

## **Oil and gas accounting — full cost, AcG-16**

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59 Enterprises following the full cost method of accounting shall disclose:

- (a) interest and general and administrative costs capitalized during the period;
- (b) costs at the balance sheet date excluded from costs subject to D & D, together with comparative amounts;
- (c) the method used in calculating D & D (i.e., whether gross or net (before or after royalties) numbers were used and how gas and oil were converted to a common unit of measure);
- (d) the disclosures required by IMPAIRMENT OF LONG-LIVED ASSETS, Section 3063, and by DISPOSAL OF LONG-LIVED ASSETS AND DISCONTINUED OPERATIONS, Section 3475;
- (e) when planned principal operations in a new cost centre have not commenced (see paragraph 5), the following
  - (i) the fact that activities in the cost centre are considered to be in the preproduction stage;
  - (ii) the fact that all costs, net of revenues, have been capitalized;
  - (iii) the major uncertainties affecting recovery of costs; and
  - (iv) for each cost centre, net costs to date with respect to unproved properties, proved properties and other costs.

In addition to the above, the disclosure requirements of MEASUREMENT UNCERTAINTY, Section 1508, shall be considered. In particular, impairment tests may be subject to material measurement uncertainty.

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