

Midland College
Syllabus
Spring, 2006
ACNT 2370
Petroleum Accounting
3 semester credit hours

**Course
Description:**

The student will acquire a basic understanding of the accounting for successful efforts and full-cost companies. Focus of the course will be in the areas of: pre-drilling operations; undeveloped properties; drilling and development activities; oil and gas revenues; depreciation and amortization; tax and joint operations.

(Prerequisites: ACCT 2401 or consent of instructor.)

This course will transfer to other community colleges in Texas; it will not transfer to four-year institutions.

**Text,
References,
and
Supplies:**

Gallun, Wright, Nichols, Stevenson, Fundamentals of Oil and Gas Accounting, 4th Edition

**Course
Learning
Outcomes:**

The student will define and develop a working knowledge of petroleum accounting terminology and regulations used to account for successful efforts and full-costing oil and gas companies. They will analyze and apply current tax regulations that affect the petroleum industry.

**Student
Contributions
and Class
Policies:**

Students will be expected to exhibit professional behavior during scheduled class times and while in the lab. Professional behavior includes, but is not limited to, the following:

1. Complying with Midland College rules
2. Attending class regularly (no more than two absences)
3. **Being on time to class** (class time cannot be used to repeat information missed by late students)
4. Exhibiting cooperative behavior in class
5. Not using ear phones, cell phones, and beepers in the class
6. Dressing appropriately
7. Taking all major exams on dates scheduled
8. Giving the instructor advanced notice when leaving class early
9. **STUDENTS ARE EXPECTED TO READ AND STUDY EACH CHAPTER**
10. **STUDENTS WISHING TO WITHDRAW FROM THE CLASS MUST DO SO PERSONALLY, OR THEY WILL RECEIVE AN "F."**

If it becomes necessary for a student to miss a scheduled class time, it will be the student's responsibility to contact the instructor to receive missed assignments or to make up exams.

Labs: The accounting lab is located in room 170 TC and will be open approximately 8 hours per day and 4 hours on Friday and Saturday. More definite hours are posted in the lab. The accounting lab should be used by students to work on their assignments and for review before exams.

Missed Exams: Exams must be taken before the beginning of the next scheduled class time.

Evaluation of Students:

3 Exams:	3 @ 100 points each.....	300
Outside Project	100
Final Exam:	100
		Total 500

- A = 90 - 100%
- B = 80 - 89%
- C = 70 - 79%
- D = 60 - 69%
- F = below 59%

Course Schedule:

This class meets for 3 lecture hours per week. For a detailed calendar of topics scheduled for class meetings, please refer to the attachment.

SCANS Information:

- Information:** Acquires and uses information. Students will: select appropriate data from assignment material to measure business activities, process information into reports, and communicate findings to petroleum industry decision makers in the form of written reports.
- Technology:** Works with a variety of technologies. Students will: use computers for research and observe industry education videos.
- Resources:** Students will learn to be flexible in their career plans, develop time management skills, and know the process of forecasting financial needs.
- Thinking Skills:** Students will develop personal goals, recognize constraints, evaluate career opportunities, and discuss solutions. Students will participate in problem-solving exercises, analyze relevant data, and be able to meet and discuss issues with industry professionals during class periods.
- Reading:** Students will locate, select, and analyze petroleum information from various journals and sources. Students will examine and explain the meaning of technical vocabulary used in these publications.

CHAPTER	PROBLEMS
One	4, 5, 8, 9, 11, 12, 13
Two	1, 2, 6, 7, 10, 11
Three	1, 3, 4, 7, 9, 12, 13, 14
Four	2, 3, 7, 14, 16, 19, 23
Five	2, 5, 8, 10, 12, 18, 19
Six	1, 5, 7, 18, 20
Seven	1, 3, 7, 13, 15, 26
Eight	2, 3, 5, 8, 13
Nine	3, 4, 6, 11, 20
Ten	1, 6, 9, 11, 13
Eleven	7, 10, 12, 15

HOMEWORK ASSIGNMENTS ARE DUE AT THE BEGINNING OF CLASS ON THE DAY OF EACH MAJOR EXAM.

PETROLEUM ACCOUNTING – ACNT 2370

Tentative Schedule – Spring, 2006

- Jan. 19 Introduction, Chap. 1
26 Chap. 1, Review; Chap. 2; Chap. 3
- Feb. 2 Chap. 4 (speaker – geologist)
9 Exam 1 (Chap. 1 - 4)
- Feb. 16 Review exam; video; Chap. 5
23 Chap. 6 and Chap. 7
- Mar. 2 Exam 2 (Chap. 5 - 7)
9 SPRING BREAK
- 16 Review exam; assign project; video
23 Chap. 8
30 Chap. 9 (speaker – revenue accounting)
- Apr. 6 Exam 3 (Chap. 8 and 9)
13 EASTER HOLIDAY
20 Review Exam; Chap. 11 (speaker – auditor)
27 Chap. 11, 13, 15
- May 4 PROJECT DUE; Chap. 12 (speaker – landman); Review
11 FINAL EXAM

**Instructor
Information:**

Bob Lanier

Office Phone:

Home Phone:

699-4008

Lab Phone:

686-4212

E-mail:

onhardy@cox.net

Office:

Office Hours:

As a part-time instructor, I do not have office hours. However, I will make arrangements to meet with students outside of normal class hours, if necessary.

Business Studies Division Information (Room 142 TC)

Division Dean:

Gavin Frantz 685-4657

Division Secretary:

Leslie Montez

Division Office:

Room 142 TC

Division Telephone:

685-4656

Competencies	Purpose and/or Sample of Real Life Applications	Assignments	Used Through-out the Course
Describe the uniqueness of oil and gas accounting	To comprehend the need for special tax codes, for reporting requirements, and for accounting treatment.	Access tax codes and review SFAS pronouncements.	Yes
Develop an understanding of oil and gas industry terminology	To define oil and gas activities that are unique to the industry. To comprehend tax codes and SFAS pronouncements that are unique to the industry.	Definition Project	Yes
Describe the requirements of SFAS 19 to determine qualifying assets for capitalization.	To identify the information necessary for proper recording of assets.	Identify the conditions that are necessary to qualify assets for capitalization.	No
Describe the major distinctions between full cost and successful efforts companies.	To determine the financial impact of each accounting method.	Identify the differences and compare the results in accounting for full cost and successful efforts companies.	No
Describe special drilling and development situations requiring different accounting treatment under successful efforts and full cost methods.	To determine data necessary to make appropriate accounting decisions . To properly record drilling and development transactions.	Identify various drilling and development data. Record drilling and development transactions.	No
Identify the various types of period property cost distribution and disclosure required by SFAS 69 and SFAS 19.	To determine various types of cost distribution. To determine the effects of the disclosures required by SFAS 69 and SFAS 19.	Calculate DD&A using different methods. Calculate other cost disposition methods, such as abandonment and retirement.	No
Identify the various types of oil and gas production activities. Compute income and expense.	To determine the proper amount of expense and revenue attributable to operations.	Calculate the amount of income and expense. Record the revenue and expense transactions.	No
Describe the measurement and sale of oil and gas production.	To determine the amount of revenue to be recorded and paid to all owners and to the taxing authorities.	Calculate measurements of production and apply contract pricing.	No
Identify which U.S. Treasury and state regulations pertain to the tax treatment of oil and gas activities.	To determine the amount of taxes owed to the federal and state governments for oil and gas production.	Calculate the allowable depreciation and depletion as defined by the tax codes.	No
Determine the accounting treatment for joint operations, utilizing industry developed agreements and procedures.	To identify specific accounting needs required by AAPL four 610 and COPAS accounting guidelines.	Access AAPL and COPAS websites.	No

Competencies	Purpose and/or Sample of Real Life Applications	Assignments	Used Throughout the Course
Describe the effects of disclosures required by SFAS 69 as amended by SFAS 131.	To identify the required disclosures. To determine the required data for the disclosures.	Review disclosures of actual oil and gas corporations.	No
Journalize transactions	To provide a record of oil and gas transactions in the employer's accounting system	Journalize the entries to record the various oil and gas transactions.	Yes
Reading skills	To analyze and comprehend the rules and regulations of the oil and gas industry	Read each chapter before class Determine the facts in written problems	Yes
Basic math skills	Calculate various costs of the oil and gas industry. Calculate revenue.	Addition and subtraction will be used in each problem	Yes