

ACCOUNTING IN OIL AND GAS COMPANIES

FAC002

COURSE DESCRIPTION

This course covers the financial and accounting issues associated with oil and gas operations. Using Oil and gas industry examples and exercises, the participants will learn how to deal with those issues..

COURSE GOAL

To enhance the participants' Knowledge, Abilities and Skills necessary to understand and apply the concepts, principles, policies, and methods of Accounting in Oil and Gas Companies.

COURSE OBJECTIVES

By the end of this course, participant will be able to:

- Understand the terminology of finance & accounting.
- Deal with the critical issues related to finance and accounting in Oil and Gas Companies.

WHO SHOULD ATTEND

Accountants in Oil and Gas companies

COURSE DURATION

10 Working Days

COURSE OUTLINES

1. Accounting: The Language of Business

- The Nature of Accounting
- Accounting as an Aid to Decision Making
- Financial and Management Accounting
- Basic concepts (Cost, Loss, Waste, Expense, Expenditure...)

2. An Overview of Oil And Gas Accounting

- Acquisition costs
- Exploration costs
- Development costs
- Production costs

- Glossary of Common Terms
- Characteristics of Oil and Gas Industry
- The two generally accepted historical cost methods:
- Successful-efforts accounting (SE)
- Full-cost accounting (FC)
- Overview of Entries Under SE and FC

3. Non-drilling Exploration Costs Under SE

- Geological and geophysical (G&G) costs
- Costs of carrying and retaining undeveloped
- Dry hole contributions and bottom hole contributions.

4. Acquisition Costs of Unproved Property Under SE

- Purchase in fee
- Internal costs
- Options to purchase or lease
- Top leasing
- Impairment of Properties
- Abandonment of Properties
- Partial Abandonment
- Post-Balance Sheet Events
- Reclassification of Properties
- Partial Reclassification

5. Drilling and Development Costs Under SE

- Costs of drilling and equipping exploratory wells.
- Costs of drilling exploratory-type stratigraphic test wells
- Intangible drilling and development costs (IDC)
- Equipment costs (lease and well equipment)
- Development Drilling
- Workovers
- Damaged or lost equipment and materials
- Abandonment of portions of wells
- Additional Development Costs
- Support Equipment and Facilities
- Post-Balance Sheet Events

6. Proved Property Cost Disposition Under SE

- Proved Property
- Wells and related E&F
- DD&A
- Depreciation of Support Equipment and Facilities
- Revision of DD&A Rates
- Well Abandonment
- Lease Abandonment

7. Accounting for Production Activities

- Lifting Costs
- Directly Attributable Costs
- Allocable Costs
- Secondary and tertiary recovery
- Gathering systems
- Saltwater disposal systems
- Tubular goods
- Completion Decision
- Profitability of a Well
- Profitability of a Property

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