Karen Salmansohn

From: Director - FASB

Sent: Friday, January 31, 2003 1:10 Pl

To: Karen Salmansohn

Subject: FW: Expensing Stock Options

Letter of Comment No: 114
File Reference: 1102-001
Date Received: 1-31-03

----Original Message----

From: Kenneth Peak [mailto:kpeak@mcfx.biz] Sent: Friday, January 31, 2003 9:29 AM

To: Director - FASB

Subject: Expensing Stock Options

Options are clearly an expense-they are compensation to people like me who run a public traded company. I value my options and consider them a major component of my salary. They must be expensed so all of our shareholders can know how much I am being paid. I understand the methods employed to calculate the value of these options are not always going to be 100% precise, but then neither is the estimation of oil and gas reserves. No one would argue we shouldn't put a value on our reserves just because we don't truly know their value would they? Of course not. Transparency is a wonderful thing, come on out into the sunshine.

P.S. If you really want to do good some good for the oil and gas business get rid of that abomination know as "Full Cost" accounting- it's terribly misleading.

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