

# Payout Calculation and Reporting

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This program provides oil and gas accountants with the knowledge of how to apply the terms and provisions of the various operating agreements and accounting procedures used by industry today. Participants will gain an understanding of the impact of various COPAS Interpretations and Accounting Guidelines on questions of joint account chargeability. The effect of JOA provisions on Payout will be examined.

## **Who Should Attend:**

Focus will be on the role of industry accountants ... secondarily on internal auditors, financial managers involved in joint interest operations, independent consultants and CPAs who service the oil and gas industry

**Delivery Method:** Group-Live

**Program Level:** Basic

**Recommended CPE Credits:** 8

**Advance Preparation:** None

**Prerequisites:** Joint Interest Accounting & the JOA (or equivalent experience) or employed In Payout Reporting/Financial Reporting

## **Upon completion of the program, participants will:**

- Examine in detail the accounting requirements of joint operating agreements and the accounting exhibits, with focus on COPAS model form accounting procedures
- Explore the nature and problems of accounting for oil and gas joint interest operations, especially as the industry undergoes change, **focusing on charges allowed**
- Compare overhead recovery mechanisms and the impact of “check-off” elections contained in the various agreements
- Understand the underlying causes for operator and non-operator disputes over charges made to the joint account
- Understand the provisions of the JOA affecting Payout
- Be able to perform Payout calculations
- Be able to understand how Farmins/Farmouts affect Payout

## **Key Topics:**

- The nature of Joint Operations in today’s environment and their effect on Payout
- Joint operating agreements and definitions/terminology
- Duties and Obligations of the parties to a joint operating agreement
- Areas of potential dispute between operators and non-operators
- Operating Agreements
- Challenges and Difficulties in Joint Interest Operations
- Accounting procedures (types, purposes and COPAS impacts)
- Joint Interest Underlying Concepts, COPAS rules/guidelines, Allocation Methods and Overhead Recovery

- COPAS Impacts over "24 month period", other interpretations, Material pricing and Operator Ownership
- The effect of high and low oil and gas prices on Payout

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