Changing Outlook, Same Concerns: Key SEC Disclosure Topics in 2018 for E&P Companies

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Comment letters to oil and natural gas exploration and production (E&P) companies by the Division of Corporation Finance of the Securities and Exchange Commission (SEC) indicated several major areas of concern for the Division during 2017 regarding companies' disclosures. Many of the topics addressed were similar to those raised by the Division's staff in 2015-2016, but some were new, such as the staff's focus on non-U.S. E&P companies' impairment testing under International Financial Reporting Standards (IFRS). While 2017 saw some improvement in global and U.S. commodity prices and increasing demand for oil and gas, most of the staff's top concerns remain relevant for E&P companies preparing their annual, quarterly and current reports to be filed in 2018, as well as other public communications relating to their operations and financial condition.

Since 2008, when the SEC's oil and gas disclosure rules were overhauled, a principal overarching theme of staff comments has been the effect of various events and conditions on the timely development of companies' proved undeveloped reserves (PUDs). The comment letters publicly released by the SEC during 2017 indicate a continuing emphasis on this theme. Of note, the staff asked companies to:

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Key-SEC-Disclosure-Topics-in-2018-for-EP-Companies.pdf

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