



Turning Energy Into Synergy

# APA ACCREDITATION INFORMATION

**TRAINING & REFERENCE MATERIAL      TR-46**

**Revised December 2009**

**Board Approved**

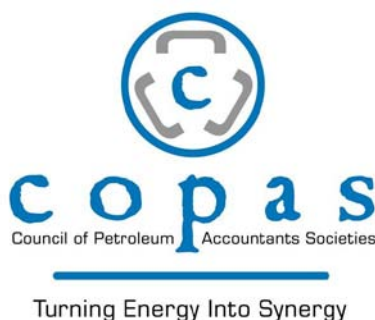
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COPAS and the APA® Board of Examiners encourage APA® candidates to study all of the material in the reference outline. Study guides are designed to assist the candidate's study for the APA exam. The study guides are not replacements for the study materials. The study guides may not be inclusive of all material covered on the exams. For a complete list of study material, APA® candidates should refer to the reference outline for each module, contained in the COPAS APA® Accreditation handbook.

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The Council of Petroleum Accountants Societies, Inc. (COPAS)  
Accredited Petroleum Accountant® Program

**General Information**

Initiated by the Council of Petroleum Accountants Societies, Inc. (COPAS) in 1996, the APA® program is charged with both training and accrediting accountants within the oil and gas industry. Realizing the benefits of having knowledgeable accounting personnel, many companies encourage and support the efforts of personnel who pursue and complete the APA® certification process. Benefits of this knowledge-based testing program include:

- Training for new accountants
- Training for accountants who are changing job functions
- Excellent review programs
- Excellent sources of continuing education
- Reference material and study guides build professional reference library
- Independent measurement tool for employee selection and promotion
- Recognition of achievement and skill levels

The Accredited Petroleum Accountant® certification program provides training and examinations to test the basic elements of knowledge essential to an oil and gas accountant in the following areas:

Operations	Joint Interest
Law	Managerial
Financial Reporting	Tax
Audit	Revenue

### **Specific Information**

Following is specific information about the APA® Program, arranged alphabetically. Should you have questions not related to test registration, please contact the COPAS Office, Cheri.McCallister@copas.org, or by phone at 303-300-1131, or 877-992-6727 (toll free).

### **Accreditation**

Candidates earn full APA® accreditation by passing all eight modules.

Candidates earn Associate APA® status by passing four modules – Law, Operations, and Financial Reporting, plus one (1) other exam of the candidate's choosing.

### **Annual Fee and Assessment Form**

Each February COPAS issues Annual Fee and Assessment Forms. All individuals holding a Full APA® or Associate certification must return the completed form and renewal fee prior to March 31 to maintain certification. Failure to return the form and the fee by March 31 will result in a late fee as well. **Individuals failing to renew by May 31 will have their certification revoked.** Paying all fees, including penalties and showing proof of the required CPE hours **might** reinstate a revoked certification with the approval of the Board of Examiners. As of 2010, the annual fee is \$50 and the late fee is \$15. These fees are subject to change from time to time.

### **Cancellation Policy**

**The test administrator, Comira, currently requires 24 hours advance notice to cancel or reschedule an exam. Candidates should verify the policy when registering.** In the event of an emergency on the day of the exam, please contact both the testing location and Comira. Failure to notify Comira in a timely manner may result in forfeiture of your exam fee.

### **Candidate Identification**

Prior to test administration, candidates must provide positive identification at the testing center. The identification presented must include a current photograph, full legal name as submitted during registration, and signature. This information may be presented in more than one form of identification.

Acceptable forms of identification include driver's licenses, government identification cards, passports, alien residency cards, and military identification. Failure to provide appropriate identification at the time of examination will be considered a missed appointment.

### **Change of Address**

It is the responsibility of each individual to notify the COPAS office in writing of any change of address or contact information. Failure to provide current contact information could result in the loss of certification if COPAS is unable to contact you.

### **Confidentiality**

Comira's testing computers are secured and protected as U.S. Government *For Official Use Only* information. No information, either personal or concerning tests, is released without the candidate's written permission.

### **Continuing Education Requirements**

Ten hours of Continuing Professional Education (CPE) are required annually to maintain current certification.

Types of CPE that qualify are as follows:

- Courses that qualify for CPA continuing education in the individual's state of residence
- Passing an APA® exam results in 10 hours of CPE
- CPE presented at petroleum accountants society meetings
- CPE presented at COPAS meetings

COPAS recommends the APA® maintain proof of CPE for at least five years to fulfill any audit requirements.

CPE acquired before May 31 of any year may be applied to the prior calendar year's requirement, for the purpose of maintaining APA® certification.

Failure to fulfill and maintain the CPE requirement will result in revocation of accreditation. Application may be made for re-accreditation.

### **Denying or Revoking Accreditation**

Accreditation may be revoked or denied for the following:

- Non-compliance with the Continuing Professional Education requirements
- Non-payment of fees required to maintain certification
- Serious breach of ethical standards, such as:
  - COPAS Code of Ethics violation, as determined by the COPAS Board of Directors
  - Conviction of a felony

### **Eligibility**

Anyone may take the exams. However, a person successfully completing all exams must meet at least one of the following qualifications to achieve certification:

1. A four-year college degree with a major in accounting or any other four-year degree with at least 12 credit hours of accounting.
2. Five years of experience in petroleum industry accounting, evidenced by a letter from the candidate's supervisor.
3. Currently a licensed Certified Public Accountant, evidenced by a copy of the candidate's current CPA ID card.

### **Fee Structure**

The fee to take an exam in only one module is \$100.00. The fee to take exams in two or more modules *at one time* is \$100.00 for the first module and \$70.00 for each additional module. Therefore, if you take four module tests at one sitting, the cost will be \$100.00 + 3 @ \$70.00, for a total of \$310.

The exam fee structure for full-time students is \$50.00 for the first test and an additional \$35.00 for each additional test taken *at the same sitting*. NOTE: These fees are subject to change, from time to time, by approval of the COPAS Board of Directors.

### **Registering for a Test**

COPAS contracts with Comira, an established provider of computer-based testing (CBT), to administer the testing portion of the APA® program. All test registrations must be made by calling 800-947-4228 (8 a.m. – 7 p.m., Monday – Friday, or 10:00 a.m. – 2:00 p.m., Saturday [Central Time]). A complete list of test locations (including COPAS-approved, company-sponsored sites) is maintained at [www.comiratesting.com](http://www.comiratesting.com) (follow links to Candidate Center / Accredited Petroleum Accountant® Program). Currently the tests are offered during one-week periods each quarter – in February, May, August, and November. See the COPAS website, [www.copas.org](http://www.copas.org), for exact dates and time.

The examination will be administered by computer at a Comira testing center or a COPAS-approved, company-sponsored location. You should arrive 15 minutes prior to your scheduled appointment to allow time to sign in, verify identification, and become familiar with the software. You do not need computer experience or typing skills to take the exam. A demo test will familiarize you with the testing software and its features. This demo test does not count toward the time allowed to take the exam.

### **Retesting**

Candidates may retake any exam to achieve a passing score, after a 30-day waiting period, but only during the scheduled test dates (see above). The same fee structure outlined above applies to retakes.

### **Scoring Tests**

Each test contains 40 questions, and there is only one correct response for each question. A passing grade is a score of 75% or higher. At the completion of an exam, before logging off the computer, the candidate receives a pass/fail letter.

### **Tests**

Each exam consists of 40 multiple choice questions and there is only one correct response for each question. Candidates have one hour to complete the Law, Operations, Financial Reporting, Audit, Joint Interest and Revenue modules. The Managerial and Tax exams are two hours each.

Candidates may take as many or as few tests as they want at any sitting. Credit is given for each test passed. Tests may be taken in any order desired. However, COPAS recommended initially concentrating on the core areas required for Associate certification, (Law, Operations, Financial Reporting and one other of the candidate's choice) to better manage the five-year time limitation.

### **Time Limitation for Completing Program**

A candidate must earn Associate certification within **five** years of the date of passing the first exam required for certification. The candidate must pass Law, Operations, Financial Reporting and one (1) other test of the candidate's choosing within the five-year time frame. Failure to successfully complete the four tests will result in the loss of credit for all tests taken.

Once a person obtains Associate certification, there is no deadline for completing the remaining modules needed to achieve Full certification.



## **Council of Petroleum Accountants Societies, Inc. CODE OF ETHICS**

**(Revised, April 2007)**

This Code of Ethics formalizes the practices to which the members of the Council of Petroleum Accountants Societies (COPAS) have long adhered in conducting the business of COPAS. It provides an infrastructure to maintain and broaden confidence in and the reputation of COPAS among its membership, the petroleum industry, and other professional organizations.

Since COPAS strives to educate its members and to raise and maintain their levels of skills and competence for work in the petroleum industry, COPAS urges members to be cognizant of ethical practices and deal with ethical issues as they arise in a manner appropriate under the circumstances. The following standards apply primarily to members when engaged in activities authorized by COPAS.

Members should strive to maintain the highest standards of integrity. Integrity is an element of character fundamental to professional recognition. This quality promotes trust among members within COPAS and the petroleum industry, and is the benchmark against which a member must ultimately test all decisions. Accordingly, a member should observe both the form and spirit of technical and ethical standards.

Members should strive to maintain the highest standards of objectivity. Objectivity is a state of mind or quality that lends value to a member's contributions and imposes the obligation to be impartial.

Members should strive to achieve an awareness of antitrust law that preserves the conditions necessary for business competition and avoid any action which may violate or appear to violate such law.

Members should strive to comply with other applicable laws and avoid actions which discourage or appear to discourage compliance with these laws.

Members should strive to comply with accounting principles and avoid actions which discourage or appear to discourage such compliance or otherwise distort financial information.

Members shall strive to maintain their competency in petroleum accounting and share their special knowledge for the further advancement of COPAS.

Members shall comply with COPAS membership guidelines and avoid conflicts of interest arising from their membership in other organizations.

A member who belongs to more than one society may vote only in the society nearest his or her primary office and represent only such society at COPAS meetings.

Members serving as COPAS liaisons to other professional organizations shall act in the best interest of COPAS.

Members serving in appointed or elected COPAS positions shall actively seek to fairly represent the position of COPAS without influence from personal or employer interests.

Members representing individual societies in the conduct of COPAS business shall actively seek to fairly represent the position of their societies without influence from personal or employer interests.

Members shall ensure that any written materials distributed and/or presentations made on behalf of COPAS are representative of COPAS positions.

Members shall protect the privacy and confidentiality of proprietary company or COPAS information and avoid using any such information for gain to themselves or their employer, or in any manner detrimental to COPAS or the petroleum industry.

Members shall not deny equal access to professional services for reasons of race, color, religion, gender, sexual orientation, or national origin.

Participating, Provisional, or International Societies shall not deny equal access to membership or membership privileges for reasons of race, color, religion, gender, sexual orientation, or national origin.

Participating, Provisional, or International Societies shall provide equal access to membership and membership privileges to anyone actively engaged in Petroleum Accounting. "Petroleum Accounting" is defined as the performance, in a supervisory, administrative, technical, managerial, executive or academic capacity, of accounting, auditing, financial analysis, financial reporting, taxation, economics, accounting policies and procedures, or related activities in the energy industry and allied services.

Participating, Provisional, or International Societies shall provide equal access to membership and membership privileges to anyone actively engaged in Petroleum Accounting regardless of whether employed by an entity engaged in exploration and production, refining and marketing, transportation, marketing, consulting, accounting, auditing, software, financial services, governmental agency, education, or related energy services, and regardless of whether the person is an employee, partner, or principal of a publicly traded corporation, private company, limited liability company, partnership, trust, or other legal entity, or is a sole proprietor, or otherwise self-employed.

## **PARTICIPATING SOCIETY PROGRAMS**

Some COPAS Participating Societies conduct education programs associated with the APA® test preparation. Some societies also work with local educational institutions on review courses and maintain study materials in local libraries to make them available in a cost-effective manner. Contact the society in your area for information.

## **COPAS APA® STUDY GUIDES**

COPAS currently has study guides for the Audit, Financial Reporting, Joint Interest, Managerial, Revenue, and Tax modules. The study guides address many of the areas covered on the tests and can be beneficial in studying for the exams, but they **may not include all material covered on the exams**. COPAS recommends candidates study all of the material in the reference outline. For a complete list of study material, refer to the reference outline for each module, contained in the COPAS APA® Accreditation Information handbook.

Study Guides may be purchased from the website, [www.copas.org](http://www.copas.org).

## **REFERENCE OUTLINE**

A list of required reference materials and a study outline for each module follows.

# COPAS APA® Accreditation

## Reference Outline

### Audit Module

**Source Material:**

- |  |  |
|--|--|
| <p>A. AG-19, <i>Joint Interest Audits in the Petroleum Industry, – Guides to Protocol and Procedures</i></p> <p>B. AG-13, <i>Farmouts/Farmins, Net Profits Interest, Carried Interests</i></p> <p>C. AG-21, <i>Guidelines for Revenue Audits in the Petroleum Industry</i></p> <p>D. AG-9, <i>Guidelines for Contractor Audits in the Petroleum Industry</i></p> <p>E. MFI-51, <i>2005 Accounting Procedure – Joint Operations</i></p> | <p>F. AG-10, <i>Guidelines for Investigation of Suspect Irregularities</i></p> <p>G. AG-11, <i>Guidelines for an Internal Review of an Oil &amp; and Gas Production and Exploration Division</i></p> <p>H. AG-16, <i>Guidelines for Conducting an Internal Audit of a Gas Plant</i></p> <p>I. TR-45, <i>APA® Audit Study Guide</i></p> |
|--|--|

MFI = Model Form Interpretation

AG = Accounting Guideline

TR = Training & Reference

**Source**

**I. Joint Interest Audits – Rights/Protocol**

A, C, E & I

- A. Audit Rights under JOAs
- B. Audit Rights under other agreements
- C. Audit deadline
- D. Initiation of audit
- E. Frequency of audits
- F. Lead auditor’s responsibilities
- G. Cost Sharing
- H. Operator’s Responsibilities

**II. Joint Interest Audit – Expense**

A, I & E

- A. Definition
- B. Purpose
- C. Scope
- D. Preliminary Work
- E. Audit Program
- F. Field Trip
- G. Accounting Procedure Compliance

**III. Joint Interest Revenue Audits**

C & I

- A. Oil and Condensate
- B. Gas and Casinghead gas
- C. Plant Products

**COPAS APA® Accreditation  
Reference Outline  
Audit Module (continued)**

**Source Material:**

- |   |  |
|---|--|
| A. AG-19, <i>Joint Interest Audits in the Petroleum Industry, – Guides to Protocol and Procedures</i> | F. AG-10, <i>Guidelines for Investigation of Suspect Irregularities</i>  |
| B. AG-13, <i>Farmouts/Farmins, Net Profits Interest, Carried Interests</i>                            | G. AG-11, <i>Guidelines for an Internal Review of an Oil &amp; and Gas Production and Exploration Division</i> |
| C. AG-21, <i>Guidelines for Revenue Audits in the Petroleum Industry</i>                              | H. AG-16, <i>Guidelines for Conducting an Internal Audit of a Gas Plant</i>                                    |
| D. AG-9, <i>Guidelines for Contractor Audits in the Petroleum Industry</i>                            | I. TR-45, <i>APA® Audit Study Guide</i>  |
| E. MFI-51, <i>2005 Accounting Procedure – Joint Operations</i>  |  |

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**Source**

**IV. Internal Audits**

F, G, H, & I

- A. Definition
- B. Purpose
- C. Scope
- D. Preliminary Work
- E. Audit Program

**V. Other Audits**

B, D, E, & I

- A. Joint Interest Audits – Payout
- B. Contractor Audits

Check the COPAS website, [www.copas.org](http://www.copas.org), for the most current information.

# COPAS APA® Accreditation Reference Outline Financial Reporting Module

**Source Material:**

- A. *Petroleum Accounting Principles, Procedures & Issues*, Brock et al., 6th ed., 2007
- B. *What is Sarbanes-Oxley?*, Guy P. Lander, 2004
- C. TR-32, *Financial Reporting APA® Study Guide*

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**Source/Chapter**

- I. Accounting Principles for Oil & Gas Producing Activities**
  - A. Historical Background A / Chapter 4
  - B. Classification of Costs Incurred A / Chapter 4
  - C. Overview of Full Cost Accounting A / Chapter 4
  
- II. Accounting for Exploration Costs and Unproved Property Acquisition, Retention, and Surrender**
  - A. General Treatment of Exploration Costs A /Chapter 6
  - B. Special Problem Areas in Accounting for Exploration Costs A /Chapter 6
  - C. The Lease Contract A /Chapter 7
  - D. Operating and Non-Operating Mineral Interests A /Chapter 7
  - E. Accounting for Unproved Mineral Leasehold Acquisitions A /Chapter 7
  - F. Accounting for Maintenance and Carrying Costs of Unproved Properties A /Chapter 7
  - G. Accounting for Impairment and Abandonment of Unproved Leases A /Chapter 7
  - H. Top Leases and Lease Renewals A /Chapter 7
  
- III. Accounting for Drilling and Development Costs, and for Costs Incurred in Drilling & Equipping Oil & Gas Properties**
  - A. Regulatory Requirements A /Chapter 8
  - B. Drilling Contracts A /Chapter 8
  - C. Drilling Preparations A /Chapter 8
  - D. Successful Efforts Accounting for Exploratory & Development Well Costs A /Chapter 9
  - E. Full Cost Accounting for Exploratory & Development Well Costs A /Chapter 9
  - F. Special Problems in Accounting for Drilling and Development A /Chapter 9

**COPAS APA® Accreditation  
Reference Outline  
Financial Reporting Module (continued)**

**Source Material:**

- A. *Petroleum Accounting Principles, Procedures & Issues*, Brock et. al., 6th Edition Copyright 2007
- B. *What is Sarbanes–Oxley?*, Guy P. Lander, 2004
- C. TR-32, *Financial Reporting APA® Study Guide*

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**Source/Chapter**

**IV. Depreciation, Depletion, and Amortization Under Successful Efforts Method, and Accounting for the Impairment of Long Lived Assets**

- A. Summary of Requirements of Oi5 A /Chapter 17
- B. Joint Production of Oil & Gas A /Chapter 17
- C. Overview and Application Issues of Impairment A /Chapter 18

**V. Accounting and Reporting for Ownership Interests**

- A. Cost to be Capitalized A /Chapter 19
- B. Amortization of Capitalized Costs A /Chapter 19
- C. Interest Capitalization A /Chapter 19
- D. Regulatory and Operational Environment A /Chapter 20
- E. Current Accounting of Asset Retirement Obligations A /Chapter 20
- F. General Principals of Accounting for Conveyances A /Chapter 21
- G. Sales and Subleases of Unproved Mineral Interests A /Chapter 21
- H. Sales and Abandonments Under the Full Cost Method A /Chapter 21
- I. Overriding Royalty Conveyances A /Chapter 21
- J. Accounting Based on the Attributes of Ownership A /Chapter 22
- K. Production Payments A /Chapter 22
- L. Net Profit Interests A /Chapter 22
- M. Full Cost Accounting A /Chapter 22
- N. Farmouts A /Chapter 23
- O. Free Wells A /Chapter 23
- P. Carried Interests A /Chapter 23
- Q. General Partnerships A /Chapter 24
- R. Limited Partnerships A /Chapter 24

**COPAS APA® Accreditation  
Reference Outline  
Financial Reporting Module (continued)**

**Source Material:**

- A. *Petroleum Accounting Principles, Procedures & Issues*, Brock et. al., 6th ed., 2007
- B. *What is Sarbanes–Oxley?*, Guy P. Lander, 2004
- C. TR-32, *Financial Reporting APA® Study Guide*

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**Source/Chapter**

**VI. Disclosures/Sarbanes Oxley**

- |    |   |                 |
|----|---|-----------------|
| A. | Introduction to Reserves                          | A /Chapter 16   |
| B. | General Definitions and Categories                | A /Chapter 16   |
| C. | SEC Proved Reserves Definitions                   | A /Chapter 16   |
| D. | Reserve Estimation                                | A /Chapter 16   |
| E. | Overview of Disclosures                           | A /Chapter 28   |
| F. | FAS 69 Nonvalue Disclosures & Related SEC Rules   | A /Chapter 28   |
| G. | Special Disclosures for Companies Using Full Cost | A /Chapter 29   |
| H. | Disclosure Rules                                  | A /Chapter 29   |
| I. | Disclosing SMOG Computation Example               | A /Chapter 29   |
| J. | Year End Pricing for Disclosures                  | A /Chapter 29   |
| K. | Usefulness of the Disclosures                     | A /Chapter 29   |
| L. | What is Sarbanes-Oxley?                           | B /All Chapters |

Check the COPAS website, [www.copas.org](http://www.copas.org), for the most current information.

# COPAS APA® Accreditation

## Reference Outline

### Joint Interest Module

<b>Source Materials:</b>			
A.	TR-39, <i>COPAS Publication Index</i>	F.	MFI-21, <i>Overhead – Joint Operations</i>
B.	MFI-51, <i>2005 Accounting Procedure – Joint Operations</i>	G.	MFI-38, <i>Material Pricing Manual</i>
C.	AG-13, <i>Farmouts/Farmins, Net Profits Interest, Carried Interests</i>	H.	MFI-17, <i>1984 Accounting Procedure – Joint Operations</i>
D.	TR-9, <i>Petroleum Industry Accounting: Educational Training Guide</i>	I.	<i>Petroleum Accounting Principles, Procedures, &amp; Issues</i> , Brock, 6th ed., 2007
E.	AG-2, <i>Accounting for Unitizations</i>	J.	TR-40, <i>Joint Interest APA® Study Guide</i>

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<b>I. Joint Interest Concepts</b>	<b>Source</b>	<b>Section/Chapter</b>
A. COPAS Publications	A	Introduction
B. Definitions	B&H	Section 1
C. Accounting for Joint Operations	I	Chapter 10
D. Joint Operations	I	Chapter 10
	D	Section IX
E. Authority for Expenditure	I	Chapter 9
F. The Joint Operating Agreement	I	Chapter 10 & APP 9
G. Legal Forms of Joint Activities	I	Chapter 10
H. Electronic Data Interchange	I	Chapter 10
	D	Section IX
I. Recording Joint Interest Transactions	I	Chapter 10
<b>II. Accounting Procedure – Direct Charges</b>	<b>Source</b>	<b>Section/Chapter</b>
A. Statements and Billings	B&H	Section I
	D	Section IX
B. Advances and Payments	B&H	Section I
C. Adjustments	B&H	Section I
D. Audits	B&H	Section I
E. Ecological & Environmental	B&H	Section II
F. Salaries & Wages	B&H	Section II
G. Employee Benefits	B&H	Section II
H. Transportation	B&H	Section II
I. Services	B&H	Section II
J. Equip & Facilities Furnished by Operator	B&H	Section II
K. Damages & Losses to Joint Property	B&H	Section II
L. Legal Expense	B&H	Section II
M. Insurance	B&H	Section II

**COPAS APA® Accreditation  
Reference Outline  
Joint Interest Module (continued)**

<b>Source Materials:</b>	
A. TR-39, <i>COPAS Publication Index</i>	F. MFI-21, <i>Overhead – Joint Operations</i>
B. MFI-51, <i>2005 Accounting Procedure – Joint Operations</i>	G. MFI-38, <i>Material Pricing Manual</i>
C. AG-13, <i>Farmouts/Farmins, Net Profits Interest, Carried Interests</i>	H. MFI-17, <i>1984 Accounting Procedure – Joint Operations</i>
D. TR-9, <i>Petroleum Industry Accounting: Educational Training Guide</i>	I. <i>Petroleum Accounting Principles, Procedures, &amp; Issues</i> , Brock, 6th ed., 2007
E. AG-2, <i>Accounting for Unitizations</i>	J. TR-40, <i>Joint Interest APA® Study Guide</i>

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<b>III. Materials</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Material Transfers/Inventories	B&H	Section IV
	D	Section IX
	G	All
<b>IV. Overhead</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Various Overhead Provisions	B&H	Section III
	D	Section IX
	F	All Sections
	I	Chapter 10
<b>V. Miscellaneous</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Farmin, Carried Interests & Unitizations	I	Chapter 23
	C	All Sections
	E	All Sections
<b>VI. APA Joint Interest Study Guide</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Joint Interest	J	All Chapters

Check the COPAS website, [www.copas.org](http://www.copas.org), for the most current information.

# COPAS APA® Accreditation

## Reference Outline

### Managerial Accounting & Economics Module

**Source Materials:**

- A. TR-26, *Managerial Accounting & Economics APA® DVD with Darrell Ward, and TR-34, Managerial Accounting & Economics APA® Study Guide*
- B. AG-12, *Guidelines in Determining Finding/Acquisition Costs*
- C. AG-18, *Variance Analysis in the Oil & Gas Industry*

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<b>I. Economics &amp; Corporate Restructuring</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. History of Oil	A	Chapters 1 & 7
B. Development of OPEC		
C. Future Supply and Demand		
D. Mergers		
E. Spin-Offs		
F. Leveraged Buyouts		
G. Stock Repurchase Programs		
<b>II. Financing</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Cost of Capital	A	Chapters 2 & 5
B. Weighted Average Cost of Capital		
C. Project Evaluation		
D. Bonds		
E. Preferred Stock		
<b>III. Financial Statement Analysis</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Liquidity Ratios	A	Chapters 3 & 4
B. Profitability Ratios		
C. Activity Ratios		
D. Leverage Ratios		
E. Balance Sheet Approach		
F. Earnings Approach		
G. Combined Appraisal Techniques		

**COPAS APA® Accreditation  
Reference Outline  
Managerial Accounting & Economics Module (continued)**

**Source Materials:**

- A. TR-26, *Managerial Accounting & Economics APA® DVD with Darrell Ward, and TR-34, Managerial Accounting & Economics APA® Study Guide*
- B. AG-12, *Guidelines in Determining Finding/Acquisition Costs*
- C. AG-18, *Variance Analysis in the Oil & Gas Industry*

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**IV. Internal Analysis**

- A. Employee Statistics
- B. Reserve Statistics
- C. Cost to include in Finding Cost
- D. Reserve to include in Finding Cost
- E. Finding Cost and Cost of Reserves Added

**Source**

A & B

**Section/Chapter**

Chapters 6 & 8

**V. Variance Analysis**

- A. Basic Volume/Price Formulas
- B. Changes in Producing Days
- C. Other Applications

**Source**

A & C

**Section/Chapter**

Chapter 9

Check the COPAS website, [www.copas.org](http://www.copas.org), for the most current information.

# COPAS APA® Accreditation

## Reference Outline

### Oil and Gas Law Module

**Source Materials:**

- A. *Oil & Gas Law in a Nutshell*, John S. Lowe, West Group, 4<sup>th</sup> ed., 2003
- B. *Business Law (Barron's Business Review)*, Robert W. Emerson, J.D., 4<sup>th</sup> ed., 2004

MFI = Model Form Interpretation

AG = Accounting Guideline

TR = Training & Reference

<b>I.</b>	<b>Overview/Definitions</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Ownership Rights	A	Chapter 2
	B. Kinds of Interest	A	Chapter 3
	C. Protection Rights	A	Chapter 4
	D. Creation of Interest	A	Chapter 5
	E. Joint Ownership Rights	A	Chapter 6
	F. Conveyances	A	Chapter 7
<b>II.</b>	<b>Oil and Gas Leases</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Lease Clauses	A	Chapters 8-10
	B. Implied Covenants in Leases	A	Chapter 9
	C. Division Order	A	Chapter 10
	D. Implied Covenants in Lease	A	Chapter 11
<b>III.</b>	<b>Managing Ownership Interests</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Lease Transfers	A	Chapter 12
	B. Division Orders	A	Chapter 14
<b>IV.</b>	<b>General Business Law</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. The Law and Society	B	Chapters 1 &- 3
	B. Contracts	B	Chapters 4 &- 9
	C. Business Formations	B	Chapters 14 &- 18
	D. Property	B	Chapter 20
	E. Other Legal Topics	B	Chapter 26

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# COPAS APA® Accreditation

## Reference Outline

### Oil and Gas Operations Module

**Source Material:**

- A. *Fundamentals of Petroleum*, Edited by Kate Van Dyke, Published by Petroleum Extension Service, Austin, TX, 4th ed., 1997

MFI = Model Form Interpretation      AG = Accounting Guideline      TR = Training & Reference

<b>I.</b>	<b>Petroleum Geology</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Basic Concepts of Geology	A	Chapter I
	B. Petroleum Accumulations	A	Chapter I
	C. Reservoir Fluids	A	Chapter I
	D. Reservoir Pressure	A	Chapter I
<b>II.</b>	<b>Petroleum Exploration</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Surface Geographical Studies	A	Chapter II
	B. Collecting Data	A	Chapter II
	C. Geophysical Surveys	A	Chapter II
	D. Reservoir Development Tools	A	Chapter II
<b>III.</b>	<b>Drilling Operations</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. History of Drilling for Oil	A	Chapter IV
	B. Drilling Today	A	Chapter IV
	C. Drilling Contracts	A	Chapter IV
	D. Rotary Drilling Systems	A	Chapter IV
	E. Routine Drilling Operations	A	Chapter IV
	F. Offshore Drilling	A	Chapter IV
	G. Directional Drilling	A	Chapter IV
	H. Fishing	A	Chapter IV
	I. Air or Gas Drilling	A	Chapter IV
<b>IV.</b>	<b>Production</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Early Production Methods	A	Chapter V
	B. Well Completions	A	Chapter V
	C. Reservoir Drive Mechanisms	A	Chapter V
	D. Artificial Lift	A	Chapter V
	E. Well Testing	A	Chapter V
	F. Well Stimulation	A	Chapter V
	G. Improved Recovery	A	Chapter V
	H. Surface Handling of Well Fluids	A	Chapter V
	I. Measuring and Testing Oil and Gas	A	Chapter V
	J. Well Servicing and Workover	A	Chapter V
	K. Offshore & Arctic Production	A	Chapter V

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**Reference Outline**  
**Oil and Gas Operations Module (continued)**

**Source Material:**

- A. *Fundamentals of Petroleum*, Edited by Kate Van Dyke, Published by Petroleum Extension Service, Austin, TX, 4th ed., 1997

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<b>V. Post Production</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Early Methods of Transportation	A	Chapter VI
B. Barge Tows	A	Chapter VI
C. Railway Systems	A	Chapter VI
D. Motor Transportation	A	Chapter VI
E. Oceangoing Tankers	A	Chapter VI
F. Crude Oil Pipelines	A	Chapter VI
G. Products Pipelines	A	Chapter VI
H. Natural Gas Pipelines	A	Chapter VI
I. Pipeline Construction on Land	A	Chapter VI
J. Offshore Pipeline Construction	A	Chapter VI
K. Economics and Safety	A	Chapter VI
L. Gas Processing	A	Chapter VII
M. Refining Crude Oil	A	Chapter VII
N. Petrochemicals	A	Chapter VII
O. Structure of Hydrocarbons in Oil and Gas Paraffin	A	Chapter VII

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## Reference Outline

### Revenue Module

#### Source Materials:

- A. AG-6, *Oil Accounting Manual*
- B. AG-15, *Gas Accounting Manual*
- C. *Petroleum Accounting Principles, Procedures & Issues*, 6th Ed., Brock, et. Al, 2007
- D. TR-44, *Gas Processing Plants & Plant Accounting*
- E. AG-6, AD-1, *Valuation of Crude Oil Volumes in the Event of Price Changes During the Month*
- F. AG-6, AD-2, *Oil Imbalance*
- G. TR-42, *Revenue APA® Study Guide*
- H. AG-17, *Refinery and Marketing Exchange Accounting*

AG = Accounting Guideline      TR = Training & Reference      AD = Accounting Guideline Addendum

<b>I.</b>	<b>Oil Production and Measurement</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Types of Leases / Agreements	A	Section 2
	B. Storage Facilities / Service Units	A	Section 3
	C. Oil & Condensate Measurement	A	Section 4
	D. Determination of Production Volumes & Disposition	A	Section 5
	E. Crude Oil Trading	A	Section 6
	E. Production and Volume Measurement	C	Chapter 11
	F. Oil Imbalance	F	AG-6 AD-2
<b>II.</b>	<b>Oil Valuation</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Pricing of Crude Oil & Condensate	A	Section 7
	B. Marketing Crude Oil	C	Chapter 12
	C. Valuation of Crude Oil	E	AG-6 AD-1
<b>III.</b>	<b>Gas Production and Measurement</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
	A. Definitions	C	Section Glossary
	B. Gas Measurement/Component Analysis	B	Section 1
	C. Production / Disposition	B	Section 2
	D. Treating/Gathering/Processing	B	Section 3
	E. Gas Marketing	B	Section 4
	F. Production and Volume Measurement	C	Chapter 11

## COPAS APA® Accreditation Reference Outline Revenue Module (continued)

### Source Materials:

- A. AG-6, *Oil Accounting Manual*
- B. AG-15, *Gas Accounting Manual*
- C. *Petroleum Accounting Principles, Procedures & Issues*, 6th ed., Brock
- D. TR-44, *Gas Processing Plants & Plant Accounting*
- E. AG-6 AD-1, *Valuation of Crude Oil Volumes in the Event of Price Changes During the Month*
- F. AG-6 AD-2, *Oil Imbalance*
- G. TR-42, *Revenue APA® Study Guide*
- H. AG-17, *Refining and Marketing Exchange Accounting*

AG = Accounting Guideline    TR = Training & Reference    AD = Accounting Guideline Addendum

<b>IV. Gas and Liquids Valuation</b>		<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Valuation		B	Section 5
B. Gas Imbalances		C	Chapter 14
<b>V. Gas Plant and Pipeline Accounting</b>		<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Gas Processing Plants & Gas Processing Plant Accounting		D	Chapter 8
B. Allocating Output of Processing Plant		C	Chapter 13
C. Production and Volume Measurement		C	Chapter 11
<b>VI. Royalty, Taxes &amp; Other Valuations</b>		<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A. Ownership / Division Orders		C	Chapter 13
B. Production Taxes		C	Chapter 13
C. Ownership / Division of Interest		A	Section 8
D. Recording Revenue		A	Section 9
E. Reporting Revenue		A	Section 10
F. Royalties / Taxes / Other Obligations		B	Section 6
G. Accounting Entries		B	Section 7
H. Processed Gas		C	Chapter 11
I. Royalty Provisions		C	Chapter 13
J. Marketing		C	Chapter 12
K. Crude Oil Trading		A	Section 6
L. Exchange Accounting		H	Sections 1- 8

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## Reference Outline

### Tax Module

**Source Material:**

- A. TR-41, *Tax APA® Study Guide*

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	<u>Source</u>	<u>Section/Chapter</u>
<b>I. Kinds of Property Interests and the Property Unit</b>		
A. Property Interest	A	Chapter 1
B. Property Unit	A	Chapter 2
<b>II. Conveyances</b>	<u>Source</u>	<u>Section/Chapter</u>
A. Sales or Exchanges	A	Chapter 3
B. Leases or Subleases	A	Chapter 3
C. Sharing Arrangements	A	Chapter 3
<b>III. Treatment of Costs</b>	<u>Source</u>	<u>Section/Chapter</u>
A. Uniform Capitalization Rules	A	Chapter 4
B. Geological and Geophysical Costs	A	Chapter 4
C. Delay Rentals	A	Chapter 4
D. Lease Bonuses	A	Chapter 4
E. Intangible Drilling Costs	A	Chapter 4
F. Service Wells	A	Chapter 4
G. Overhead Costs and Allocation	A	Chapter 4
H. Abandonment Costs	A	Chapter 4
<b>IV. Depreciation and Amortization and Recapture Rules</b>	<u>Source</u>	<u>Section/Chapter</u>
A. Units of Production Depreciation	A	Chapter 5
B. Cost Depletion	A	Chapter 5
C. Percentage Depletion	A	Chapter 5
D. Recapture Rules – Intangible Drilling Costs and Depletion	A	Chapter 6
E. Recapture Rules – Depreciation	A	Chapter 6

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Reference Outline  
Tax Module (continued)**

**Source Material:**

- A. TR-41 *Tax APA® Study Guide*

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<b>V.</b>	<b>Alternative Minimum Tax, Tax Credits and Loss Limitations, Subchapter K Election, Gas Balancing</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A.	Alternative Minimum Tax	A	Chapter 7
B.	Enhanced Oil Recovery Tax Credit	A	Chapter 8
C.	Nonconventional Fuels Credit	A	Chapter 8
D.	Foreign Income Tax Credit	A	Chapter 8
E.	At-risk Provisions	A	Chapter 9
F.	Passive Activities	A	Chapter 9
<b>VI.</b>	<b>Subchapter K Election and Gas Balancing</b>	<b><u>Source</u></b>	<b><u>Section/Chapter</u></b>
A.	Subchapter K Election	A	Chapter 10
B.	Gas Balancing Methods	A	Chapter 11

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REFERENCE MATERIAL PRICE LIST  
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<u>Module(s)</u>	<u>Source Material</u>	<u>Order #</u>	<u>Cost</u>
	<ul style="list-style-type: none"> <li>• <i>Expenditure Audits in the Petroleum Industry: Protocol &amp; Procedure Guidelines</i></li> <li>• <i>Accounting for Farmouts/Farmins, Net Profit Interest, Carried Interests</i></li> <li>• <i>Guidelines for Revenue Audits in the Petroleum Industry: Protocol &amp; Procedure Guidelines</i></li> <li>• <i>Guidelines for Contractor Audits in the Petroleum Industry</i></li> <li>• <i>Guidelines for Investigations of Suspected Irregularities</i></li> <li>• <i>Guidelines for an Internal Review of an Oil and Gas Production and Exploration Division</i></li> <li>• <i>Guidelines for Conducting an Internal Audit of a Gas Plant</i></li> <li>• <i>2005 Accounting Procedure – Joint Operations</i></li> <li>• <i>APA® Audit Study Guide</i></li> </ul>	<ul style="list-style-type: none"> <li>AG-19</li> <li>AG-13</li> <li>AG-21</li> <li>AG-9</li> <li>AG-10</li> <li>AG-11</li> <li>AG-16</li> <li>MFI-51</li> <li>TR-45</li> </ul>	<ul style="list-style-type: none"> <li>\$24.95</li> <li>\$19.95</li> <li>\$24.95</li> <li>\$24.95</li> <li>\$19.95</li> <li>\$19.95</li> <li>\$19.95</li> <li>\$24.95</li> <li>\$46.00</li> </ul>
Financial Reporting	<ul style="list-style-type: none"> <li>• <i>Petroleum Accounting Principles, Procedures, and Issues</i>, Dr. H. Brock, et al. Published by: P.D.I., 6<sup>th</sup> ed., 2007</li> <li>• <i>What is Sarbanes-Oxley?</i>, Guy P. Lander</li> <li>• <i>Financial Reporting APA® Study Guide</i></li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li>TR-32</li> </ul>	<ul style="list-style-type: none"> <li>\$198.00</li> <li>\$12.00</li> <li>\$46.00</li> </ul>
Joint Interest	<ul style="list-style-type: none"> <li>• <i>Petroleum Accounting Principles, Procedures, and Issues</i>, Dr. H. Brock, et al. Published by: P.D.I., 6<sup>th</sup> ed., 2007</li> <li>• COPAS Publication Index</li> <li>• <i>2005 Accounting Procedure – Joint Operations</i></li> <li>• <i>Accounting for Farmouts/Farmins, Net Profit Interest, Carried Interests</i></li> <li>• <i>Petroleum Industry Accounting: Educational Training Guide</i></li> <li>• <i>Accounting for Unitizations</i></li> <li>• <i>Overhead – Joint Operations</i></li> <li>• <i>Material Pricing Manual</i></li> <li>• <i>1984 Accounting Procedure – Joint Operations</i></li> <li>• <i>Joint Interest APA® Study Guide</i></li> </ul>	<ul style="list-style-type: none"> <li></li> <li>TR-39</li> <li>MFI-51</li> <li>AG-13</li> <li>TR-9</li> <li>AG-2</li> <li>MFI-21</li> <li>MFI-38</li> <li>MFI-17</li> <li>TR-40</li> </ul>	<ul style="list-style-type: none"> <li>\$198.00</li> <li>Free</li> <li>\$24.95</li> <li>\$19.95</li> <li>\$46.00</li> <li>\$19.95</li> <li>\$19.95</li> <li>\$19.95</li> <li>\$19.95</li> <li>\$46.00</li> </ul>

Managerial Accounting & Economics	• <i>Managerial Accounting and Economics Review Guide</i>	TR-34	\$46.00
	• <i>Guidelines in Determining Finding/Acquisition Costs</i>	AG-12	\$19.95
	• <i>Variance Analysis in the Oil &amp; Gas Industry</i>	AG-18	\$19.95
	• <i>Managerial Accounting &amp; Economics DVD</i>	TR-26	\$57.50
Oil & Gas Law	• <i>Oil and Gas Law in a Nutshell</i> , John S. Lowe, 4 <sup>th</sup> ed. West Group, 2003		\$32.00
	• <i>Business Law (Barron's Business Review)</i> , Robert W. Emerson, J.D., 4 <sup>th</sup> ed., 2004		\$18.99
Operations	• <i>Fundamentals of Petroleum</i> , Edited by: Kate Van Dyke, Published by: Petroleum Ext. Service, UT Austin, 4 <sup>th</sup> ed., 1997 (telephone 800-687-4132)		\$87.00
Revenue	• <i>Gas Accounting Manual</i>	AG-15	\$74.95
	• <i>Oil Accounting Manual</i>	AG-6	\$29.95
	• <i>Valuation of Crude Oil Volumes in the Event of Price Changes During the Month</i>	AG-6, AD-1	\$19.95
	• <i>Oil Imbalance</i>	AG-6, AD-2	\$19.95
	• <i>Refinery and Marketing Exchange Accounting</i>	AG-17	\$19.95
	• <i>Petroleum Accounting Principles, Procedures, and Issues</i> , Dr. H. Brock, et al. Published by: P.D.I., 6 <sup>th</sup> ed., 2007		\$198.00
	• <i>Gas Processing Plants and Plant Accounting</i>	TR-44	\$17.25
• <i>Revenue APA® Study Guide</i>	TR-42	\$19.95	
Tax	• <i>Tax APA® Study Guide</i>	TR-41	\$46.00

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**Notes:**

1. All study materials are available for purchase from the COPAS office.
2. Any publication or text may always be purchased individually for any module.
3. The *Principles of Petroleum Accounting* text by Brock is purchased only once with the Level 1 bundle.
4. Prices quoted in this guide are subject to change. Refer to the COPAS website for current prices.