



118th Council Meeting

April 24, 2020

Westin City Center Hotel

Washington, D.C.



Meeting

Notice



February 20, 2020

COPAS Board of Directors
Standing and Special Committee Chairpersons
Society Presidents
Council Representatives

Re: Notice of Spring 2020 Council Meeting

Dear COPAS Member:

The Spring 2020 Council of Petroleum Accountants Societies, Inc. (COPAS) meeting will be April 20-24, at the Westin City Center Hotel, Washington, DC. The host for this meeting is the COPAS Oklahoma City.

The 118th meeting of the Council will be held at 8 a.m. on Friday, April 24, to conduct business as outlined on the attached agenda, as well as any other business that may be brought before the Council. The voting items on the agenda meet the 60-day notice requirement. There may be other items presented for vote that have not met the 60-day notice requirement and they will be handled according to COPAS' Bylaws. The noticed voting items are listed below with parenthetical indication of the vote required to approve that voting item.

1. Fall 2019 Council Meeting Minutes (majority)
2. Membership Assessment, effective January 1, 2021 (majority)
3. Admission of the Austin Society (2/3)
4. Economic factors, including:
 - Audit Per Diem Rate, effective April 1, 2020 (majority)*
 - Overhead Adjustment Factor, effective April 1, 2020 (majority)*
 - Loading and Unloading Rates, effective April 1, 2020 (majority)*
 - Workers Compensation Insurance Manual Rates, effective April 1, 2020 (majority)*
 - Excluded Amount, effective April 1, 2020 (majority)*
 - Vehicle Rates, effective April 1, 2020 (majority)*

*Since the economic factors listed above are not available for distribution as part of the 60-day notice, as soon as these factors are determined, the information will be emailed to you for your review and voted on at the Council meeting.

February 21, 2020
Spring 2020 Council Meeting Notice
Page 2

The Board of Directors will meet on Monday, April 20 from 2 p.m. to 6 p.m., and from 1:30 p.m. to conclusion on Thursday, April 23. The Board of Directors meetings are open to all COPAS members and you are encouraged to attend.

Vice President Melissa Gruenewald will lead the COPAS Leadership Conference on Tuesday, April 21 beginning at 1:00 p.m. The event is open to all COPAS members. The agenda has been prepared and is posted with the registration materials on the website.

The Leadership Dinner for all Society Presidents, Standing and Special Committee Chairpersons, and COPAS Board of Directors will be held Tuesday, April 21. The dinner will provide an opportunity to network and exchange ideas to assist in leadership responsibilities. Only one Society and one Committee representative should plan to attend the Leadership Dinner.

The full Council agenda and handouts are attached to this notice. They are also available on the COPAS website. Please call Vanessa Galindo, COPAS Office Manager, if you have any questions or need assistance in registering for the meeting.

I look forward to seeing you in April.

Sincerely,

Tammy Miller-Davison

Tammy Miller-Davison, President



Meeting

Agenda



118th Meeting
Council of Petroleum Accountants Societies, Inc. (COPAS)

Westin City Center Hotel
Washington, D.C.

Council Meeting Agenda

8:00 a.m. Friday, April 24, 2020

Call to Order	Tammy Miller-Davison
Reading of COPAS Antitrust Policy	Tom Batsche
Introduction of Council and Guests	All Attendees
Welcome by Oklahoma City Society	Christle Butler
Roll Call	Craig Buck
Minutes of Fall 2019 Meeting Vote – Approval of Minutes (majority)	Craig Buck
Financial Reports Vote – 2021 Membership Assessment Rates, effective January 1, 2019 (majority)	Dalin Error
COPAS 2020 Goals and Objectives	Tammy Miller-Davison
COPAS Board of Directors Report	Melissa Gruenewald
Membership and Society Activity Report Vote – Austin Petroleum Accountants Society Application for Admittance as a Participating Society (2/3)	Melissa Gruenewald
Bylaws Committee Report	Melissa Gruenewald
Research and Advisory Committee Report	Wade Hopper
Executive Director’s Report	Tom Wierman
Editorial Committee Report	Tom Wierman



Leadership Conference Report	Melissa Gruenewald
Leadership Reception and First Timers Breakfast Report	Christle Butler
Audit Standing Committee Report Vote – Audit Per Diem Rate, effective April 1, 2020 (majority)	Jeff Wright
Joint Interest Standing Committee Report Vote – Overhead Adjustment Factor, effective April 1, 2020 (majority) Vote – Loading & Unloading Rates, effective April 1, 2020 (majority) Vote – Workers Compensation Insurance Manual Rates effective April 1, 2020 (majority) Vote – Excluded Amount, effective April 1, 2019 (majority) Vote – Vehicle Rates, effective April 1, 2020 (majority)	Jason Poteet
Education Standing Committee Report	Amy Whitley
Financial Reporting Standing Committee Report	Craig Buck
Revenue Standing Committee Report	Rebecca Paris
Small Oil & Gas Companies Standing Committee	Nancy Brown
APA® Program Report	Charlene Lutkenhaus Wong
CEPS Control Panel Report	Doug Smith
Industry Liaison Reports John Jolly Memorial Fund Desk & Derrick	Carolyn Szczepanski
National Oil and Gas Schools Report	Carolyn Szczepanski
University of North Texas Institute of Petroleum Accounting Board of Directors Report	Carolyn Szczepanski



Fall 2020 Council Meeting, Permian Basin Society
September 21-25, 2020 – Sirata Beach Resort, St. Petersburg,
Florida

Alyssa Duran
Angie Ramirez

Spring 2021 Council Meeting, Houston Society
April 19-23, 2021, San Luis Resort Spa and Conference Center
Galveston, Texas

Karla Zawodny

Fall 2021 Council Meeting, Dallas Society
October 18-22, 2021 – Westin Irving Convention Center at Las Colinas
Irving, Texas

Jeff Wright

Future Meetings

Spring 2022	Open
Fall 2022	Colorado
Spring 2023	Open
Fall 2023	Rocky Mountain

All other dates after Fall 2023 are available

Other Business

Adjournment



Voting

Items



117th Meeting
COUNCIL OF PETROLEUM ACCOUNTANTS SOCIETIES, INC. (COPAS)

September 20, 2019

River Spirit Hotel and Casino
Tulsa, OK

The 117th meeting of the Council of Petroleum Accountants Societies, Inc. (COPAS) was held on Friday, September 20, 2019 at the River Spirit Hotel and Casino Tulsa, Oklahoma.

Call to Order

President Wade Hopper called the Council meeting to order at 8:05 a.m.

Anti-Trust Statement

Craig Buck read the COPAS Antitrust Statement.

Introduction of Council and Guests

Attendees introduced themselves.

Welcome by Host Society

Vanessa Green welcomed everyone to the meeting and thanked the attendees, sponsors, COPAS Office, and local members for their support. We had 23 first timers and 195 total registered attendees. Wade expressed the appreciation of the members present and the COPAS Board of Directors for the successful week of meetings and warm hospitality of the Tulsa Society.

Roll Call

Secretary Trey Thee called the roll of Council Members. Seventeen of 24 Participating Societies were present. Acadiana, Anchorage, East Texas, New Mexico, New Orleans and Rocky Mountain did not have a representative present for the Council Meeting. As well, the Canada Society was not represented. A quorum was present.

Tulsa Society 90th Anniversary

Wade Hopper announced this was the 90th Anniversary for the Tulsa Society. He asked Trey Thee to read a resolution commemorating the event.

**A resolution to commemorate the 90th anniversary of
the establishment of**

the Petroleum Accountants Society of Oklahoma-Tulsa

WHEREAS, the Petroleum Accountants Society of Oklahoma-Tulsa was organized in 1929.

WHEREAS, Mr. King Smith, President of the Petroleum Accountants Society of Oklahoma-Tulsa, represented the society at a meeting on February 11, 1961, where the discussions leading to the formation of the Council of Petroleum Accountants Societies of North America were held.

WHEREAS, the Council of Petroleum Accountants Societies of North America was formed on April 25, 1961 to bring together various Petroleum Accountants Societies in North America to coordinate the work of the participating societies and to increase the effectiveness of the various societies. The organizers of COPAS desired to avoid duplication of effort in the solution of common problems, and to add the weight of authority of each of the individual organizations to the pronouncements of the group on matters of accounting theory and technique affecting the petroleum industry.

WHEREAS, the Petroleum Accountants Society of Oklahoma-Tulsa is the oldest, continually operating society in the Council of Petroleum Accountants Societies.

WHEREAS, the Petroleum Accountants Society of Oklahoma-Tulsa was a charter member of the Council of Petroleum Accountants Societies of North America.

WHEREAS, the Petroleum Accountants Society of Oklahoma-Tulsa hosted the first annual meeting of the Council of Petroleum Accountants Societies of North America on April 24, 1962.

WHEREAS, Mr. Lloyd Parks from the Petroleum Accountants Society of Oklahoma-Tulsa served as the first Secretary/Treasurer of the Council of Petroleum Accountants Societies of North America.

WHEREAS, members of the Petroleum Accountants Society of Oklahoma-Tulsa chaired five of the seven standing committees; Mr. Carl Senger, API Liaison; Mr. Don Wazry, 1962 Model Form Accounting Procedure; Mr. Jack Horacek, Direct Expense Manual; Mr. E.R. Ridge, Summary Billing Procedure; and Mr. W.B. Forrest, Standard Form Run Ticket.

WHEREAS, the Council of Petroleum Accountants Societies of North America name was changed on April 24, 1980 to omit the words "of North America," and known henceforth as the Council of Petroleum Accountants Societies, Inc. (COPAS).

WHEREAS, Mr. Lloyd Parks was the third Council President (1963-1964).

WHEREAS, the Petroleum Accountants Society of Oklahoma-Tulsa is hosting the 117th annual meeting of the Council of Petroleum Accountants Societies, Inc. (COPAS) on September 20, 2019 and,

WHEREAS, the Petroleum Accountants Society of Oklahoma-Tulsa continues to be a long-standing contributor to the great works of the Council of Petroleum Accountants Societies, Inc. (COPAS).

NOW, THEREFORE, BE IT RESOLVED by the Council of Petroleum Accountants Societies, Inc. (COPAS) that the members of this body commemorate the 90th anniversary of the establishment of the Petroleum Accountants Society of Oklahoma-Tulsa. We express our gratitude and sincere congratulations to early contributors of the society and to those who help to carry on the organization.

Adopted by the Council of Petroleum Accountants Societies this 20th day of September 2019, in Tulsa, Oklahoma.

Wade Hopper asked for approval of the resolution by Council, but indicated it was not part of the 60-day notice so will require a waiver. Mississippi moved to adopt the Council resolution. Houston seconded. Mississippi made a motion to waive the 60-day requirement. Dallas seconded. The motion to waive the 60-day notice was carried by voice vote. Wade Hopper called for a motion on the original motion. It carried by voice vote. Wade Hopper then presented a plaque with the resolution engraved to Tulsa society president, Vanessa Green.

Minutes of 2018 Fall Council Meeting

The minutes of the 116th Council meeting in Memphis, Tennessee were distributed in the 60-day notice and presented for approval.

Trey requested a motion of approval of the minutes as presented. Houston moved, (motion seconded). - The motion carried by acclamation.

Financial Report

Melissa Gruenewald presented financial reports, including the 2019 budget, with notation of the significant sources of income and expenditures for the organization. She presented information related to revenue timing and estimated year-end financial information.

2019 COPAS Goals and Objectives

Wade Hopper presented the 2019 Goals and Objectives which include the following:

Increase COPAS Membership

Admission of East Texas Society – The East Texas Society was admitted at the Spring 2019 meeting

Encourage development of new societies – Continue working with the Austin and East Texas societies to develop membership and participation in COPAS

Maintain and grow current membership by at least 10% during 2019 – Although membership has increased, this stretch goal is continuing

Focus on document development and completion of documents – Continue to work toward completion of the New Accounting Procedure and RTC documents

Increase APA Program Participation

Complete review course by June 1 – The initial review course in the form of practice exam questions has been completed

Increase marketing with development of review course – The revised review materials have been marketed with the exam sign-up and will continue to work toward improved materials and subsequent marketing of the materials

Increase by 25% number of exams administered over 2018 – Well on the way to meeting this goal for 2019

Continue COPAS Education Development

Complete purchase of KYCD existing documents – To be reviewed and completed by year-end provided financial resources are available

Complete development of 2 new KYCD Documents – Financial resources have been dedicated to completing this goal
Record 50% of KYCD documents during 2019 for electronic delivery – Multiple courses have been completed
Convert 4 classroom courses to electronic delivery during 2019 – This goal is being re-evaluated due to other more important course development needs
Develop 2 intermediate/advanced classes during 2019 – Continue to work to identify and provide more advanced training opportunities

Develop Foundation Funding

Identify additional board members – Continue to seek additional board representation for the Foundation
Establish goal of \$50,000 as fund raising for 2019 – This was an aggressive goal even though some progress has been made to increase funding of the Foundation

COPAS Board of Directors Report

Vice-President Tammy Miller-Davison presented the Board of Directors report and updated the Council on items approved since the Spring 2019 meeting.

The board met on July 12 and approved the following items:

- Approved the renewal of the insurance policies for \$1,143.
- Approved the pricing for taped webinars for societies at \$15/person per credit hour up to a maximum of \$500 and live webinars at \$30/person per credit hour at a maximum of \$1,000/credit hour and a minimum of \$500 for societies
- Approved the annual Financial Statement review that was performed by Taylor & Roth.
- Approved several small updates to the Meeting Hosting Handbook
- Approved the issuance of the 60-day mailer

On September 19, the board met and approved

- Tom to negotiate a contract to develop a Revenue Audit course for up to \$4,800, and
- To study our annual dues structure and consider possibly tying the annual dues to an economic factor.

Membership and Society Activity Report

Vice-President Tammy Miller-Davison reported that societies have begun updating their membership listings for the new year. As a reminder, your new membership listings are due by October 1st. Updates can continue to be made through the year.

The Austin Society continues to have meetings with their next meeting next week. Mike Cougevan will be presenting. The attendance is averaging about 50 members.

Bylaws Committee Report

No report.

Leadership Conference Report

Tammy Miller-Davison reported that the Leadership Conference was held Tuesday,

September 17. There were 44 members representing 18 societies in attendance. Carolyn Szczepanski gave us a rousing trip down the COPAS yellow brick road to Emerald City which provided everyone with some history and assisted society leaders and committee chairs with some valuable benefits of COPAS and where to find their responsibilities and deadlines.

Dan Triezenberg presented a refresher on networking and developing our Knowledge Network. He had us practice in small groups asking open ended questions to get to know each other better.

The group then focused on a presentation of COPAS updates. Tom Wierman gave us a short update on the APA® pilot program and review course. Kim Peyton provided a short update on the Meeting Hosting Handbook and a few pointers for Societies already scheduled to host a meeting or that might be thinking of hosting a meeting. Vanessa Galindo then provided a reminder of what is required to obtain CPE for committee meetings or society meetings.

Research and Advisory Report

Doug Smith presented the research and advisory committee report. The committee is working on developing a path forward for publications that aren't Council approved, only Board approved. The committee will work on recommendations to approve, reclassify or remove these publications from the currently available publications.

Executive Directors Report

Tom Wierman presented the Executive Directors report. There were 16 candidates in the July APA® test window; of the 16, 11 passed. Twelve test takers used the new material and 8 of those 12 passed the test. For November we currently have 20 who have signed up to take the APA® but are hoping to have a few more willing to attempt the APA® in the November window. The feedback has shown that the prep questions assist in filling in knowledge gaps and assist candidates in focusing their study efforts.

Putting these questions together was a significant undertaking, all the questions have to be mapped to material and checked for relevance. The question bank is large and there are aids being developed to provide additional support for certain concepts.

COPAS is considering a review course bundled with the test that provides an all-in-one approach to the APA® studying and testing.

The website has had significant changes and it now includes a member dashboard. The online APA® renewal portal and invoice payment are both tied to the member dashboard. Materials will be migrating to a web-based platform from paper or CD.

COPAS is also moving to scanned badges for CPE credits. Sign-in sheets will hopefully become a thing of the past.

Microsites are also going to be available for smaller societies in the future.

Search Engine Optimization (SEO) is now well under way providing significant improvement of Google search results. COPAS is working with RSM on continued improvements via keywords and other search techniques.

Editorial Committee Report

Tom Wierman reported that *ACCOUNTS* magazine was mailed on September 9 and should now be arriving. The next deadline is October 31 for Accounts magazine submissions.

Leadership Reception and First Timers Breakfast Report

Vanessa Green reported that the Leadership Dinner was held Tuesday, September 17, 2019 at the Margaritaville Restaurant in Tulsa. It was a well-attended event with 36 Members in attendance.

The First Timers Breakfast was held on Wednesday, September 18, 2019. There were 48 members in attendance. Thank you to all our new members, Board Members, COPAS Office and mentors who attend the event.

Audit Standing Committee

Jeff Wright reported that the Audit Standing Committee met on September 19, 2019, initially in joint session with the Joint Interest Standing Committee.

Following a welcome by Jeff Wright, Audit Committee Chair, and introductions, Doug Smith provided a CEPS Control Panel update. Doug gave a brief description of the responsibilities of the Control Panel for first time attendees. He noted Control Panel surveys sent previously to member companies were due in October.

Karla Bower provided the AAPL Liaison report. Karla noted the AAPL has been informed COPAS is drafting a new Accounting Procedure and plans to provide the AAPL with drafts of the document in the future.

Lucas Vaughn, Emerging Issues Subcommittee Chair provided a report on the subcommittee's meeting the prior day. The subcommittee discussed five case studies; central tank battery chargeability, third-party provided transportation management services, water facilities, offset frac/remediation costs and seismic costs performed from an RTC. Based on discussions, the subcommittee has recommended the Joint Interest Standing Committee discuss offset frac/remediation costs further to decide if further investigation is warranted. There were 137 attendees representing 18 societies, 76 companies/entities. Kevin Launchbaugh was recognized as outgoing Chair.

Deb Retzlöff provided an update on MFI-XX, Remote Technology Centers and Karla Bower provided an update on the new Accounting Procedure. Detail of those discussions are included in the Joint Interest Standing Committee report.

The Audit Standing Committee reconvened at 10:55 a.m. There were seven voting representatives present, 48 attendees from 37 different companies/entities. Due to the low number of voting reps, it was questioned whether there was a quorum. The Audit Committee Charter does not address quorums, but Jeff Wright promised to get attendance information from past meetings to consider whether or not a quorum does need to be addressed.

The Audit Committee unanimously approved minutes from the Spring 2019 and Summer 2019 meeting by acclamation.

After a break for lunch, the Audit Committee resumed for two additional discussion hours on the two current documents being worked. Most of the two hours were spent on the RTC document, in particular chargeability of RTC costs under the COPAS PTAP, supervision costs/rates and allocation of unutilized RTC capacity. Landman costs related to the current Accounting Procedure draft were also discussed. The Audit Committee discussions provided significant guidance to both project teams for upcoming draft documents.

The meeting adjourned at 3 p.m.

Joint Interest Standing Committee

Jonathan Beene reported that the Joint Interest Standing Committee met on Thursday September 19. First in a joint session with Audit, update presentations were given by Deb Retzloff and Karla Bower concerning the Remote Technology Centers MFI project and the new model form Accounting Procedure project, respectively.

The RTC presentation focused on draft 2 comments and four unresolved issues the team is dealing with. One of the issues discussed at length was whether an RTC qualifies as “Joint Property” under the PTAP. The initial straw poll result during the combined meeting was that it would. Lastly, the team shared the anticipated timeline for the project, which includes a draft 3 being issued by October 3, comments on that draft due by January 1, 2020, and a voting draft distributed by February 1, 2020. Thank you to the RTC team for their hard work.

The model form Accounting Procedure team’s presentation highlighted changes to the document from draft 1 to draft 2. Areas of concern for the drafting team were also discussed. Two of those topics garnered a lot of attention during committee discussion: Affiliates & chargeability of surface land functions. Karla finished by reminding everyone that draft 2 comments are due by December 1.

Immediately after reconvening, the Joint Interest Committee voted on one item:

- Approval of Employee Benefits Upper Limitation of 35% effective January 1, 2020, which is no change from the previous effective limitation. This was approved by acclamation.

Jonathan Beene presented the following to Council as a voting item:

- Employee Benefits Limitation Percentage of 35% effective January 1, 2020.

A motion was made by Council to approve the Employee Benefits Upper Limitation Percentage as recommended by the Joint Interest Committee and approved by acclamation.

The committee discussed a member's recommendation to consider removing Model Form 2 (Gas Plant Accounting Procedure), Model Form 4 (1995 model form accounting procedure), and Model Form 5 (1998 project team accounting procedure) from publication. The recommendation was made because the gas plant accounting procedure is extremely outdated and the other two have been succeeded by more current documents. The decision was made to seek input from the COPAS Board as to what steps would need to be taken to retire the documents. Additionally, it was determined discussions should be had with the revenue committee's midstream subcommittee concerning Model Form 2.

Next, volunteers for the MFI-40 (24 Month Adjustment Period for Joint Account Adjustments) update team were announced. Due to no volunteer to chair the team stepping forward, Jonathan surfaced the idea of volunteering to facilitate the team by managing the administrative functions a lead would normally perform but recusing himself from participating in the actual drafting process due to another employee from his company and society being on the team. The members in attendance voiced no concerns with this approach, so the committee will continue to investigate the viability of this plan.

The committee then shifted back to the Accounting Procedure drafting team, mainly reviewing the poll recently sent to societies to ensure the intent of the poll and desired response format is understood. Good discussions concerning several direct charge provisions followed.

Additional discussion of the RTC document was then held, which focused on the PTAP "Joint Property" definition issue mentioned earlier. Deb Retzloff brought in audit committee members to summarize changes of opinion that surfaced as compared to the earlier joint session straw poll. After the discussions, Joint Interest took a straw poll that found a majority no longer felt an RTC is a "remote facility" as per the 1998 PTAP "Joint Property" definition. Much more discussion of the complexities of this issue was held and will be recorded in the committee minutes.

The last significant issue discussed was the recommendation from Emerging Issues for Joint Interest to look into addressing the accounting for frac project costs. The decision was made to create a task force to further consider the issues and potential joint interest committee action, if any. Two attendees signed up for the task force at the meeting and more participants are desired.

Jonathan sincerely thanked everyone from Tulsa for hosting a great meeting. He thanked the numerous people who made his job easier and who mentored him along the way. He asked for volunteers to fill the open secretary position.

Wade and Tom presented a service award to Jonathan for his service as JI Committee chair.

Education Standing Committee

Melissa Gruenewald informed the Council on Education Committee changes and the need for soliciting additional members and leadership.

Financial Reporting and Small Oil and Gas Standing Committee

Larisa Fialkova presented a report for the Financial Reporting and Small Oil and Gas Standing Committees. Both committees would like to express their gratitude to PASO-Tulsa for hosting a successful conference. It was a perfect mix of topics, people and social gatherings. The Small Oil & Gas Committee and Financial Reporting Committee met on Thursday, September 19 at 1:00 p.m. there were 18 members from 14 companies representing 9 societies.

Board liaisons, Craig Buck and Kim Peyton provided an update on the Board of Directors meeting. The committees held a discussion about a greater outreach to COPAS members to communicate upcoming events and developments. Financial Reporting committee will run an update to their survey conducted a year ago on topics of interest for future meetings.

Gregory Knight, BKD, presented on Optics, Data Analytics and Contribution Margin. David Loucks, Opportune, presented an update on the new leasing standard and asset retirement obligation. 3 hours of CPE will be awarded to all participants. Small Oil & Gas Committee will reconvene at the Spring Meeting in D.C. Financial Reporting Committee is planning to have three webcasts during 2019- 2020 but will not hold a live meeting at the Spring Meeting. Stay tuned for more news from both committees.

Revenue Standing Committee

Chair Rebecca Paris reported that the COPAS Revenue Committee reaped the benefits of a hearty list of subcommittee chairs by asking each to participate in finding speakers for the Fall 2019 Revenue Committee Meeting. The result was a very successful forum attended by as many as 39 members from 10 societies, and came to an end after 10 speakers, 9.5 hours of CPE, and a good deal of knowledge sharing.

Wade Hopper summarized the Board activities. Morris Miller then led a discussion of Percentage of Proceeds contracts and how to appropriately report royalties on them to the Federal Government. Professor Tom Seng, University of Tulsa, presented a glimpse into the basics of hedging and some interesting tidbits such as the fact that Cushing is the largest storage facility in the United States storing 16% of all US oil. Our final speaker Wednesday Midstream Subcommittee Chair, Dan Hodgson, who passionately advocated for the benefits of becoming an Accredited Petroleum Accountant®, none the least of which was the weight it adds to a resume to show you are more than your mastery having been deemed so by THE petroleum accounting authority and industry standard setter. Dan presented the chemical make-up of gas and how to utilize GPA Standards in his presentation titled, "Follow the Molecules."

Zack Lee, the Vice President of Government & Legal Affairs with the Petroleum Alliance of Oklahoma, was the first presenter for day Two. Mr. Lee provided insight into the Oklahoma Legislature and the problems facing the industry. For example, he pointed out that New Mexico had 16 new legislators elected this last session, while Oklahoma had 60. Chad Wilkerson, Branch Executive of the Kansas City Federal Reserve, Oklahoma City office, shared the many aspects of the Federal Reserve, including 14-year terms of the Board of Governors appointees, the voting practices, and the trends in employment and even movement of Bachelor Degreed Oklahomans mostly to Dallas and Colorado. Dan Hodgson returned to discuss Gas Plant Settlement Statements in detail and some of the difficulties gas

processors face. This presentation was the highest attended of all speakers this meeting adding weight to the idea that the committee members would like to have training opportunities along with CPE at our meetings. Next was a fast and furious list of personnel changes and acknowledgement by ONRR of the uncertainty involved in the 2016 Valuation Rule that was stayed then repealed in 2017. The repeal was vacated earlier this year and quickly re-challenged in court leaving Industry and ONRR in flux with regard to what regulation should be followed as of January 1, 2020. At present industry will be submitting corrections by the first of the year back to January of 2017 *unless* the Judge in the current cases approves a Preliminary Injunction, at which point all of the corrections *may* need to be undone. After a break and several calming breaths, Tom Agnew with Lease Analytics and Eduardo Blanco with the University of North Texas enlightened attendees on the use and merit of artificial intelligence in both revenue recovery and land data cleanup. The committee wrapped up the meeting with a presentation from Nate Wolf, State Regulatory Subcommittee Chair. Nate has always been a source of severance tax brilliance, and he took this chance to give attendees some tips and tricks regarding research, including pages of links and techniques to find, read, analyze, and understand state severance tax legislation.

APA®

Dan Hodgson presented the APA® program update and presented APA® certificates to Cecil Sprague, Patricia Ellington and Jason Poteet.

CEPS

Ryan Woolery presented the CEPS Control Panel report. Surveys are out and the committee is awaiting responses in November. Wolfpak should upload changes into the website shortly after that. Ryan Woolery is stepping down and Doug Smith will serve as chair of the CEPS Panel.

Ryan Woolery was recognized for his many years of service as chair of the CEPS Control Panel.

John Jolly Memorial Fund

Carolyn Sczepanski reported that the exiting John Jolly Fellow, Mr. Dong Fang Nie, graduated with a PHD in Accounting last May. Mr. Dong Fang Nie accepted a position with the University of Texas of the Permian Basin as an accounting professor starting this semester. He will also teach an oil and gas accounting course in Spring 2020.

The next John Jolly Fellow will be identified next month.

Association of Desk and Derrick

Carolyn Sczepanski reported that the Association of Desk and Derrick Clubs currently has over 1,200 members in the organization. Earlier this year Desk and Derrick realigned its 7 national regions to be 4 new regions with the anticipation of saving its members in travel costs and time for district meetings. Next week is the Association of Desk and Derrick Clubs National Convention in Kansas City, KS.

University of North Texas Institute of Petroleum Accounting Board of Directors Report

Carolyn Szczepanski reported that due to the demand from industry and accounting firms, the Institute for Petroleum Accounting (IPA) has developed more graduate courses to offer formal training of current and future employees working in oil and gas accounting and taxation.

The upstream oil and gas accounting forum website initiated by IPA has been met with positive reviews.

IPA continues to develop its MBA program with an energy component and in doing so, works with the UNT College of Business in offering graduate oil and gas accounting (US GAAP) and federal tax

IPA also works with the AICPA, PDI, and COPAS of Dallas on several conferences including AICPA National Oil and Gas conference, NAPAC and the National Oil and Gas Royalty Conference.

National Oil and Gas Schools

Carolyn Szczepanski reported that PDI intended to offer National Oil and Gas school options this fall but, there has been less demand for 4 – 5-day classes with a number of Oil and Gas companies experiencing reductions in work force and thereby, reduced training budgets.

The PDI classes required a minimum number of participants to break even given the fixed costs of travel, materials and instructors.

Ring of Honor Award

Wade presented the Ring of Honor award to Fred Watson for his service on the Revenue Committee and noted that Fred had received the Eagle award in 2007. Fred was a good leader and mentor for many in COPAS.

Wade also presented the Ring of Honor award to Sandy Launchbaugh. She is a past COPAS president and was the first Eagle Award recipient in 2002. She's a co-editor on *ACCOUNTS* Magazine and has an impressive list of accomplishments with COPAS over her years of service.

Eagle Award

Wade presented the Eagle Award to Dan Triezenberg. Dan is devoted to COPAS and improving COPAS. He has assisted in a significant manner in modernizing and improving the APA® process, study materials and exam. Dan now has received his APA®.

Nominating Committee Report

Doug Smith presented the nominating committee report. Three candidates were presented as part of the 60-day notice: Kevin Launchbaugh (Tulsa), Tom Batsche (Houston), Carolyn Szczepanski (Dallas).

Wade Hopper asked if there were any nominations from the floor. Mississippi moved for nominations to cease. Houston seconded. Mississippi moved to accept the candidates by acclamation. Dallas seconded. Motion carried.

Nominating Committee

Wade entertained nominations from the floor to serve on the nominating committee. Deanna Duell (Colorado) volunteered. Colorado seconded. Wade nominated Rebecca

Paris. Houston seconded. Houston moved, Mississippi seconded to approve Deanna and Rebecca. Motion carried.

Spring 2020 Meeting (April 20-24) Oklahoma City Society

Christle Butler presented the 2020 Spring meeting in D.C, hosted by Oklahoma City. The dates are April 20-24. Registration fees are \$385. Registration will open October 1. Reserve hotel rooms at the Westin City Center as soon as possible.

Fall 2020 Meeting (September 21-25) Permian Basin Society

Angie Ramirez presented on the Fall 2020 meeting in St Petersburg, Florida, hosted by Permian Basin. Watch *ACCOUNTS* for more information.

Spring 2021 Meeting (April 19-23) Houston Society

Houston will host the COPAS 60th Anniversary meeting at the San Luis Resort in Galveston Texas.

Other Meetings

- Fall 2021 Dallas
- Fall 2022 Colorado
- Fall 2023 Rocky Mountain
- Spring 2022 and Spring 2023 are open

Adjourn

Dallas moved to adjourn (Second: Tulsa), Approved by acclamation. The meeting was adjourned.

Respectfully Submitted,

Trey Thee

COPAS Secretary

For Council Approval



Date: January 24, 2020

To: Tom Wierman, COPAS Executive Director

Subject: 2021 Recommended COPAS Member Assessments

The COPAS Board of Directors met on January 24, 2020 to establish the COPAS member assessment rates to be effective as of January 1, 2021.

The Board recommends the 2021 member assessments as follows: \$95 for members of Participating Societies, \$130 for COPAS Limited members and \$25 for New Limited member initiation fees.

By way of information, in order to ensure reasonable, predictable and independent adjustments to member assessments after 2021, the Board anticipates utilizing a published index (such as that used in calculating the annual COPAS Overhead adjustment percentage) and rounding the resulting adjustment percentage up or down to the nearest \$1.

The 2021 member assessments will be a voting item at the Spring Council meeting in Washington D.C. Please include this letter in the 60-day notice.

Respectfully,

Dalin T. Error

COPAS Treasurer

Austin Petroleum Accountants Society

February 14, 2020

Council of Petroleum Accountants Society, Inc. (COPAS)
Tom Wierman,
COPAS Executive Director

RE: Austin Petroleum Accountants Society (APAS)
Application for Admittance as a Participating Society

Dear Tom,

The Officers and Board of Directors of the Austin Petroleum Accountants Society would like to petition the Council for membership as a Participating Society in COPAS at the COPAS General Council meeting on April 20-24, 2020 in Washington D.C.

The Austin Petroleum Accountants Society has adopted Bylaws in accordance with the COPAS Bylaws, Code of Ethics and the Antitrust Policy, a copy of which I have attached for your review. I have also attached a Membership list and a copy of our Meeting Minutes from the two meetings held during 2019 to further expedite our request.

I would like to take this opportunity to thank you and the COPAS Board for your advice and help during this process. It is greatly appreciated.

If you need additional information, please let me know.

Sincerely,

Nancy Mann

Nancy Mann
President, Austin Petroleum Accountants Society

Economic Factor Notice

The Joint Interest and Audit Committees cannot develop the specific Economic Factors and rates in time for the distribution of the 60-day notice. As soon as these Economic Factors are available, they will be emailed to you for your review.

Notice is being given that Economic Factors for these specific items will be voted on at the Spring 2020 Council meeting even though the rates cannot be provided at this time:

1. Audit Per Diem rate, effective April 1, 2021
2. Overhead Adjustment Factor, effective April 1, 2021
3. Loading and Unloading rates, effective April 1, 2021
4. Workers' Compensation and Insurance Manual Rates, effective April 1, 2021
5. Excluded Amount, effective April 1, 2021
6. Vehicle Rates, effective April 1, 2021