countries, the~~ The amounts in the preceding paragraph shall be disclosed separately for each of the geographic areas for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-6 through 50-6B. ~~(see paragraph 932-235-50-6).~~ If significant costs have been incurred to acquire **mineral interests** that have proved reserves, those costs shall be disclosed separately from the costs of acquiring unproved properties.

932-235-50-20 If the entity's financial statements include investments that are accounted for by the equity method, ~~the entity's share of the investees' property acquisition, exploration, and development costs incurred in oil and gas-producing activities shall be separately disclosed for the year, in the aggregate and for each geographic area for which reserve quantities are disclosed (see paragraph 932-235-50-6)~~ the entity shall separately disclose the amounts required by paragraphs 932-235-50-18 through 50-19 for both of the following:

- a. Consolidated entities
- b. The entity's share of equity method investees.

The entity shall not disclose the combined total of items (a) and (b).

> > Results of Operations for Oil- and Gas-Producing Activities

932-235-50-21 See Example 4 (paragraph 932-235-55-5) for an illustration of these requirements.

932-235-50-22 If oil- and gas-producing activities represent substantially all of the business activities of the reporting entity and those oil- and gas-producing activities are located substantially in a single geographic area, the information required in paragraphs 932-235-50-22 through 50-28 need not be disclosed if that information is provided elsewhere in the financial statements. If oil- and gas-producing activities constitute an operating segment, as discussed in paragraphs 280-10-50-1 through 50-18, information about the results of operations required in paragraphs 932-235-50-22 through 50-28 may be included with segment information disclosed elsewhere in the financial report.

932-235-50-23 The results of operations for oil- and gas-producing activities shall be disclosed for the year. That information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraph 932-235-50-6 through 50-6B. ~~(see paragraph 932-235-50-6).~~ All of the following information relating to those activities shall be presented:

- a. Revenues (see the following paragraph)

- b. Production (lifting) costs
- c. Exploration expenses (Generally, only entities utilizing the successful efforts accounting method will have exploration expenses to disclose, since entities utilizing the full cost accounting method generally capitalize all exploration costs when incurred and subsequently reflect those costs in the determination of earnings through depreciation, depletion, and amortization, and valuation provisions.)
- d. Depreciation, depletion, and amortization, and valuation provisions
- e. Income tax expenses (see paragraph 932-235-50-25)
- f. Results of operations for oil- and gas-producing activities (excluding corporate overhead and interest costs) (see paragraphs 932-235-50-26 through 50-27).

> > > Revenues

932-235-50-24 Revenues shall include sales to unaffiliated entities and sales or transfers to the entity's other operations (for example, refineries or chemical plants). Sales to unaffiliated entities and sales or transfers to the entity's other operations shall be disclosed separately. Revenues shall include sales to unaffiliated entities attributable to net working interests, royalty interests, oil payment interests, and net profits interests of the reporting entity. Sales or transfers to the entity's other operations shall be based on market prices determined at the point of delivery from the producing unit. Those market prices shall represent prices equivalent to those that could be obtained in an arm's-length transaction. Production or severance taxes shall not be deducted in determining gross revenues, but rather shall be included as part of production costs. Royalty payments and net profits disbursements shall be excluded from gross revenues.

> > > Income Taxes

932-235-50-25 Income taxes shall be computed using the statutory tax rate for the period, applied to revenues less production (lifting) costs; exploration expenses; depreciation, depletion, and amortization; and valuation provisions. Calculation of income tax expenses shall reflect tax deductions and tax credits and allowances relating to the oil- and gas-producing activities that are reflected in the entity's consolidated income tax expense for the period.

> > > Results of Operations

932-235-50-26 Results of operations for oil- and gas-producing activities are defined as revenues less production (lifting) costs; exploration expenses; depreciation, depletion, and amortization; valuation provisions; and income tax expenses. General corporate overhead and interest costs shall not be deducted in computing the results of operations for an entity's oil- and gas-producing activities. The disposition of interest costs that have been capitalized as part of the cost of acquiring qualifying assets used in oil- and gas-producing activities shall be the same as that of other components of those assets' costs. However,

some expenses incurred at an entity's central administrative office may not be general corporate expenses, but rather may be operating expenses of oil- and gas-producing activities, and therefore shall be reported as such. The nature of an expense rather than the location of its incurrence shall determine whether it is an operating expense. Only those expenses identified by their nature as operating expenses shall be allocated as operating expenses in computing the results of operations for oil- and gas-producing activities.

932-235-50-27 The amounts disclosed in conformity with paragraphs 932-235-50-21 through 50-28 shall include an entity's interests in **proved oil and gas reserves** (see paragraphs 932-235-50-3 through ~~50-11~~50-11B) and in oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).

> > Equity Investments

932-235-50-28 If the entity's financial statements include investments that are accounted for by the equity method, ~~the investees' results of operations for oil and gas-producing activities shall not be included in the entity's results of operations for oil and gas-producing activities. However, the entity's share of the investees' results of operations for oil and gas-producing activities shall be separately disclosed for the year, in the aggregate and by each geographic area for which reserve quantities are disclosed (see paragraph 932-235-50-6); the entity shall separately disclose the amounts required by paragraphs 932-235-50-22 through 50-27 for both of the following:~~

- a. Consolidated entities
- b. The entity's share of equity method investees.

The entity shall not disclose the combined total of items (a) and (b), except that an entity may, in addition to separate disclosure, disclose the combined total of items (a) and (b) for the amounts required by paragraph 932-235-50-23(f).

> > Standardized Measure of Discounted Future Cash Flows

932-235-50-29 See Example 5 (paragraph 932-235-55-6) for an illustration of these requirements.

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

- a. Proved oil and gas reserves (see paragraphs 932-235-50-3 through ~~50-11~~50-11B)
- b. Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or

otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through ~~50-11-50-11B~~:

- a. Future cash inflows. These shall be computed by applying ~~year-end prices used in estimating the~~ oil and gas relating to the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.
- b. Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.
- c. Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.
- d. Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.
- e. Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.
- f. Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.

932-235-50-32 If a significant portion of the economic interest in the consolidated standardized measure of discounted future net cash flows reported is attributable to a consolidated subsidiary or subsidiaries in which there is a significant noncontrolling interest, that fact and the approximate portion shall be disclosed.

932-235-50-33 If the financial statements include investments that are accounted for by the equity method, ~~the investees' standardized measure of discounted future net cash flows relating to proved oil and gas reserves shall not be included in the disclosure of the entity's standardized measure. However, the entity's share of the investees' standardized measure of discounted future net cash flows~~

~~shall be separately disclosed for the year, in the aggregate and by each geographic area for which quantities are disclosed (see paragraph 932-235-50-6); the entity shall separately disclose the amounts required by paragraphs 932-235-50-30 through 50-32 for both of the following:~~

- a. Consolidated entities
- b. The entity's share of equity method investees.

The entity may, in addition to separate disclosure, disclose a combined total for items (a) and (b) for each of the amounts required to be disclosed by this paragraph.

> > > Changes in Standardized Discounted Cash Flows

932-235-50-34 See Example 6 (paragraph 932-235-55-7) for an illustration of these requirements.

932-235-50-35 The aggregate change in the standardized measure of discounted future net cash flows shall be disclosed for the year. If individually significant, all of the following sources of change shall be presented separately:

- a. Net change in sales and transfer prices and in production (lifting) costs related to future production
- b. Changes in estimated future development costs
- c. Sales and transfers of oil and gas produced during the period
- d. Net change due to extensions, discoveries, and improved recovery
- e. Net change due to purchases and sales of minerals in place
- f. Net change due to revisions in quantity estimates
- g. Previously estimated development costs incurred during the period
- h. Accretion of discount
- i. Other—unspecified
- j. Net change in income taxes.

In computing the amounts under each of the above categories, the effects of changes in prices and costs shall be computed before the effects of changes in quantities. As a result, changes in quantities shall be stated at year-end prices used in estimating proved oil and gas reserves and year-end costs. The change in computed income taxes shall reflect the effect of income taxes incurred during the period as well as the change in future income tax expenses. Therefore, all changes except income taxes shall be reported pretax.

932-235-50-35A If the financial statements include investments that are accounted for by the equity method, the entity shall separately disclose the amounts required by the preceding paragraph for both of the following:

- a. Consolidated entities
- b. The entity's share of equity method investees.

The entity may, in addition to separate disclosure, disclose a combined total for items (a) and (b) for each of the amounts required to be disclosed by this paragraph.

932-235-50-36 Additional information necessary to prevent the disclosure of the standardized measure of discounted future net cash flows and changes therein from being misleading also shall be provided.

9. Amend paragraphs 932-235-55-2 through 55-7, with a link to transition paragraph 932-10-65-1. **[Note: The tables in these paragraphs have been replaced. For ease of readability, the old tables have not been shown struck through and the new tables that replace those tables are not underlined.]**

Implementation Guidance and Illustrations

> Illustrations

932-235-55-1 The following Examples present formats that may be used to disclose certain information required by this Subtopic when a complete set of annual financial statements is presented for one year.

> > Example 1: Disclosure of Reserve Quantities ~~Quantity Information~~

932-235-55-2 This Example illustrates the guidance found in paragraphs 932-235-50-3 through 50-11B. ~~50-11 regarding reserve quantity information.~~

RESERVE QUANTITY INFORMATION ^(a)
FOR THE YEAR ENDED DECEMBER 31, 20X0

	Total	Total—by Product		Continent A		Continent B—Country A		Other Countries in Continent B		Other Continents / Countries	
		Oil	Synthetic Oil	Oil	Synthetic Oil	Oil	Synthetic Oil	Oil	Synthetic Oil	Oil	Synthetic Oil
All Products											
Proved developed and undeveloped reserves (consolidated entities only):											
Beginning of year		X	X	X	X	X	X	X	X	X	X
Revisions of previous estimates		X	X	X	X	X	X	X	X	X	X
Improved recovery		X	X	X	X	X	X	X	X	X	X
Purchases of minerals in place		X	X	X	X	X	X	X	X	X	X
Extensions and discoveries		X	X	X	X	X	X	X	X	X	X
Production	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Sales of minerals in place	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
End of year	X ^(b)	X	X	X	X	X	X	X	X	X	X
Entity's share of proved developed and undeveloped reserves of investees accounted for by the equity method											
Beginning of year		X	X	XX	X	X	X	X	X	X	X
Revisions of previous estimates		X	X	XX	X	X	X	X	X	X	X
Improved recovery		X	X	XX	X	X	X	X	X	X	X
Purchases of minerals in place		X	X	XX	X	X	X	X	X	X	X
Extensions and discoveries		X	X	XX	X	X	X	X	X	X	X
Production	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Sales of minerals in place	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Entity's share of reserves of investees accounted for by the equity method—end of year	X	X	X	X	X	X	X	X	X	X	X
Total consolidated and equity interests in reserves—end of year	X	X	X	X	X	X	X	X	X	X	X

Note: Total consolidated and equity interests in reserves—end of year is permitted, but is not required (see paragraph 932-235-50-8(c)).

**RESERVE QUANTITY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 20X0**
Continued

	Total All Products	Total—by Product		Continent A		Continent B—Country A		Other Countries in Continent B		Other Continents / Countries	
		Oil	Synthetic Oil	Oil	Synthetic Oil	Oil	Synthetic Oil	Oil	Synthetic Oil	Oil	Synthetic Oil
Proved developed reserves (consolidated entities only):											
Beginning of year	X	X	X	X	X	X	X	X	X	X	X
End of year	X	X	X	X	X	X	X	X	X	X	X
Proved undeveloped reserves (consolidated entities only):											
Beginning of year	X	X	X	X	X	X	X	X	X	X	X
End of year	X	X	X	X	X	X	X	X	X	X	X
Oil and gas subject to long-term supply, purchase, or similar agreements with governments or authorities in which the entity participates in the operation of the properties where the oil or gas is located or otherwise serves as the producer of those reserves (consolidated entities only):											
Total under contract (quantity subject to agreement)—end of year	X	X	X	X	X	X	X	X	X	X	X
Received during the year	X	X	X	X	X	X	X	X	X	X	X

(a) Oil and synthetic oil reserves stated in barrels.

(b) Includes reserves of X barrels attributable to a consolidated subsidiary in which there is an X percent noncontrolling interest.

Notes:

If applicable, reserve quantity information is required for gas and synthetic gas reserves, and other products by paragraph 932-235-50-4.

The table above discloses quantities of proved developed and undeveloped reserves, and oil and gas subject to long-term supply, purchase, or similar agreements with governments or authorities in which the entity participates in the operation of the properties where the oil or gas is located or otherwise serves as the producer of those reserves, attributable to consolidated entities (see paragraphs 932-235-50-4 and 50-7). The entity shall disclose the same information for the entity's share of reserves of investees accounted for by the equity method, if applicable (see paragraph 932-235-50-8).

The table above discloses information for the total quantity of reserves for all products, in addition to disclosing the information by product. This disclosure is permitted, but is not required (see paragraph 932-235-50-4).

> > **Example 2: Capitalized Costs**

932-235-55-3 This Example illustrates the guidance found in paragraphs 932-235-50-12 through 50-15 regarding capitalized costs relating to oil- and gas-producing activities.

CAPITALIZED COSTS RELATING TO OIL- AND GAS-PRODUCING ACTIVITIES AT DECEMBER 31, 20X0		
	Consolidated	Entity's Share of Equity Method Investees
Unproved oil and gas properties	\$X	\$X
Proved oil and gas properties	X	X
Accumulated depreciation, depletion, and amortization, and valuation allowances	X	X
Net capitalized costs	\$X	\$X

> > **Example 3: Costs Incurred in Oil and Gas Property Acquisition, Exploration, and Development**
932-235-55-4 This Example illustrates the guidance found in paragraphs 932-235-50-17 through 50-20 regarding costs incurred in oil and gas property acquisition, ~~exploration and development~~.

COSTS INCURRED IN OIL AND GAS PROPERTY ACQUISITION, EXPLORATION, AND DEVELOPMENT FOR THE YEAR ENDED DECEMBER 31, 20X0				
	Total	Continent A	Continent B— Country A	Other Countries in Continent B
Consolidated entities:				Other Continents / Countries
Acquisition of properties				
Proved	\$X	\$X	\$X	\$X
Unproved	X	X	X	X
Exploration costs	X	X	X	X
Development costs	X	X	X	X
Entity's share of equity method investees:				
Acquisition of properties				
Proved	\$X	\$X	\$X	\$X
Unproved	X	X	X	X
Exploration costs	X	X	X	X
Development costs	X	X	X	X

> > Example 4: Results of Operations

932-235-55.5 This Example illustrates the guidance found in paragraphs 932-235-50-21 through 50-28 regarding the results of operations.

RESULTS OF OPERATIONS FOR OIL- AND GAS-PRODUCING ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 20X0				
	Total	Continent A	Continent B—Country A	Other Countries / In Continent B Countries
Consolidated entities:				
Revenues				
Sales	\$X	\$X	\$X	\$X
Transfers	X	X	X	X
Total	X	X	X	X
Production costs	(X)	(X)	(X)	(X)
Exploration expenses	(X)	(X)	(X)	(X)
Depreciation, depletion, and amortization, and valuation provisions	(X)	(X)	(X)	(X)
Income tax expenses	X	X	X	X
Results of operations from producing activities (excluding corporate overhead and interest costs)	(X)	(X)	(X)	(X)
Entity's share of equity method investees:				
Revenues	\$X	\$X	\$X	\$X
Sales	\$X	\$X	\$X	\$X
Transfers	X	X	X	X
Total	X	X	X	X
Production costs	(X)	(X)	(X)	(X)
Exploration expenses	(X)	(X)	(X)	(X)
Depreciation, depletion, and amortization, and valuation provisions	(X)	(X)	(X)	(X)
Income tax expenses	X	X	X	X
Results of operations for producing activities (excluding corporate overhead and interest costs)	(X)	(X)	(X)	(X)
Total consolidated and equity method investees results of operations for producing activities (excluding corporate overhead and interest costs)	\$X	\$X	\$X	\$X
	\$X	\$X	\$X	\$X

Note: Disclosure of the total consolidated and equity method investees results of operations for producing activities (excluding corporate overhead and interest costs) is permitted, but is not required (see paragraph 932-235-50-28).

> > **Example 5: Standardized Measure for Discounted Future Net Cash Flows**

932-235-55-6 This Example illustrates the guidance found in paragraphs 932-235-50-29 through 50-33 regarding a standardized measure for discounted future net cash flows.

STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS AT DECEMBER 31, 20X0				
	Total	Continent A	Continent B —Country A	Other Countries / Countries
Consolidated entities:				
Future cash inflows ^(a)	\$X	\$X	\$X	\$X
Future production and development costs ^(a)	(X)	(X)	(X)	(X)
Future income tax expenses ^(a)	(X)	(X)	(X)	(X)
Future net cash flows	X	X	X	X
10% annual discount for estimated timing of cash flows	(X)	(X)	(X)	(X)
Standardized measure of discounted future net cash flows	<u>\$X ^(b)</u>	<u>\$X</u>	<u>\$X</u>	<u>\$X</u>
Entity's share of equity method investees:				
Future cash inflows ^(a)	\$X	\$X	\$X	\$X
Future production and development costs ^(a)	(X)	(X)	(X)	(X)
Future income tax expenses ^(a)	(X)	(X)	(X)	(X)
Future net cash flows	X	X	X	X
10% annual discount for estimated timing of cash flows	(X)	(X)	(X)	(X)
Standardized measure of discounted future net cash flows	<u>\$X</u>	<u>\$X</u>	<u>\$X</u>	<u>\$X</u>
Total consolidated and equity interests in the standardized measure of discounted future cash flows	<u>\$X</u>	<u>\$X</u>	<u>\$X</u>	<u>\$X</u>

(a) Future net cash flows were computed using prices used in estimating the entity's (or the investee's) proved oil and gas reserves, and year-end costs, and statutory tax rates (adjusted for tax deductions) that relate to existing proved oil and gas reserves. This includes those mineral interests related to long-term supply agreements with governments for which the entity (or the investee) participates in the operation of the related properties or otherwise serves as the producer of the reserves, but does not include other supply arrangements or contracts that represent the right to purchase (as opposed to extract) oil and gas (see paragraph 932-235-50-7).

(b) Includes \$X attributable to a consolidated subsidiary in which there is an X percent noncontrolling interest.

Note: Disclosure of total consolidated and equity interests in the standardized measure of discounted future cash flows is permitted, but is not required (see paragraph 935-235-50-33).

> > **Example 6: Changes in the Standardized Measure for Discounted Cash Flows**

932-235-55-7 This Example illustrates the guidance found in paragraphs 932-235-50-34 through 50-35A.50-35 regarding changes in the standardized measure for discounted cash flows. The following are the principal sources of change in the standardized measure of discounted future net cash flows during 19XX:

**CHANGES IN THE STANDARDIZED MEASURE FOR DISCOUNTED CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 20X0**

	<u>Consolidated</u>	<u>Entity's Share of Equity Method Investees</u>	<u>Total Consolidated and Entity's Share of Equity Method Investees</u>
Net change in sales and transfer prices and in production (lifting) costs related to future production	\$X	\$X	\$X
Changes in estimated future development costs	X	X	X
Sales and transfers of oil and gas produced during the period	(X)	(X)	(X)
Net change due to extensions, discoveries, and improved recovery	X	X	X
Net change due to purchases and sales of minerals in place	X	X	X
Net change due to revisions in quantity estimates	X	X	X
Previously estimated development costs incurred during the period	X	X	X
Accretion of discount	X	X	X
Other—unspecified	X	X	X
Net change in income taxes	X	X	X
Aggregate change in the standardized measure of discounted future net cash flows for the year	<u>X</u>	<u>X</u>	<u>X</u>

Note: Disclosure of total consolidated and entity's share of equity method investees amounts is permitted, but is not required (see paragraph 935-235-50-35A).

10. Amend paragraph 932-360-50-1, with a link to transition paragraph 932-10-65-1, as follows:

Extractive Activities—Oil and Gas—Property, Plant, and Equipment

Disclosure

932-360-50-1 Section 932-235-50 provides various disclosure requirements for oil and gas **properties**, including:

- a. **Proved oil and gas reserve** quantities (see paragraphs 932-235-50-3 through ~~50-11~~50-11B)
- b. Capitalized costs (see paragraphs 932-235-50-12 through 50-15)
- c. Continued capitalization (see paragraph ~~932-235-50-16~~932-235-50-1B)
- d. Costs incurred for property acquisition **exploration** and development activities (see paragraphs 932-235-50-17 through 50-20)
- e. Standardized measure of discounted future cash flows (see paragraphs 932-235-50-29 through 50-33)
- f. Change in standardized discounted cash flows (see paragraphs 932-235-50-34 through 50-36).

Amendments to Master Glossary

11. Amend the Master Glossary, with a link to transition paragraph 932-10-65-1, as follows:

Analogous Reservoir

Analogous reservoirs, as used in {XREF}resources{XREF} assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure), and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, *analogous reservoir* refers to a reservoir that shares all of the following characteristics with the reservoir of interest:

- a. Same geological formation (but not necessarily in pressure communication with the reservoir of interest)
- b. Same environment of deposition
- c. Similar geological structure
- d. Same drive mechanism.

Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

Condensate

Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure but that when produced is in the liquid phase at surface pressure and temperature.

Deterministic Estimate

The method of estimating {XREF}reserves{XREF} or {XREF}resources{XREF} is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

Development Project

A development project is the means by which petroleum {XREF}resources{XREF} are brought to the status of {XREF}economically producible{XREF}. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

Economically Producible

The term *economically producible*, as it relates to a {XREF}resource{XREF}, means a resource that generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of {XREF}oil- and gas-producing activities{XREF}.

Estimated Ultimate Recovery

Estimated ultimate recovery is the sum of {XREF}reserves{XREF} remaining as of a given date and cumulative production as of that date.

Exploratory Well

An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a **development well**, a **service well**, or a **stratigraphic test well**.

Oil- and Gas-Producing Activities

Paragraph 932-10-15-2A defines the term *oil- and gas-producing activities*.

Probabilistic Estimate

The method of estimation of {XREF}reserves{XREF} or {XREF}resources{XREF} is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience

and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

Production

Production involves lifting the crude oil and natural gas to the surface, extracting {XREF}saleable hydrocarbons{XREF}, in the solid, liquid, or gaseous state from oil sands, shale, coalbeds, or other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas, and gathering, treating, field processing (as in the case of processing gas to extract liquid hydrocarbons), and field storage.

~~The oil and gas production function is normally~~ shall be regarded as ~~terminating at~~ ending at a terminal point, which is the outlet valve on the lease or field ~~production storage tank; if tank.~~ If unusual physical or operational circumstances exist, it may be ~~more~~ appropriate to regard the terminal point for the production function ~~as:~~ terminating at the first point at which oil, gas, or gas liquids are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal.

- a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal
- b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser before upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility that upgrades such natural resources into synthetic oil or gas.

Properties

Mineral interests in properties (hereinafter referred to as properties), which include all of the following:

- a. Fee ownership or a lease
- b. Concession
- c. Other interest representing the legal right to extract, produce or a revenue interest in the production of oil or gas subject to such terms as may be imposed by the conveyance of that interest.

Properties also include:

- a. Royalty interests
- b. Production payments payable in oil or gas
- c. Other nonoperating interests in properties operated by others.

Properties include those agreements with foreign governments or authorities under which an entity participates in the operation of the related properties or otherwise serves as producer of the underlying {XREF}reserves{XREF} (see paragraph 932-235-50-7); but properties do not include other supply agreements

or contracts that represent the right to purchase (as opposed to extract) oil and gas.

Properties are classified as **proved properties** or **unproved properties**.

Proved Developed Oil and Gas Reserves

Proved developed oil and gas reserves are proved {XREF}reserves{XREF} that can be expected to be ~~recovered~~recovered:

- a. ~~through~~Through existing wells with existing equipment and operating ~~methods~~methods or in which the cost of the required equipment is relatively minor compared with the cost of a new well
- b. Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary recovery should be included as proved developed reserves only after testing by a pilot project or after the operation of an installed program has confirmed through production response that increased recovery will be achieved.

Proved Oil and Gas Reserves

Proved oil and gas reserves are those the estimated quantities of crude oil, oil and natural gas, which, by analysis of geoscience and natural gas liquids that geological and engineering data, can be estimated demonstrate with reasonable certainty {XREF}reasonable c ertainty{XREF} to be {XREF}economically produc ible{XREF} from a given date forward, ~~recoverable in future years from known reservoirs {XREF}reservoirs{XREF}, and under existing economic and operating conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether the estimate is a {XREF}deterministic estimate{XREF} or {XREF}probabilistic estimate{XREF}, that is, prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.~~

Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes both of the following:

- a. ~~That portion delineated by drilling and defined by gas oil and/or oil water contacts, if any~~
- b. ~~The immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data.~~

~~In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.~~

~~Reserves that can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the proved classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.~~

~~Estimates of proved reserves do not include the following:~~

- ~~a. Oil that may become available from known reservoirs but is classified separately as indicated additional reserves~~
- ~~b. Crude oil, natural gas, and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors~~
- ~~c. Crude oil, natural gas, and natural gas liquids that may occur in undrilled prospects~~
- ~~d. Crude oil, natural gas, and natural gas liquids that may be recovered from oil shales, coal, gilsonite, and other such sources.~~

The project to extract the hydrocarbons must have commenced, or the operator must be reasonably certain that it will commence the project, within a reasonable time.

The area of the reservoir considered as proved includes all of the following:

- a. The area identified by drilling and limited by fluid contacts, if any
- b. Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons as seen in a well penetration unless geoscience, engineering, or performance data and **{XREF}reliable technology{XREF}** establish a lower contact with reasonable certainty.

Where direct observation from well penetrations has defined a highest known oil elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

{XREF}Reserves{XREF} that can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when both of the following occur:

- a. Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the

operation of an installed program in the reservoir or an {XREF}analogous re servoir{XREF}, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based.

- b. The project has been approved for development by all necessary parties and entities, including governmental entities.

Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period before the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Proved Undeveloped Oil and Gas Reserves

Proved undeveloped oil and gas {XREF}reserves{XREF} are proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

Reserves on undrilled acreage shall be limited to those ~~drilling units~~ directly offsetting ~~productive units~~ development spacing areas that are reasonably certain of production when ~~drilled~~ drilled, unless evidence using reliable technology exists that establishes {XREF}reasonable ce rtainty{XREF} of {XREF}economic produc ibility{XREF} at greater distances. ~~Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation.~~

Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

Under no circumstances ~~should~~ shall estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual ~~tests~~ projects in the ~~same area and in the same reservoir.~~ reservoir or an {XREF}analogous reser voir{XREF}, or by other evidence using {XREF}reliable te chnology{XREF} establishing reasonable certainty.

Reasonable Certainty

If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical),

engineering, and economic data are made to {XREF}estimated ultimate recovery{XREF} with time, reasonably certain estimated ultimate recovery is much more likely to increase or remain constant than to decrease.

Reliable Technology

Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

Reserves

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be {XREF}economically producible{XREF}, as of a given date, by application of {XREF}development projects{XREF} to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a nonproductive reservoir (that is, absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective {XREF}resources{XREF} (that is, potentially recoverable resources from undiscovered accumulations).

Resources

Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered accumulations and undiscovered accumulations.

Saleable Hydrocarbons

Hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

Significant Oil- and Gas-Producing Activities

An entity is regarded as having significant {XREF}oil- and gas-producing activities{XREF} if it satisfies any of the following criteria. The criteria shall be applied separately for each year for which a complete set of annual financial statements is presented.

- a. Revenues from oil- and gas-producing activities, as defined in paragraph 932-235-50-24 (including both sales to unaffiliated customers and sales or transfers to the entity's other operations), are 10 percent or

more of the combined revenues (sales to unaffiliated customers and sales or transfers to the entity's other operations) of all of the entity's industry segments. An industry segment is a component of an entity engaged in providing a product or service or a group of related products or services primarily to external customers (that is, customers outside the entity) for a profit.

- b. Results of operations for oil- and gas-producing activities, including equity earnings or losses from oil- and gas-producing activities of equity method investees and excluding the effect of income taxes, are 10 percent or more of the greater of the following:
 1. The combined operating profit (including equity earnings) of all industry segments that did not incur an operating loss
 2. The combined operating loss (including equity losses) of all industry segments that did incur an operating loss.
- c. The identifiable assets of oil- and gas-producing activities (tangible and intangible entity assets that are used by oil- and gas-producing activities, including an allocated portion of assets used jointly with other operations and the investment balance in the oil- and gas-producing activities of equity method investees) are 10 percent or more of the assets of the entity, excluding assets used exclusively for general corporate purposes.

Stratigraphic Test Well

A stratigraphic test is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intention of being completed for hydrocarbon production. This classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic ~~test~~tests wells ~~(sometimes called expendable wells)~~ are classified as follows: exploratory-type if not drilled in a proved area or development-type if drilled in a proved area.

- a. ~~Exploratory-type stratigraphic test well. A stratigraphic test well not drilled in a proved area.~~
- b. ~~Development-type stratigraphic test well. A stratigraphic test well drilled in a proved area.~~

12. Add paragraph 932-10-65-1 and its related heading as follows:

**> Transition Related to Accounting Standards Update No. 2010-03,
Extractive Activities—Oil and Gas (Topic 932): Oil and Gas Reserve
Estimation and Disclosures**

932-10-65-1 The following represents the transition and effective date information related to Accounting Standards Update No. 2010-03, Extractive Activities—Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures:

- a. The pending content that links to this paragraph shall be effective for annual reporting periods ending on or after December 31, 2009, except as specified in (b). An entity shall not early apply the pending content that links to this paragraph.
- b. If an entity became subject to the disclosure requirements in paragraphs 932-235-50-2 through 50-36 solely because of the amendment to the definition of *significant oil- and gas-producing activities*, that entity may make the disclosures required by paragraphs 932-235-50-2 through 50-36 in annual periods beginning after December 31, 2009.
- c. An entity shall apply the pending content that links to this paragraph prospectively as a change in accounting principle that is inseparable from a change in accounting estimate. An entity is not required to disclose the effect of applying the pending content linked to this paragraph as set forth in Topic 250. However, an entity shall do all of the following:
 - 1. Disclose, in the first annual period (including interim periods within that annual period) after this pending content is effective, the effect (or portion of the effect) of applying the pending content that links to this paragraph on income from continuing operations, net income, and any related per-share amount, if that effect is significant and practicable to estimate
 - 2. Include the effect of applying the pending content in paragraph 932-10-15-2A(d) in each of the amounts and quantities disclosed in accordance with this Topic
 - 3. Separately provide quantitative and qualitative disclosures of the estimated effect (or portion of the effect) of initially applying the pending content that links to this paragraph on each of the amounts and quantities disclosed in accordance with this Topic, if those amounts are significant and practicable to estimate.
- d. If the effect (or portion of the effect) of initially applying the pending content that links to this paragraph is not significant or not practicable to estimate, the entity shall state that fact and describe why it is not practicable to estimate the effect (or portion of the effect).
- e. An entity is not required to make disclosures otherwise required by the pending content linked to this paragraph for earlier periods presented for comparative periods in the period of initial adoption. In periods after initial adoption, comparative disclosures are only required for periods ending after initial adoption.

Amendments to Status Sections

13. Add paragraph 932-10-00-1 as follows:

932-10-00-1 The following table identifies the changes made to this Subtopic.

Paragraph Number	Action	Accounting Standards Update	Date
Condensate	Added	2010-03	01/06/2010
Oil- and Gas-Producing Activities	Added	2010-03	01/06/2010
Production	Amended	2010-03	01/06/2010
Properties	Amended	2010-03	01/06/2010
Saleable Hydrocarbons	Added	2010-03	01/06/2010
932-10-05-2	Superseded	2010-03	01/06/2010
932-10-05-3	Amended	2010-03	01/06/2010
932-10-15-2	Amended	2010-03	01/06/2010
932-10-15-2A	Added	2010-03	01/06/2010
932-10-15-3	Amended	2010-03	01/06/2010
932-10-15-4	Added	2010-03	01/06/2010
932-10-65-1	Added	2010-03	01/06/2010

14. Amend paragraph 932-235-00-1 as follows:

932-235-00-1 ~~No updates have been made to this subtopic.~~ The following table identifies the changes made to this Subtopic.

Paragraph Number	Action	Accounting Standards Update	Date
Exploratory Well	Amended	2010-03	01/06/2010
Oil- and Gas-Producing Activities	Added	2010-03	01/06/2010
Production	Amended	2010-03	01/06/2010
Properties	Amended	2010-03	01/06/2010
Proved Developed Oil and Gas Reserves	Amended	2010-03	01/06/2010
Proved Oil and Gas Reserves	Amended	2010-03	01/06/2010

Paragraph Number	Action	Accounting Standards Update	Date
Proved Undeveloped Oil and Gas Reserves	Amended	2010-03	01/06/2010
Significant Activities	Amended	2010-03	01/06/2010
932-235-50-1	Amended	2010-03	01/06/2010
932-235-50-1A through 50-1C	Added	2010-03	01/06/2010
932-235-50-2	Amended	2010-03	01/06/2010
932-235-50-4	Amended	2010-03	01/06/2010
932-235-50-6	Amended	2010-03	01/06/2010
932-235-50-6A	Added	2010-03	01/06/2010
932-235-50-6B	Added	2010-03	01/06/2010
932-235-50-7 through 50-9	Amended	2010-03	01/06/2010
932-235-50-11	Amended	2010-03	01/06/2010
932-235-50-11A	Added	2010-03	01/06/2010
932-235-50-11B	Added	2010-03	01/06/2010
932-235-50-15	Amended	2010-03	01/06/2010
932-235-50-16	Superseded	2010-03	01/06/2010
932-235-50-19	Amended	2010-03	01/06/2010
932-235-50-20	Amended	2010-03	01/06/2010
932-235-50-23	Amended	2010-03	01/06/2010
932-235-50-27	Amended	2010-03	01/06/2010
932-235-50-28	Amended	2010-03	01/06/2010
932-235-50-30	Amended	2010-03	01/06/2010
932-235-50-31	Amended	2010-03	01/06/2010
932-235-50-33	Amended	2010-03	01/06/2010
932-235-50-35	Amended	2010-03	01/06/2010
932-235-50-35A	Added	2010-03	01/06/2010
932-235-55-2 through 55-7	Amended	2010-03	01/06/2010

15. Amend paragraph 932-360-00-1 as follows:

932-360-00-1 ~~No updates have been made to this subtopic.~~ The following table identifies the changes made to this Subtopic.

Paragraph Number	Action	Accounting Standards Update	Date
Exploratory Well	Amended	2010-03	01/06/2010
Production	Amended	2010-03	01/06/2010
Properties	Amended	2010-03	01/06/2010
Proved Oil and Gas Reserves	Amended	2010-03	01/06/2010
Stratigraphic Test Well	Amended	2010-03	01/06/2010
932-360-50-1	Amended	2010-03	01/06/2010

16. Add paragraph 932-470-00-1 as follows:

932-470-00-1 The following table identifies the changes made to this Subtopic:

Paragraph Number	Action	Accounting Standards Update	Date
Production	Amended	2010-03	01/06/2010

17. Add paragraph 932-720-00-1 as follows:

932-720-00-1 The following table identifies the changes made to this Subtopic:

Paragraph Number	Action	Accounting Standards Update	Date
Exploratory Well	Amended	2010-03	01/06/2010
Production	Amended	2010-03	01/06/2010
Properties	Amended	2010-03	01/06/2010
Stratigraphic Test Well	Amended	2010-03	01/06/2010

18. Add paragraph 932-740-00-1 as follows:

932-740-00-1 The following table identifies the changes made to this Subtopic:

Paragraph Number	Action	Accounting Standards Update	Date
Exploratory Well	Amended	2010-03	01/06/2010

19. Add paragraph 932-810-00-1 as follows:

932-810-00-1 The following table identifies the changes made to this Subtopic:

Paragraph Number	Action	Accounting Standards Update	Date
Production	Amended	2010-03	01/06/2010

20. Amend paragraph 932-815-00-1 as follows:

932-815-00-1 ~~No updates have been made to the subtopic.~~ The following table identifies the changes made to this Subtopic:

Paragraph Number	Action	Accounting Standards Update	Date
Production	Amended	2010-03	01/06/2010

21. Add paragraph 932-835-00-1 as follows:

932-835-00-1 The following table identifies the changes made to this Subtopic:

Paragraph Number	Action	Accounting Standards Update	Date
Production	Amended	2010-03	01/06/2010
Properties	Amended	2010-03	01/06/2010

The amendments in this Update were adopted by the unanimous vote of the five members of the Financial Accounting Standards Board:

Robert H. Herz, *Chairman*
Thomas J. Linsmeier
Leslie F. Seidman
Marc A. Siegel
Lawrence W. Smith

Background Information and Basis for Conclusions

BC1. The following summarizes the Board's considerations in reaching the conclusions in this Update. It includes reasons for accepting certain approaches and rejecting others. Individual Board members gave greater weight to some factors than to others.

Background Information

BC2. After taking into consideration more than 70 comment letters from financial statement users, preparers, auditors, and other constituents, the SEC refined its proposed rule on oil and gas reporting and issued the Final Rule on December 31, 2008. The full text of the Final Rule can be obtained at <http://www.sec.gov/rules/final/2008/33-8995.pdf>.

BC3. The Summary of the Final Rule indicates:

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 disclosure items, there have been significant changes in the oil and gas industry. The amendments are designed to modernize and update the oil and gas disclosure requirements to align them with current practices and changes in technology.

BC4. The amendments in this Update are primarily to align Topic 932 with the Final Rule.

Scope, Master Glossary Definitions, and Disclosures

BC5. The Board decided that the proposed amendments to the scope, Master Glossary definitions, and disclosure requirements of Topic 932 were all supported by the SEC's due process in developing its Final Rule. The Board believes that those proposed amendments represent improvements to financial reporting and disclosure for oil and gas activities.

BC6. In support of the inclusion of certain synthetic oil and synthetic gas products in the definition of oil- and gas-producing activities, the Board notes the Final Rule states in part:

The revised definition of “oil and gas producing activities” that we adopt today includes the extraction of the non-traditional resources . . . This amendment is intended to shift the focus of the definition of “oil and gas producing activities” to the final product of such activities, regardless of the extraction technology used. . . . These other sources include bitumen extracted from oil sands, as well as oil and gas extracted from coal and shales, even though some of these resources are sometimes extracted through wells, as opposed to mining and surface processing. However, such sources are increasingly providing energy resources to the world due in part to advancements in extraction and processing technology. [Footnote reference omitted.]

BC7. The Board also observed that historically the definitions used in Topic 932 (from FASB Statement No. 19, *Financial Accounting and Reporting by Oil and Gas Producing Companies*) have been those used by the SEC in its rules. The Board believes that it is important to continue to align the definitions in Topic 932 with those of the SEC. This avoids the potential for an entity having to perform two reserve estimations. This also avoids the potential for confusion among financial statement users that might result if the proved reserves used for complying with Topic 932 accounting and disclosure requirements differ from those disclosed under the SEC’s rules.

BC8. The Board believes that the quantity of proved reserves is not the only factor that should be considered in determining whether reserves are significant. An entity should consider all facts and circumstances in determining whether reserves are significant. For example, in some circumstances, profitability may be an indication that reserves are significant despite being less than 15 percent of total proved reserves. However, the Board decided that, at a minimum, net quantities of reserves should be presented in the aggregate and separately by geographic area and for each country that contains 15 percent or more of an entity’s proved reserves, expressed on an oil-equivalent-barrels basis. The latter guidance aligns with the SEC’s Final Rule, thus ensuring that disclosures about geographic areas produced to comply with Topic 932 will be at least as disaggregated as those provided under the Final Rule.

BC9. The Board added paragraph 932-10-15-4, which indicates that Topic 932 does not prohibit an entity from applying the full-cost method of accounting. This addition codified the guidance in paragraph 4 of FASB Statement No. 25, *Suspension of Certain Accounting Requirements for Oil and Gas Producing Companies*.

Average Price

BC10. The amendments in this Update align Topic 932's definition of proved oil and gas reserves with that of the Final Rule. Thus, the amendments change the price used in determining whether proved oil and gas reserves are economically producible from a year-end spot price to the average price during the 12-month period before the ending date of the period covered by the report. The Final Rule indicates in part:

The objective of reserves estimation is to provide the public with comparable information about volumes, not fair value, of a company's reserves available to enable investors to compare the business prospects of different companies. The use of a 12-month average historical price to determine the economic producibility of reserves quantities increases comparability between companies' oil and gas reserve disclosures, while mitigating any additional variability that a single-day price may have on reserve estimates. Although oil and gas prices themselves are subject to market-based volatility, the estimation of reserves quantities based on any historical price assumption determines those reserves quantities as if the oil or gas already has been produced, even though they have not, and these measures do not attempt to portray a reflection of their fair value. If the objective of reserve disclosures were to provide fair value information, we believe a pricing system that incorporates assumptions about estimated future market prices and costs related to extraction could be a more appropriate basis for estimation.

BC11. The Board agreed with the statement in BC10 and observed that the Final Rule permits an entity to provide sensitivity information about reserve estimates.

Equity Method Investments

BC12. The oil and gas industry is permitted to consolidate proportionately certain investments (for example, investments in noncorporate entities such as partnerships where the partners have undivided interests in the properties). Entities apply the equity method or the cost method for other unconsolidated investments.

BC13. Certain preparers indicated that management does not necessarily make business decisions about investments on the basis of whether they are proportionately consolidated or accounted for using the equity method. Those constituents note that this distinction is largely driven by the legal form and that

users of financial statements would be better served by providing the same disclosures for entities that are proportionately consolidated and equity method investments.

BC14. For the reasons cited in BC12 and BC13, the Board decided to amend Topic 932 to require entities to:

- a. Consider equity method investments in determining whether an entity has significant oil- and gas-producing activities
- b. Disclose information about equity method investments with significant oil- and gas-producing activities in the same level of detail as is required for consolidated investments.

BC15. With respect to the requirement discussed in BC14(b), respondents to the proposed Update were asked whether the Board should permit an alternative form of disclosure where the entity combined the detailed disclosures for equity method investments in a single column (as opposed to disaggregating them by geography for product, as applicable). The Board decided not to permit this alternative form of disclosure because financial statement users indicated that separate disclosure of equity method details for material equity method investments by geography and product, as applicable, is decision-useful information.

BC16. The proposed Update would have allowed an entity to disclose the total of the consolidated and equity method investment amounts for (a) reserve quantities, (b) standardized measure of cash flows, and (c) amounts derived from the financial statements, such as capitalized costs and costs incurred for property acquisition, exploration, and development activities. A number of respondents expressed concerns about this disclosure. The primary concern was that disclosing a total for consolidated and equity method investment amounts when the amounts are derived from the financial statements would effectively result in proportionate consolidation of the equity method investee. The Board decided to prohibit disclosure of a total of a consolidated and equity method investment amount derived from the financial statements when the result is proportionate consolidation of the equity method investee because reconsidering U.S. GAAP on proportionate consolidation is beyond the scope of this project.

Effect of Adopting the Amendments to Topic 932

BC17. Preparers indicated that there would be significant operational challenges and costs to measure precisely the total effect of adopting the amendments in this Update (for example, the total effect on reserve quantities and the standardized measure of discounted future cash flows). The Board decided not to require that entities measure precisely the total effect of adopting the amendments in this Update. However, to promote transparency and comparability, the Board believes that preparers should provide financial statement users with qualitative and quantitative disclosures about the estimated

effect (or portions of the effect) that adopting the amendments in this Update will have on the quantities and amounts disclosed in accordance with Topic 932, to the extent significant and practical to estimate.

BC18. The amendments to Topic 932 are effective for periods ending on or after December 31, 2009. Accordingly, the effect of amending the scope of Topic 932 to include nontraditional resources such as oil sands should be included in the disclosures about the balance sheet in Topic 932 (for example, Examples 1–3 of Section 932-235-55). The Board believes that Topic 932’s balance sheet and income statement disclosures (for example, Example 4 of Section 932-235-55) are interrelated. Therefore, the Board also decided to require that entities include nontraditional resources in the disclosures about the income statement. However, in the year of adoption, disclosures for the prior periods do not include nontraditional resources. To increase comparability the Board decided to require that an entity also disclose separately the effect of nontraditional resources on each quantity and amount affected by the amendments in this Update, to the extent significant and practical to estimate.

Benefits and Costs

BC19. The objective of financial reporting is to provide information that is useful to present and potential investors, creditors, donors, and other capital market participants in making rational investment, credit, and similar resource allocation decisions. However, the benefits of providing information for that purpose should justify the related costs.

BC20. Present and potential investors, creditors, donors, and other users of financial information benefit from improvements in financial reporting, while the costs to implement new guidance are borne primarily by present investors. The Board’s assessment of the costs and benefits of issuing new accounting guidance is unavoidably more qualitative than quantitative because there is no method to objectively measure the costs to implement the guidance or to quantify the value of improved information in financial statements.

BC21. The Board acknowledges that to comply with the amendments to Topic 932 in this Update, some financial reporting systems and processes may need to be updated and that additional engineering costs may be incurred to change reserve estimation methodologies. However, the Board believes the benefits outweigh these largely one-time additional costs and also notes that aligning the requirements in Topic 932 with those in the SEC’s Final Rule reduces the cost of complying with the amendments in this Update. The Board does not believe there will be significant costs to provide additional information about equity method investments with significant oil- and gas-producing activities because entities are already required to provide information about equity method investments on an aggregated basis.

Amendments to the XBRL Taxonomy

The following elements are proposed additions or modifications to the XBRL taxonomy as a result of the amendments in this Update. (Elements that currently exist in the 2009 taxonomy are marked with an asterisk* and have been **bolded**. If an existing element was modified, it has been marked to reflect any changes.)

Standard Label [†] Definition		Codification Reference
Capitalized Exploratory Well Cost, Additions Pending Determination of Proved Reserves	Additions to capitalized exploratory well costs that were added during the reporting period pending the determination of proved reserves.	932-235-50-16-a <u>932-235-50-1B-a1</u>
Capitalized Exploratory Well Cost, Charged to Expense	Capitalized exploratory well costs that were expensed during the year because proved reserves were not found at the exploratory well.	932-235-50-16-a <u>932-235-50-1B-a3</u>
Capitalized Exploratory Well Cost, Period Increase (Decrease)	The change during the reporting period in capitalized exploratory well costs. This change comprises additions of capitalized costs where proven reserves have not been found, reclassification of capitalized costs where proved reserves were found, and capitalized costs that were expensed when proved reserves were definitively not found.	932-235-50-16-a 932-235-50-1B-a2

[†] The Standard Label and the Element Name are the same (except that the Element Name does not include spaces). If they are different, the Element Name is shown in *italics* after the Standard Label.

Standard Label[†] Definition	Codification Reference
Capitalized Exploratory Well Cost	The amount of capitalized exploratory well costs that is pending the determination of proved reserves. This does not include amounts that were capitalized and subsequently expensed in the same annual period. 932-235-50-16-a <u>932-235-50-1B-a</u>
Capitalized Exploratory Well Costs that have Been Capitalized for Period Greater than One Year	The amount of exploratory well costs that have been capitalized for a period of greater than one year after the completion of drilling. 932-235-50-16-b <u>932-235-50-1B-b</u>
Capitalized Exploratory Well Costs that have Been Capitalized for Period of One Year or Less	The amount of exploratory well costs that have been capitalized for a period of one year or less after the completion of drilling. 932-235-50-16 <u>932-235-50-1B</u>
Project with Exploratory Well Costs Capitalized for More than One Year, Activities to Evaluate Reserves	For exploratory well costs that continue to be capitalized for more than one year after the completion of drilling at the most recent balance sheet date, a description of the activities that the enterprise has undertaken to date in order to evaluate the reserves and the projects. 932-235-50-16-c <u>932-235-50-1B-c</u>
Project with Exploratory Well Costs Capitalized for More than One Year, Name [Domain]	A unique name of a project with exploratory well costs that continue to be capitalized for more than one year after the completion of drilling at the most recent balance sheet date. 932-235-50-16-e <u>932-235-50-1B-c</u>
Project with Exploratory Well Costs Capitalized for More than One Year, Remaining Activities Required to Prove Reserves	For exploratory well costs that continue to be capitalized for more than one year after the completion of drilling at the most recent balance sheet date, a description of the remaining activities required to classify the associated reserves as proved. 932-235-50-16-e <u>932-235-50-1B-c</u>

Standard Label[†] Definition		Codification Reference
Projects that have Exploratory Well Costs that have been Capitalized for Period Greater than One Year	The number of projects for which exploratory well costs have been capitalized for a period of greater than one year after the completion of drilling.	932-235-50-16-b <u>932-235-50-1B-b</u>
Projects with Exploratory Well Costs Capitalized for More than One Year [Table]	This table contains the information related to exploratory well costs that continue to be capitalized for more than one year after the completion of drilling. Information includes a description of the projects and the activities that the enterprise has undertaken to date in order to evaluate the reserves and the projects, and the remaining activities required to classify the associated reserves as proved.	932-235-50-16-c <u>932-235-50-1B-c</u>
Projects with Exploratory Well Costs Capitalized for More than One Year by Project [Axis]	Information, by project, about projects with exploratory well costs which have been capitalized for more than one year.	932-235-50-16-c <u>932-235-50-1B-c</u>
Reclassification to Well, Facilities, and Equipment Based on Determination of Proved Reserves	Previously capitalized costs of the drilling of wells that were reclassified as part of the costs of the enterprise's wells and related equipment and facilities at the time that proved reserves were found.	932-235-50-16-a <u>932-235-50-1B-a2</u>

Standard Label[†] Definition		Codification Reference
Schedule of Aging of Capitalized Exploratory Well Costs [Text Block]	This block of text may contain all or some of the information related to the amount of exploratory well costs that have been capitalized after the completion of drilling and the number of projects for which those costs relate. Additionally, for exploratory well costs that have been capitalized for periods greater than one year at the most recent balance sheet date, this block of text may be used to disclose an aging of those amounts by year, or by using a range of years, and the number of projects to which those costs relate.	932-235-50-16-b <u>932-235-50-1B-b</u>
Schedule of Projects with Exploratory Well Costs Capitalized for More than One Year [Text Block]	This block of text may contain all or some of the information related to exploratory well costs that continue to be capitalized for more than one year after the completion of drilling. Information may include a description of the projects and the activities that the enterprise has undertaken to date in order to evaluate the reserves and the projects, and the remaining activities required to classify the associated reserves as proved.	932-235-50-16-c <u>932-235-50-1B-c</u>
Suspended Well Costs Disclosure [Text Block]	This block of text may be used to disclose parts or all of the information related to suspended well costs.	932-235-50-16 <u>932-235-50-1B</u>

Standard Label[†] Definition		Codification Reference
Schedule of Proved Developed and Undeveloped Oil and Gas Reserve Quantities [Text Block]*	The net quantities of an enterprise's interests in proved developed and undeveloped reserves of (a) crude oil (including condensate and natural gas liquids), and (b) natural gas (including coal bed methane), (c) synthetic oil, (d) synthetic gas, and (e) other nonrenewable natural resources that are intended to be upgraded into synthetic oil and gas, as of the beginning of the period, changes in quantities during the period, and as of the end of the period in a table or other format.	932-235-50-4 932-235-50-5 932-235-50-6 932-235-50-7 932-235-50-8 932-235-50-9
Legal Entity [Axis]*	The set of legal entities that the line items in a table could be reported for.	<u>932-235-50-3</u> <u>932-235-55-2</u>
Entity [Domain]*	All the names of the entities being reported upon in a document. Any legal structure used to conduct activities or to hold assets. Some examples of such structures are corporations, partnerships, limited liability companies, grantor trusts, and other trusts. This item does not include business and geographical segments which are included in the geographical or business segments domains.	<u>932-235-50-3</u> <u>932-235-55-2</u>
Subsidiaries [Member]*	Another company which is controlled, directly or indirectly, by its parent. The usual condition for control is ownership of a majority (over 50%) of the outstanding voting stock. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders or by court decree.	<u>932-235-50-3</u> <u>932-235-55-2</u>
Variable Interest Entity, Not Primary Beneficiary [Member]*	Variable Interest Entities (VIE) in which the entity does not have a controlling financial interest (as defined) and of which it is therefore not the primary beneficiary. VIEs of which the entity is	<u>932-235-50-3</u> <u>932-235-55-2</u>

Standard Label [†] Definition		Codification Reference
	not the primary beneficiary because it does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and for which it does not have the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE are not included in the consolidated financial statements of the entity. This item would also include transferees to which the entity (transferor) has transferred financial assets in which it continues to have involvement.	
Variable Interest Entity, Not Primary Beneficiary, Aggregated Disclosure [Member]*	Aggregated disclosures of similar Variable Interest Entities (VIE) which are not included in the consolidated financial statements of the entity because the entity does not have a controlling financial interest (not the primary beneficiary). Such disclosures may include how similar entities are aggregated, if separate reporting would not provide more useful information.	<u>932-235-50-3</u> <u>932-235-55-2</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect	<u>932-235-50-3</u> <u>932-235-55-2</u>

Standard Label [†] Definition		Codification Reference
	the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	<u>932-235-50-3</u> <u>932-235-55-2</u>
Reserve Quantities by Geographic Area		

Standard Label [†] Definition		Codification Reference
[Axis]*		
Geographic Area for Oil and Gas Disclosures [Domain]*	The enterprise's home country (if significant reserves are located there), and each foreign geographic area (for example, individual countries, <u>individual country, or groups</u> group of countries within a continent, or continent, as appropriate for meaningful disclosure), that contains proved oil and gas reserves.	932-235-50-6 <u>932-235-50-6A</u> <u>932-235-50-6B</u>
Reserve Quantities by Type of Reserve [Axis]*		
Type of Reserve [Domain]*		
Oil Reserves [Member]*	This element represents a categorization for informational, financial reporting and disclosure purposes; specifically pertaining to reserves of crude oil, which may also include condensate and natural gas liquids, depending on the financial reporting practices of the entity.	932-235-50-4-a
Gas Reserves [Member]	Reserves of gas.	932-235-50-4-b
Synthetic Oil Reserves [Member]	Reserves of synthetic oil.	932-235-50-4-c
Synthetic Gas Reserves [Member]	Reserves of synthetic gas.	932-235-50-4-d
Other nonrenewable Reserves [Member]	Reserves of other nonrenewable resources intended to be upgraded to synthetic oil and gas.	932-235-50-4-e
Reserve Quantities [Line Items]*		
Proved Developed Reserves (Volume)*	Net quantities of an enterprise's interests in proved developed reserves of crude oil (including condensate and natural gas liquids), natural gas, <u>synthetic oil and gas, or other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas,</u> as of the beginning and the	932-235-50-4 932-235-50-9 <u>932-235-55-2</u>

Standard Label [†] Definition		Codification Reference
	end of the year. "Net" quantities of reserves include those relating to the enterprise's operating and nonoperating interests in properties. Quantities of reserves relating to royalty interests owned shall be included in "net" quantities if the necessary information is available to the enterprise. "Net" quantities shall not include reserves relating to interests of others in properties owned by the enterprise. The unit of measure for reserve quantities should be defined in the unit attribute of the instance document as "barrels" for oil <u>and synthetic oil</u> reserves or "cubic feet" or "cubic meters" for natural gas <u>and synthetic natural gas</u> reserves.	
Proved Developed Reserves (BOE)*	Net quantities of an enterprise's interests in proved developed reserves of crude oil (including condensate and natural gas liquids), natural gas, <u>synthetic oil and gas, or other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas</u>, as of the beginning and the end of the year. "Net" quantities of reserves include those relating to the enterprise's operating and nonoperating interests in properties. Quantities of reserves relating to royalty interests owned shall be included in "net" quantities if the necessary information is available to the enterprise. "Net" quantities shall not include reserves relating to interests of others in properties owned by the enterprise. Measured in barrel of oil equivalent (BOE).	932-235-50-4 <u>932-235-55-2</u>

Standard Label [†] Definition		Codification Reference
Proved Undeveloped Reserves (Volume)*	Net quantities of an enterprise's interests in proved undeveloped reserves of crude oil (including condensate and natural gas liquids), natural gas, <u>synthetic oil and gas</u>, or <u>other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas</u>, as of the beginning and the end of the year. "Net" quantities of reserves include those relating to the enterprise's operating and nonoperating interests in properties. Quantities of reserves relating to royalty interests owned shall be included in "net" quantities if the necessary information is available to the enterprise. "Net" quantities shall not include reserves relating to interests of others in properties owned by the enterprise. The unit of measure for reserve quantities should be defined in the unit attribute of the instance document as "barrels" for oil and <u>synthetic oil</u> reserves or "cubic_feet" or "cubic_meters" for natural gas and <u>synthetic natural gas</u> reserves.	932-235-50-4 932-235-50-9 <u>932-235-55-2</u>
Proved Undeveloped Reserves (BOE)*	Net quantities of an enterprise's interests in proved undeveloped reserves of either crude oil (including condensate and natural gas liquids) or natural gas, <u>synthetic oil and gas</u>, <u>other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas</u>, as of the beginning and the end of the year. "Net" quantities of reserves include those relating to the enterprise's operating and nonoperating interests in properties. Quantities of reserves relating to royalty interests owned shall be included in "net" quantities if the necessary information is available to the	932-235-50-4 <u>932-235-55-2</u>

Standard Label [†] Definition		Codification Reference
	enterprise. "Net" quantities shall not include reserves relating to interests of others in properties owned by the enterprise. Measured in barrel of oil equivalent (BOE).	
Proved Reserve Quantities of Oil and Gas Applicable to Long-term Supply Agreements with Governments or Authorities*	Reserve quantities of oil or gas, <u>synthetic oil and gas, or other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas</u> subject to purchase under long-term supply, purchase, or similar agreements and contracts, including such agreements with governments or authorities, as of the end of the period if the enterprise participates in the operation of the properties in which the oil or gas is located or otherwise serves as the producer of those reserves, as opposed, for example, to being an independent purchaser, broker, dealer or importer.	932-235-50-7 <u>932-235-55-2</u>
Quantities of Oil and Gas Received under Long-term Supply Agreement with Governments or Authorities*	The net quantity of oil or gas, <u>synthetic oil and gas, or other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas</u> subject received under long-term supply, purchase, or similar agreements and contracts, including such agreements with governments or authorities, as of the end of the period if the enterprise participates in the operation of the properties in which the oil or gas is located or otherwise serves as a producer of those reserves, as opposed, for example, to being an independent purchaser, broker, dealer or importer.	932-235-50-7 <u>932-235-55-2</u>
Increase (Decrease) in Proved Developed and Undeveloped Reserves, [Roll Forward]*	A roll forward is a reconciliation of a concept from the beginning of a period to the end of a period.	932-235-50-5 932-235-50-8 <u>932-235-55-2</u>

Standard Label[†]	Definition	Codification Reference
<i>ProvedDevelopedAndUndevelopedReservesPeriodIncreaseDecrease</i>		
Proved Developed and Undeveloped Reserves, Revisions of Previous Estimates Increase (Decrease)*	Revisions represent changes in previous estimates of proved oil reserves, either upward or downward, resulting from new information (except for an increase in proved acreage) normally obtained from development drilling and production history or resulting from change in economic factors.	932-235-50-5 <u>932-235-50-8</u> <u>932-235-55-2</u>
Proved Developed and Undeveloped Reserves, Improved Recovery*	Changes in proved oil-reserve estimates resulting from application of improved recovery techniques.	932-235-50-5 <u>932-235-50-8</u> <u>932-235-55-2</u>
Proved Developed and Undeveloped Reserves, Purchases of Minerals in Place*	Purchase of proved oil reserves <u>minerals in place</u> .	932-235-50-5 <u>932-235-50-8</u> <u>932-235-55-2</u>
Proved Developed and Undeveloped Reserves, Extensions, Discoveries, and Additions*	Additions to proved oil-reserves that result from (1) extension of the proved acreage of previously discovered (old) reservoirs through additional drilling in periods after discovery and (2) discovery of new fields with proved oil reserves or of new reservoirs of proved oil-reserves in old fields.	932-235-50-5 <u>932-235-50-8</u> <u>932-235-55-2</u>
Proved Developed and Undeveloped Reserves, Production*	Production of proved oil-reserves.	932-235-50-5 <u>932-235-50-8</u> <u>932-235-55-2</u>
Proved Developed and Undeveloped Reserves, Sales of Minerals in Place*	Sales of proved oil-minerals in place.	932-235-50-5 <u>932-235-50-8</u> <u>932-235-55-2</u>
Proved Developed and Undeveloped	The net change during the reporting period in proved oil-reserves that may	932-235-50-5 <u>932-235-50-8</u>

Standard Label[†] Definition	Codification Reference
Reserves, Period Increase (Decrease)*	be the result of revisions in previous estimates, improved recovery, purchases of new reserves, extensions, discoveries, production, sales of reserves, and other actions which result in net changes. <u>932-235-55-2</u>
Proved Developed and Undeveloped Reserves, Net*	Proved oil-reserves are the estimated <u>those quantities of crude oil and natural gas liquids which geological by analysis of geoscience and engineering data demonstrate can be estimated with reasonable certainty to be recoverable economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic method or probabilistic method is used for the estimation.</u> <u>932-235-50-5</u> <u>932-235-50-8</u> <u>932-235-55-2</u>
Costs Incurred in Oil and Gas Property Acquisition, Exploration, and Development Activities [Table]*	Detailed information on the individual expense items associated with acquiring new properties on which to conduct oil and gas operations. <u>932-235-50-1(c)(1)</u> <u>932-235-50-18</u> <u>932-235-50-19</u> <u>932-235-50-20</u> <u>932-235-55-4</u>
Cost Incurred in Oil and Gas Property Acquisition, Exploration, and Development Activities by Geographic Area [Axis]	The axis of a table defines the relationship between the domain members or categories in the table and the line items or concepts that complete the table. <u>932-235-50-18</u> <u>932-235-50-19</u> <u>932-235-50-20</u>
Legal Entity [Axis]*	The set of legal entities that the line items in a table could be reported for. <u>932-235-50-13</u> <u>932-235-55-3</u>

Standard Label [†] Definition		Codification Reference
Entity [Domain]*	All the names of the entities being reported upon in a document. Any legal structure used to conduct activities or to hold assets. Some examples of such structures are corporations, partnerships, limited liability companies, grantor trusts, and other trusts. This item does not include business and geographical segments which are included in the geographical or business segments domains.	<u>932-235-50-13</u> <u>932-235-55-3</u>
Subsidiaries [Member]*	Another company which is controlled, directly or indirectly, by its parent. The usual condition for control is ownership of a majority (over 50%) of the outstanding voting stock. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders or by court decree.	<u>932-235-50-13</u> <u>932-235-55-3</u>
Variable Interest Entity, Not Primary Beneficiary [Member]*	Variable Interest Entities (VIE) in which the entity does not have a controlling financial interest (as defined) and of which it is therefore not the primary beneficiary. VIEs of which the entity is not the primary beneficiary because it does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and for which it does not have the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE are not included in the consolidated financial statements of the entity. This item would also include transferees to which the entity (transferor) has transferred financial assets in which it continues to have involvement.	<u>932-235-50-13</u> <u>932-235-55-3</u>

Standard Label[†] Definition		Codification Reference
Variable Interest Entity, Not Primary Beneficiary, Aggregated Disclosure [Member]*	Aggregated disclosures of similar Variable Interest Entities (VIE) which are not included in the consolidated financial statements of the entity because the entity does not have a controlling financial interest (not the primary beneficiary). Such disclosures may include how similar entities are aggregated, if separate reporting would not provide more useful information.	<u>932-235-50-13</u> <u>932-235-55-3</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	<u>932-235-50-13</u> <u>932-235-55-3</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after	<u>932-235-50-13</u> <u>932-235-55-3</u>

Standard Label [†] Definition		Codification Reference
	the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	
Costs Incurred, Acquisition of Oil and Gas Properties [Abstract]*		
Costs Incurred, Acquisition of Unproved Oil and Gas Properties*	Costs associated with the acquisition of oil and gas properties that have unproved reserves.	932-235-50-18 <u>932-235-50-20</u> <u>932-235-55-4</u>
Costs Incurred, Acquisition of Oil and Gas Properties with Proved Reserves*	Costs associated with the acquisition of oil and gas properties that have proved reserves.	932-235-50-18 <u>932-235-50-19</u> <u>932-235-50-20</u> <u>932-235-55-4</u>
Costs Incurred, Acquisition of Oil and Gas Properties*	Total cost of acquisition of oil and gas properties.	932-235-50-18 <u>932-235-50-19</u> <u>932-235-50-20</u> <u>932-235-55-4</u>

Standard Label[†] Definition		Codification Reference
Costs Incurred, Exploration Costs*	Exploration costs incurred in oil and gas activities.	932-235-50-18 <u>932-235-50-19</u> 932-235-50-20 <u>932-235-55-4</u>
Costs Incurred, Development Cost*	Development costs incurred in oil and gas activities.	932-235-50-18 <u>932-235-50-19</u> <u>932-235-50-20</u> <u>932-235-55-4</u>
Share of Equity Method Investees' Property Acquisition, Exploration, and Development Costs Incurred in Oil and Gas Producing Activities	The enterprise's share of the investees' property acquisition, exploration, and development costs incurred in oil and gas producing.	<u>932-235-50-20</u> <u>932-235-50-18</u> <u>932-235-50-19</u>
Results of Operations for Oil and Gas Producing Activities by Geographic Area [Table]*	Detailed information regarding the results of operations for oil and gas producing activities by geographic area for which reserve quantities are disclosed.	932-235-50-22 932-235-50-23 932-235-50-27 932-235-50-28 932-10-S99-1
Results of Operations for Oil and Gas Producing Activities by Geographic Area [Axis]*	The axis of a table defines the relationship between the domain members or categories in the table and the line items or concepts that complete the table.	932-235-50-23
Legal Entity [Axis]*	The set of legal entities that the line items in a table could be reported for.	<u>932-235-50-21</u> <u>932-235-55-5</u>
Entity [Domain]*	All the names of the entities being reported upon in a document. Any legal structure used to conduct activities or to hold assets. Some examples of such structures are corporations, partnerships, limited liability companies,	<u>932-235-50-21</u> <u>932-235-55-5</u>

Standard Label [†] Definition		Codification Reference
	grantor trusts, and other trusts. This item does not include business and geographical segments which are included in the geographical or business segments domains.	
Subsidiaries [Member]*	Another company which is controlled, directly or indirectly, by its parent. The usual condition for control is ownership of a majority (over 50%) of the outstanding voting stock. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders or by court decree.	<u>932-235-50-21</u> <u>932-235-55-5</u>
Variable Interest Entity, Not Primary Beneficiary [Member]*	Variable Interest Entities (VIE) in which the entity does not have a controlling financial interest (as defined) and of which it is therefore not the primary beneficiary. VIEs of which the entity is not the primary beneficiary because it does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and for which it does not have the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE are not included in the consolidated financial statements of the entity. This item would also include transferees to which the entity (transferor) has transferred financial assets in which it continues to have involvement.	<u>932-235-50-21</u> <u>932-235-55-5</u>
Variable Interest Entity, Not Primary Beneficiary, Aggregated Disclosure [Member]*	Aggregated disclosures of similar Variable Interest Entities (VIE) which are not included in the consolidated financial statements of the entity because the entity does not have a controlling financial interest (not the primary beneficiary). Such disclosures may include how similar entities are	<u>932-235-50-21</u> <u>932-235-55-5</u>

Standard Label [†] Definition		Codification Reference
	aggregated, if separate reporting would not provide more useful information.	
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	<u>932-235-50-21</u> <u>932-235-55-5</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to	<u>932-235-50-21</u> <u>932-235-55-5</u>

Standard Label [†] Definition		Codification Reference
	amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	
Results of Operations, Oil and Gas Producing Activities Net Income (Excluding Corporate Overhead and Interest Costs) [Abstract]*		
Results of Operations, Income before Income Taxes [Abstract]*		
Results of Operations, Revenue from Oil and Gas Producing Activities [Abstract]*		
Results of Operations, Sales Revenue to Unaffiliated Enterprises*	Sales revenue to unaffiliated enterprises from oil and gas producing activities.	932-235-50-24 932-235-50-20 <u>932-235-50-28</u> <u>932-235-55-5</u>
Results of Operations, Sales	Sales or transfers to the enterprises other operations from oil and gas	932-235-50-24 932-235-50-20

Standard Label[†] Definition	Codification Reference
or Transfers to Entity's Other Operations*	producing activities. 932-235-50-28 932-235-55-5
Results of Operations, Revenue, Other*	Other revenues from oil and gas producing activities. 932-235-50-24 932-235-50-20 932-235-50-28 932-235-55-5
Results of Operations, Production or Lifting Costs*	Production (lifting) costs from oil and gas producing activities. 932-235-50-23b 932-235-50-28 932-235-55-5
Results of Operations, Exploration Expense*	Exploration costs from oil and gas producing activities. 932-235-50-23c 932-235-50-28 932-235-55-5
Results of Operations, Depreciation, Depletion and Amortization, and Valuation Provisions	Depreciation, depletion and amortization, and valuation provisions related to oil and gas producing activities. 932-235-50-23d 932-235-50-28 932-235-55-5
Results of Operations, Income Tax Expense*	Provision or estimate of income tax expense for oil and gas producing activities. Income taxes shall be computed using the statutory tax rate for the period, applied to revenues less production (lifting) costs, exploration expenses, depreciation, depletion, and amortization, and valuation provisions. Calculation of income tax expenses shall reflect permanent differences and tax credits and allowances relating to the oil and gas producing activities that are reflected in the enterprise's consolidated income tax expense for the period. 932-235-50-25 932-235-50-23e 932-235-50-28 932-235-55-5
Results of Operations, Oil and	Results of operations for oil and gas producing activities are defined as 932-235-50-23f

Standard Label[†] Definition		Codification Reference
Gas Producing Activities Net Income (Excluding Corporate Overhead and Interest Costs)*	revenues less production (lifting) costs, exploration expenses, depreciation, depletion, and amortization, valuation provisions, and income tax expenses. General corporate overhead and interest costs shall not be deducted in computing the results of operations for an enterprise's oil and gas producing activities. However, some expenses incurred at an enterprise's central administrative office may not be general corporate expenses, but rather may be operating expenses of oil and gas producing activities, and therefore should be reported as such. The nature of an expense rather than the location of its incurrence shall determine whether it is an operating expense. Only those expenses identified by their nature as operating expenses shall be allocated as operating expenses in computing the results of operations for oil and gas producing activities.	932-235-50-26 <u>932-235-50-28</u> <u>932-235-55-5</u>
Discounted Future Net Cash Flows Related to Proved Oil and Gas Reserves [Table]*	These elements contained detailed information about the future cash inflows and future development costs related to proved oil and gas reserves. This information is presented in aggregate and for each geographic area for which reserve quantities are disclosed. The estimated future net cash flows are discounted using a rate of 10 percent per year to reflect the estimated timing of the future cash flows. Note that future cash flows related to the settlement of an asset retirement obligation are included in the disclosure.	932-235-50-30 932-235-50-31 932-235-55-6
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves [Axis]*	The axis of a table defines the relationship between the domain members or categories in the table and the line items or concepts that complete the table.	932-235-50-30 932-235-50-31

Standard Label[†] Definition	Codification Reference
Legal Entity [Axis]*	The set of legal entities that the line items in a table could be reported for. <u>932-235-50-29</u> <u>932-235-55-6</u>
Entity [Domain]*	All the names of the entities being reported upon in a document. Any legal structure used to conduct activities or to hold assets. Some examples of such structures are corporations, partnerships, limited liability companies, grantor trusts, and other trusts. This item does not include business and geographical segments which are included in the geographical or business segments domains. <u>932-235-50-29</u> <u>932-235-55-6</u>
Subsidiaries [Member]*	Another company which is controlled, directly or indirectly, by its parent. The usual condition for control is ownership of a majority (over 50%) of the outstanding voting stock. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders or by court decree. <u>932-235-50-29</u> <u>932-235-55-6</u>
Variable Interest Entity, Not Primary Beneficiary [Member]*	Variable Interest Entities (VIE) in which the entity does not have a controlling financial interest (as defined) and of which it is therefore not the primary beneficiary. VIEs of which the entity is not the primary beneficiary because it does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and for which it does not have the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE are not included in the consolidated financial statements of the entity. This item would also include transferees to which the entity (transferor) has transferred financial assets in which it

Standard Label[†] Definition	Codification Reference
	continues to have involvement.
Variable Interest Entity, Not Primary Beneficiary, Aggregated Disclosure [Member]*	Aggregated disclosures of similar Variable Interest Entities (VIE) which are not included in the consolidated financial statements of the entity because the entity does not have a controlling financial interest (not the primary beneficiary). Such disclosures may include how similar entities are aggregated, if separate reporting would not provide more useful information. <u>932-235-50-29</u> <u>932-235-55-6</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method. <u>932-235-50-29</u> <u>932-235-55-6</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the

Standard Label [†] Definition	Definition	Codification Reference
	earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Standardized Measure [Abstract]*		
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Future Net Cash Flows [Abstract]*		
Discounted Future Net Cash Flows	Cash proceeds expected from future sale of oil and gas from proved reserves	932-235-50-30 932-235-50-31

Standard Label[†] Definition		Codification Reference
Relating to Proved Oil and Gas Reserves, Future Cash Inflows*	located in this geographic region. These shall be computed by applying year-end prices of oil and gas used in estimating the entity's relating to the enterprise's proved reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.	<u>932-235-55-6</u>
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Future Development Costs	The future cost of developing oil and gas from proved reserves located in this geographic region. These costs are computed by estimating the expenditures to be incurred in developing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions.	932-235-50-30 932-235-50-31 <u>932-235-55-6</u>
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Future Production Costs*	The future cost of producing oil and gas from proved reserves located in this geographic region. These costs are computed by estimating the expenditures to be incurred in producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions.	932-235-50-30 932-235-50-31 <u>932-235-55-6</u>
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Future Income Tax Expense*	The estimated future income tax expenses that will be incurred based on the future income less future expenses derived from production and sale of proved oil and gas reserves in this geographic region. These expenses are computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the enterprise's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses give effect to tax deductions and tax credits and	932-235-50-31 932-235-50-33 <u>932-235-55-6</u>

Standard Label[†] Definition		Codification Reference
	allowances relating to the enterprise's proved oil and gas reserves.	
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Future Net Cash Flows*	These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows for each geographic region where proved oil and gas reserves exist.	932-235-50-30 932-235-50-31 <u>932-235-55-6</u>
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, 10 Percent Annual Discount for Estimated Timing of Cash Flows*	This is the amount that is derived from using a discount rate of ten percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.	932-235-50-30 932-235-50-31 <u>932-235-55-6</u>
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Standardized Measure*	This amount is the future net cash flows less the computed discount.	932-235-50-30 932-235-50-31 <u>932-235-55-6</u>
Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves, Future Net Cash Flows	These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows for each geographic region where proved oil and gas reserves exist.	932-235-50-30 932-235-50-31
Principal Sources of Change in Standardized Measure of Discounted Future Net Cash Flow Relating to Proved Oil and Gas Reserves [Abstract]*		
Legal Entity [Axis]*	The set of legal entities that the line items in a table could be reported for.	<u>932-235-50-34</u> <u>932-235-55-7</u>

Standard Label [†] Definition		Codification Reference
Entity [Domain]*	All the names of the entities being reported upon in a document. Any legal structure used to conduct activities or to hold assets. Some examples of such structures are corporations, partnerships, limited liability companies, grantor trusts, and other trusts. This item does not include business and geographical segments which are included in the geographical or business segments domains.	<u>932-235-50-34</u> <u>932-235-55-7</u>
Subsidiaries [Member]*	Another company which is controlled, directly or indirectly, by its parent. The usual condition for control is ownership of a majority (over 50%) of the outstanding voting stock. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders or by court decree.	<u>932-235-50-34</u> <u>932-235-55-7</u>
Variable Interest Entity, Not Primary Beneficiary [Member]*	Variable Interest Entities (VIE) in which the entity does not have a controlling financial interest (as defined) and of which it is therefore not the primary beneficiary. VIEs of which the entity is not the primary beneficiary because it does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and for which it does not have the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE are not included in the consolidated financial statements of the entity. This item would also include transferees to which the entity (transferor) has transferred financial assets in which it continues to have involvement.	<u>932-235-50-34</u> <u>932-235-55-7</u>

Standard Label [†] Definition		Codification Reference
Variable Interest Entity, Not Primary Beneficiary, Aggregated Disclosure [Member]*	Aggregated disclosures of similar Variable Interest Entities (VIE) which are not included in the consolidated financial statements of the entity because the entity does not have a controlling financial interest (not the primary beneficiary). Such disclosures may include how similar entities are aggregated, if separate reporting would not provide more useful information.	<u>932-235-50-34</u> <u>932-235-55-7</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	<u>932-235-50-34</u> <u>932-235-55-7</u>
Equity Method Investments [Member]*	This element represents an investment in the stock of an investee which is adjusted for the investor's share of the earnings or losses of the investee after	<u>932-235-50-34</u> <u>932-235-55-7</u>

Standard Label [†] Definition		Codification Reference
	the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between investor cost and underlying equity in net assets of the investee at the date of investment. The investment of an investor is also adjusted to reflect the investor's share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. A series of operating losses of an investee or other factors may indicate that a decrease in value of the investment has occurred which is other than temporary and which is recognized even though the decrease in value is in excess of what would otherwise be recognized by application of the equity method.	
Increase (Decrease) in Standardized Measure of Discounted Future Net Cash Flow Relating to Proved Oil and Gas Reserves [Roll Forward]*		
Standardized Measure of Discounted Future Net Cash Flow Relating to Proved Oil and Gas Reserves*	The balance as of the balance sheet date of the standardized measure of discounted future net cash flow relating to proved oil and gas reserves.	932-235-50-35 932-235-55-7
Net Increase (Decrease) in Sales	Net change in sales and transfer prices and in production (lifting) costs related	932-235-50-35(a)

Standard Label[†] Definition		Codification Reference
and Transfer Prices and Production Costs*	to future production. The effects of changes in prices and costs are computed before the effects of changes in quantities.	
Increase (Decrease) in Estimated Future Development Costs*	The net change in the evaluation or calculation of the costs that will be required in future periods to make it possible to extract or process proved oil and gas reserves.	932-235-50-35(b) 932-235-50-31(b)
Sales and Transfers of Oil and Gas Produced, Net of Production Costs*	The amount of sales or transfers of oil and gas that was previously included in proved oil and gas reserves. This amount is net of production costs.	932-235-50-35(c)
Extensions, Discoveries, Additions and Improved Recovery, Less Related Costs*	This is the amount that proved oil and gas reserves increased due to extensions (increased estimates in the size of proven reserves), discoveries, additions, and improved recovery (increase in ability to extract oil and gas from existing reserves).	932-235-50-35(d)
Increase Due to Purchases of Minerals in Place*	The change in the discounted value of the proved oil and gas reserves due to financial transactions where new reserves were purchased.	932-235-50-35(e)
Decrease Due to Sales of Minerals in Place*	The change in the discounted value of the proved oil and gas reserves due to financial transactions where reserves (minerals in place) were sold.	932-235-50-35(e)
Previously Estimated Development Costs Incurred During Period*	The actual costs incurred during the reporting period to make it possible to extract or process proved oil and gas reserves. These costs were previously estimated and reduced the estimate of discounted future cash flows from oil and gas reserves.	932-235-50-35(g) 932-235-50-31(b)
Revisions of Previous Quantity Estimates*	Any changes made during the period to the evaluation or calculation of the estimated quantity of oil or gas in proved reserves.	932-235-50-35(f)
Accretion of Discount*	The increase in the net discounted value of the proved oil and gas reserves due only to the passage of time.	932-235-50-35(h)

Standard Label [†] Definition		Codification Reference
Increase (Decrease) in Future Income Tax Expense Estimates on Future Cash Flows Related to Proved Oil and Gas Reserves*	The net change in the estimate of future income taxes that will be due on future pretax net cash flows relating to the enterprise's proved oil and gas reserves. As these expenses are computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the enterprise's proved oil and gas reserves, less the tax basis of the properties involved; any changes to these inputs will lead to a change in the estimate of future income taxes.	932-235-50-31(c) 932-235-50-35(j)
Standardized Measure of Discounted Future Net Cash Flow of Proved Oil and Gas Reserves, Period Increase (Decrease)*	The net change as a result of changes in the elements used to estimate the discounted future net cash flow relating to proved oil and gas reserves.	932-235-50-35
Standardized Measure of Discounted Future Net Cash Flow Relating to Proved Oil and Gas Reserves*	The balance as of the balance sheet date of the standardized measure of discounted future net cash flow relating to proved oil and gas reserves.	932-235-50-35 932-235-55-7
Proved Developed Reserves (BOE), Effect of Application of Amendments to Oil and Gas Reserve Estimation and Disclosures^(a)	The qualitative and quantitative disclosure of the estimated effect of initially applying amendments to the <i>FASB Accounting Standards Codification</i> [™] Topic 932, Extractive Activities—Oil and Gas, on net quantities of the entity's interests in proved developed reserves of crude oil (including condensate and natural gas liquids), natural gas, synthetic oil and gas, or sales products of other non-renewable natural resources that are intended to be upgraded into synthetic oil and gas, as of the end of the year. If	932-10-65-01

Standard Label [†]	Definition	Codification Reference
	the effect (or portion of the effect) is not significant or not practical to estimate, the entity shall state that fact and describe why it is not practical to estimate the effect (or portion of the effect).	

^(a)Similar elements would be used to disclose the effect (or portion of the effect) of initially applying this Update on other amounts and quantities disclosed in accordance with Topic 932, where such effect is significant and practicable to estimate.