

Give me a call when you get a chance

I read the SEC Reserve proposals and really only noted 3 things:

1. Great the SEC would allow Probable, but think Possible should be excluded. There is enough problems defining Proved.
 1. I would propose Probable be defined by numerous examples
 2. A bunch of 0-10% chance of success for Possible would just confuse Investors
2. Think all Gas reserves should be standardized Reporting at 1000 mmBTU vs. reported by Mcf
 1. That would solve all the Inerts issues that are sold.
 2. Would solve lost in extraction like some LNG plants
 3. If this cannot be done, I would recommend all Inerts be excluded from Volume reporting, which I would think would be a strong negative to Major Oil companies
3. I disagree with the SEC letting the Companies slipping by in not requiring at least an Independent Audit
 1. With the Proved rules so "relaxed" the interpretations will required even more judgment and subject to abuse
 2. Many of the problems seen in my last 10 years in Audits are busts in judgment, vs. the SEC rules
 3. I don't understand why an outside Public audit is required (like PriceWaterHouseCoopers), that to me is just "checking arithmetic" and fraud vs. the much more complex reserve analysis.