



## Dillard College of Business Administration

SYLLABUS: Petroleum Accounting

ACCT 4013-101 and 5013-101, Monday and Wednesday 12:30 – 1:50 p.m.

### Contact Information

Instructor: Bruce Cope

Phone: (469) 688-6181 (cell)

Meetings: Available by appointment for telephone or zoom conference

Email address: [bruce.cope@msutexas.edu](mailto:bruce.cope@msutexas.edu)

Room: Dillard College of Business Administration Building Room 338

### Course Materials

1. *Fundamentals of Oil & Gas Accounting*, Charlotte J. Wright, 6th ed., 2017, PennWell, ISBN 9781593703639 **(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 are unable to take any exam at the scheduled day and time prior permission and alternate arrangements must be made in advance. This may also require that you pay a proctoring fee.**

### Course Description

Basic financial accounting and reporting requirements for oil and gas producing companies, fiscal processes of a petroleum company, and compliance requirements of professional and regulatory organizations.

### Course Prerequisite:

Prerequisite(s): ACCT 3023 Accounting Information Systems

### 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 undergraduate or graduate accounting student with a foundation in Petroleum Accounting. Upon completion of this course, the student will understand the accounting 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:

- analyzing oil and gas activities for proper accounting
- recording oil and gas transactions in the accounting records

- understanding the terminology and unique business transactions related to oil and gas production
- understanding the differences between successful-efforts and full-cost accounting
- accounting for acquisition costs under both successful-efforts and full-cost accounting
- accounting for exploration costs under both successful-efforts and full-cost accounting
- accounting for development costs under both successful-efforts and full-cost accounting
- accounting for production activities
- accounting for revenue from oil and gas sales
- accounting for joint interest operations
- accounting for conveyances

## Course Policies

### 1. Attendance Policy

**Regular attendance is expected and roll will be taken.** Students should read the assigned material and attempt assignments *prior* to coming to class and be 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 then found under Registrar and then Class Attendance.

### 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 disruptive conduct." (Midwestern State University Student Handbook, p. 27) I will not tolerate disruptive conduct **and will drop a disruptive student. I will also drop a student who has an excessive number of absences or who excessively uses their cell phone, especially texting, during class.**

### 4. Classroom Behavior

Your requirements for each class are as follows:

- **Be on time and remain seated** (except for emergencies)
- 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.
- *No food or drinks* is permitted in the classroom, except clear bottled water.

If a student comes in late, the student must tell me at the end of that class period. If you plan to leave the classroom before class ends, notify me of your reason for leaving early before the class.

**If you do arrive late, do not walk across the front of the classroom or in front of or behind the instructor; that is extremely rude to everyone and quite disruptive. Also, avoid disrupting other students by taking whatever seat you can get to with the least disruption and disturbance.**

### 5. Questions Regarding Course Grade

Grades are confidential by law. Grades will be posted on D2L.

## 6. Grading and Evaluation

Table 1 Grading Scheme

ITEM	GRADUATE POINTS	UNDERGRADUATE POINTS
Midterm Exam 1	100	100
Midterm Exam 2	100	100
Midterm (FINAL) Exam 3	100	100
Graduate Paper	100	
<b>Total Points</b>	<b>400</b>	<b>300</b>

Your score in this class will be based on the points you earn out of the maximum points. Minimum letter grades for this course will be assigned according to the table below.

Table 2 Letter Grade Assignment

PERCENTAGE OF Points Earned	Minimum Letter Grade
90%	A
80%	B
70%	C
60%	D
BELOW 60%	F

## 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 be that and much more.

## 8. Exams

For each chapter I have listed a set of recommended problems. To the extent that time permits, we will go over those in class. While those will not be collected nor graded, it is very important that you work those problems and practice them. Questions and problems on the exam will be very similar to those assigned problems. **If you take any exam outside the scheduled exam date you will be required to obtain approval, which will include alternate arrangements. In addition, you may be required to pay a proctoring fee, which I understand is in \$25 to \$35 range.**

**9. 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.**

## 10. Incomplete Grade Policy

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

## 11. Homework

Homework will not be collected nor 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.

## 12. 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:

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 text, call me, and/or email me anytime. If I am not available, I will let you know and arrange a convenient time. 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 face-to-face 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 my office. 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, I will provide a Midterm Progress Report through your WebWorld account to all Freshman and Sophomore level students in the class. Midterm grades will not be reported on the students’ transcript; nor will they be calculated in the cumulative GPA. They simply give students an idea of where they stand at the midpoint of the semester. Students earning below a C at the midway point should seek help, either from the professor or from a friend or classmate.

### ***Special COVID-19 Information***

- You are required to follow all University and Dillard College of Business Administration (DCOBA) rules. That includes the rules implemented to prevent the spread of COVID-19.
- Should the university alter the method of delivery of this class, the instructor will adjust the class and schedule to deal with those changes. Should classes be switched to an online format, you will be required to have a webcam for exams and pay a proctoring fee.

### ***Quotes to remember***

- “Good, better, best, never let it rest; until your good is better and your better is best.” Tim Duncan quoting St. Jerome
- "It is better to aim high and miss than to aim low and hit."

Table 3 Course Calendar

Date	Reading Assignment	Recommended Problems
Aug 22	Course Overview and start Ch. 1	NA
Aug 24	Ch. 1 Upstream Oil & Gas Operations	All (1—31)
Aug 29	Ch. 2 Introduction to Oil & Gas Accounting	All (1—16)
Aug 31	Ch. 2	NA
Sept 5	Labor Day – No Class	NA
Sept 7	Ch. 4 Nondrilling Exploration Cost – SE	1, 2, 3, 4, 5, 8, 10, 11, 12, 14, 18, 19, 20
Sept 12	Ch. 4 (SE = Successful Efforts)	NA
Sept 14	Ch. 5 Acquisition Costs of Unproved Property	1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 16, 17, 19, 27, 28,
Sept 19	Ch. 5 – Successful Efforts	29, & 30
Sept 21	Ch. 6 Drilling and Development Costs – SE	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
Sept 26	<b>Exam 1 (Chapters 1, 2, 4 and 5)</b>	NA
Sept 28	Ch. 6 & Start Chapter 7	14, 15, 16, 20, 25, 28, 29, 30, 31, 32
Oct 3	Ch. 7 Proved Property Cost Disposition – SE	1 through 9, 11, 12, 18, 20, 21, and
Oct 5	Ch. 7 & Start Chapter 8	25, 26, 27, 28, 29, 30, 33 (multiple choice)
Oct 10	Ch. 8 Full Cost Accounting (FC)	1, 2, 3, 4, 5, 6, 7, 9, 10, 16, 17, 19, 20,
Oct 12	Ch. 8 & Start Chapter 9	and 28 through 36 (MC)
Oct 17	Ch. 9 Production Activities and Project Analysis	1, 2, 3, 5, 6, 7, 8, 9, 12, 15, 23 – 31
Oct 19	<b>Exam 2 (Chapters 6, 7, 8, and 9)</b>	
Oct 24	Ch. 12 Accounting for Revenue from Oil and	1, 2, 3, 5, 6, 9, 10, 15, 22, 31 – 36
Oct 26	Ch. 12 Gas Sales	NA
Oct 31	Ch. 13 Basic Oil and Gas Tax Accounting	1, 2, 3, 4, 5, 6, 7, 10, 14, 17, 22, 23,
Nov 2	Ch. 13	24, 27, 28, 30
Nov 7	Ch. 14 Joint Interest Accounting	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 17,
Nov 9	Ch. 14	19, 20 through 29 (MC)
Nov 14	Ch. 15 Conveyances	1, 2, 3, 4, 5, 6, 9, 12, 18, 19, 26
Nov 16	Ch. 15	NA
Nov 21	International	NA
Nov 23	Thanksgiving Holiday – No Class	NA
Nov 28	Exam 3 Preparation	NA
Nov 30	<b>Exam 3 (Chapters 12, 13, 14, and 15)</b>	NA
Dec 5	Graduate Paper Due at Noon in lieu of a Final Exam	NA