Honorable Mary Jo White  
Chair, U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  

July 24, 2015  

Dear Chair White:  

We write to ask the Securities and Exchange Commission (SEC) to assess the adequacy of and  
need for additional financial disclosure of publicly traded oil and gas exploration companies  
operating in the Outer Continental Shelf, and in particular in the Arctic Ocean. We request this  
assessment in order to ensure that companies are in compliance with the Securities Exchange  
Act of 1934, the Securities Act of 1933, and SEC Rule 10b-5, which require full and fair  
disclosure of the material risks to a public company.  

Offshore oil and gas activities come with significant financial risks, and operating in the Arctic  
multiplies those risks. A catastrophic spill in the Arctic Ocean would devastate coastal  
communities and sensitive ocean ecosystems, and would likely result in costs to the responsible  
party on the order of tens of billions of dollars. In addition, clean-up of an oil spill in the Arctic  
would be hindered—or rendered impossible—by ice, weather, darkness, and the lack of  
infrastructure in this remote and dangerous region.  

These risks are not speculative. For example, Shell’s efforts to drill Arctic exploration wells in  
2012 resulted in a series of equipment failures and, ultimately, the grounding of the Kulluk drill  
rig. Yet Shell’s disclosures to-date provide investors with only limited generalities about the  
potential for an accident and nothing about the reduced effectiveness and lack of testing of oil  
spill response techniques and technologies in Arctic conditions.  

Indeed, as Former Interior Secretary Ken Salazar said, “[T]he Arctic is a very difficult  
environment to operate in. Shell is one of the most resource-capable companies in the world  
[and] they encountered a whole host of problems in trying to operate up there.”  

For these reasons, we seek full public disclosure of the material risks inherent in searching for  
and developing oil and gas in one of the most remote and dangerous places on earth. Full  
disclosure of financial risk is necessary to protect investors by enabling them to make more  
informed investment decisions. Pursuant to the Securities Exchange Act of 1934, the Securities  
Act of 1933, and Rule 10b-5, public oil and gas exploration companies have an obligation to  
fully disclose material risks to their businesses.
We respectfully request the Securities and Exchange Commission to assess the need for additional financial disclosure of publicly traded oil and gas exploration companies operating in the Outer Continental Shelf, and in particular in the Arctic Ocean, and provide us with an explanation and justification for the status quo or further disclosure.

Sincerely,

RAÚL GRIJALVA  MAXINE WATERS  ALAN LOWENTHAL
Ranking Member  Ranking Member  Ranking Member
Committee on Natural Resources  Committee on Financial Services  Subcommittee on
                                      Energy and Mineral Resources