



Dillard College of Business Administration

Energy Accounting and Law, Accounting
portion Acct 5313 Monday 7:00 to 10:00 pm

Contact Information

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Course Material

1. Fundamentals of Oil & Gas Accounting, Charlotte J. Wright, 6th ed., 2017, PennWell (**required**).
2. You must register a "Preferred" email address in D2L. This should be an email address that you monitor closely, as I will communicate with you periodically via email.
3. **If you take any online examinations for this class, you are required to have a webcam on the computer you use to take the exam. In addition, you may be required to pay a proctoring fee, which I understand is in the \$25 to \$35 range for each exam.**

Course Description

Focuses on providing an overview of the accounting and legal issues common in the energy industry for those who are not accountants. Accounting topics include accounting for working and royalty interests, depletion, intangible drilling costs, and the financial implications of taxation issues. Taxation issues include state ad-valorem and severance taxes as well as federal taxation issues, such as tax credits. Legal topics include negligence, legal process, and contract law, including oil and gas common joint operating agreements and participation agreements.

Course Prerequisite:

Prerequisite: MGMT 5313

Learning Goals:

1. General Learning Goals

Students will demonstrate **problem solving** and **decision-making abilities** through the critical analysis, evaluation, and interpretation of business information. Classroom discussion, problem assignments and examinations will require students to use critical thinking skills to apply accounting concepts and principles to various situations. Demonstrations of problem solving and decision making

abilities will be included in class lectures. Students will develop these skills by completing assigned homework. The development of each student's abilities will be assessed through examinations, which require problem solving and decision making.

2. Course Specific Learning Goals

This course seeks to provide the graduate student with a foundation in Petroleum Accounting. Upon completion of this course, the student will understand the basics of accounting issues and many of the specific business issues that are unique to oil and gas producing companies. Specifically, a student who successfully completes this course should be capable of:

- understanding the terminology and unique business transactions related to oil and gas production
- understanding the differences between successful-efforts and full-cost accounting
- understanding the important accounting issues related to upstream oil and gas operations
- understanding the basics of Joint Interest Accounting
- understanding the basic issues related to oil and gas taxation
- understanding the basic accounting issues related to conveyances
- performing some basic analysis of financial statements of oil and gas companies

Course Policies

1. Attendance Policy

Regular attendance is expected, and roll will be taken. Students should read the assigned material.

and complete assignments *prior* to coming to class. Assignments are to be emailed to the graduate assistant, time stamped prior to the start of class on the due date. Come to class prepared to discuss and ask questions relating to class material. I follow the university's policies with respect to class attendance (See *Midwestern State University Undergraduate Catalog*). This catalog is electronic only and may be found on the MSU website using the Registrar button then University Catalogs button. University attendance policy is located under Registrar and then Class Attendance.

I realize that many of you have full-time jobs and family obligations. If you must miss a class, if at all possible, please let me know in advance (an email or text message will suffice). I will work with you on what you missed.

2. Participation

Learn is a verb, which means it is an action or activity. Learning requires action and effort on your part. Participation, especially when I ask a question in class, is encouraged and will help you learn. However, it sometimes happens that a few individual students dominate the discussion. That has a negative impact on the class as a whole. If this happens, I will ask those students to please, be mindful of the need to include other students and ask them to scale back their participation. Also, if you have a question or comment, please raise your hand and wait to be recognized.

3. Instructor Drop

"An instructor may drop a student any time during the semester for excessive absences, for consistently failing to meet class assignments, for an indifferent attitude, or for a disruptive conduct." (Midwestern State University Student Handbook, p. 52)

4. Classroom Behavior

Your requirements for each class are as follows:

- Be on time.
- Be prepared (reading requirements)
- Remain awake and attentive and be prepared to engage in class discussions at all times.
- Bring a non-programmable calculator.
- Turn off your cell phones, laptops/tablets/similar devices and put them away, unless you are using your laptop or tablet to take notes. If you have an emergency situation that requires your cell phone to be on, let me know and we'll work something out.

5. Questions Regarding Course Grade

Grades are confidential by law. Therefore, I will discuss your results only with you. Grades are posted on D2L. The final grade will be posted on Banner only.

6. Grading and Evaluation

This course will consist of two segments, one on Petroleum Accounting and the other on Petroleum Law. Each segment is taught by a different instructor. Your professor for the Law portion and I will meet at the end of the semester to compare information and jointly determine your grade. For this segment of the class, your grade will be based on homework and one exam.

7. Exam Protocol

You will need:

A basic, non-programmable calculator with only a single line of display. You will not be permitted to use your cell phone as a calculator. If I see you with a cell phone out for any reason during an exam, that will be considered cheating and you will receive the maximum punishment allowed by the University. In no case will the punishment be less than a grade of zero on the exam and being reported to the Dean of Students. It will most likely do that and much more.

8. Exam

For each chapter there is a homework assignment. To the extent that time permits, we will go over those in class. Questions and problems on the exam will be very similar to those assigned problems. **If you take any online examinations for this class, you will be required to have a webcam on the computer you use to take the exam. In addition, you may be required to pay a proctoring fee, which I understand is in \$25 to \$35 range.**

- Make-up or an early exam will be given only for extreme cases where taking the exam was impossible due to a properly documented required university activity, sickness, or emergency! Prior written approval is required in all cases where it is possible.

9. Incomplete Grade Policy

A grade of "incomplete" is given **only** in the case of emergencies, and **complete** documentation for the situation is required.

10. Homework

Homework will be collected and graded. Assigned problems are for your benefit to help you learn the material and prepare for the exams. If you do not do the homework and become competent at it, you will not pass exams or the class. That is the reality. Take the homework seriously, doing it is critical to becoming competent with the subject matter and passing the class.

11. Academic Integrity

With regard to academic honesty, students are referred to the "Student Honor Creed" in the Midwestern State University Undergraduate Catalog, (and provided below).

In short, cheating, collusion, and plagiarism will not be tolerated. The term "cheating" generally means representing someone else's work as your own and includes, but is not limited to the following:

1. Copying someone's homework and turning it in as your own.
2. Soliciting answers from a fellow student during an exam or quiz.
3. Looking or glancing at another student's paper or answer sheet during an exam or quiz.
4. Removing a page or pages from an examination booklet before, during, or after an exam.
5. Using a cell phone or programmable calculator during an exam.
6. Acquiring tests or other academic material belonging to a member of the university faculty or staff.

The minimum penalty is an "F" in this course and referral to the Dean of Students for disciplinary action, which may result in expulsion from the University. The full text of the Student Honor Creed in the Student Handbook is as follows:

Student Honor Creed

"As an MSU Student, I pledge not to lie, cheat, steal, or help anyone else do so."

As students at MSU, we recognize that any great society must be composed of empowered, responsible citizens. We also recognize universities play an important role in helping mold these responsible citizens. We believe students themselves play an important part in developing responsible citizenship by maintaining a community where integrity and honorable character are the norm, not the exception.

Thus, We, the Students of Midwestern State University, resolve to uphold the honor of the University by affirming our commitment to complete academic honesty. We resolve not only to be honest but also to hold our peers accountable for complete honesty in all university matters.

We consider it dishonest to ask for, give, or receive help in examinations or quizzes, to use any unauthorized material in examinations, or to present, as one's own, work or ideas, which are not entirely one's own. We recognize that any instructor has the right to expect that all student work is honest, original work. We accept and acknowledge that responsibility for lying, cheating, stealing, plagiarism, and other forms of academic dishonesty fundamentally rests within each individual student.

We expect of ourselves academic integrity, personal professionalism, and ethical character. We appreciate steps taken by University officials to protect the honor of the University against any who would disgrace the MSU student body by violating the spirit of this creed.

Written and adopted by the 2002-2003 MSU Student Senate.

Americans with Disabilities Act

This class follows the guidelines suggested by the Center for Counseling and Disabilities Services for those students who qualify for disability services. See Midwestern State University Catalog. Students with disabilities must be registered with Disability Support Services before classroom accommodations

can be provided. **You must provide the document to the Instructor within the first two weeks of the semester.**

Syllabus Change Policy

This syllabus is a guide for the course and is subject to change. Syllabus changes will be communicated in class and may or may not result in document changes. The tentative schedule included with this syllabus will be changed as necessary to accommodate the progress of the class.

Additional Information

- **If you miss a class**, you should always contact one of your classmates. It is your sole responsibility to find out what you missed, such as what was covered in the lecture or changes in homework assignments, class schedule, assignment due dates, or exam dates. It is not the instructor's responsibility to individually inform students of the changes.
- **Communication between a student and professor is a good thing.** Please feel free to communicate with me anytime. You are welcome to see to call me, and/or email me anytime. If I am unavailable, I let you know and arrange a convenient time to talk. The reason I agreed to teach this class is to help students learn and prepare for their careers and futures. I enjoy interacting with you and hopefully, being a mentor.
- **Email Response Time:** I will try to respond to your emails as soon as possible. **I recommend that you also send me a text to check my e-mail. Please identify yourself in your text.** If you have a question, please include a telephone number that I can call to respond. Often, I can answer one of your questions with a 5- or 10-minute conversation, either by zoom or by telephone, that will require an email that takes me an hour to write. I prefer the 5-to-10-minute conversation. If I do not respond to your email in a reasonable time, please resend it to me or call me. Unfortunately, I do get a lot of spam and sometimes I miss important student emails. So, if I have not responded in a timely fashion or you are just anxious, try again or try another form of communication. I promise that I will not get upset that you sent me 5 emails in two hours. When I do see them, I will know that this is important to you.
- **Campus Concealed Handgun Carry Statement** – Senate Bill 11 passed by the 84th Texas Legislature allows licensed handgun holders to carry concealed handguns on campus, effective August 1, 2016. Areas excluded from concealed carry are appropriately marked, in accordance with state law. For more information regarding campus carry, please refer to the University's webpage at <https://msutexas.edu/campus-carry/rules-policies>
- **Midterm Grade Policy-** In order to help you keep track of your progress toward course objectives, Students earning below a C at the midway point should seek help, either from the professor or from a friend or classmate.

Table 1 Course Calendar

Date	Reading Assignment	Homework Problems
Jan 22	Course Overview and start Ch. 1	NA
Jan 29	Ch. 1- Upstream Oil & Gas Operations	1,2,5,6,10,20,21,22,23,24,25,26,
Feb 5	Ch. 2 - Introduction to Oil & Gas Accounting Ch. 3-Oil and Gas Reserves	1,2,3,7,9,11,13,14,15,16 1,3,6,8,11,12,21
Feb 12	Ch 7 – Depletion Successful Efforts 191 – 202 Ch 8 – Depletion Full Cost 244-251 Ch. 13 Basis Oil and Gas Tax Accounting	5,6,7,8 6,7,8 2,5,7,8,12,15,18,19
Feb 19	Ch. 14 - Joint Interest Accounting	1,2,3,4,5,6,7,9,15,16
Feb 26	Ch 15 - Conveyances	1,2,3,4,5,6,7,9,33,34,36,38,42
Mar 4	Exam on Accounting	
Mar 11	Spring Break	
Mar 18	Feedback on Exam in Introduction to Law	