Course Syllabus  
ACCT 4334/5334-01  
PETROLEUM ACCOUNTING  
SPRING 2011

Prerequisites: ACCT 3332 (Intermediate Accounting II)

Professor: Dr. Karyn Bybee Friske, CPA

Class Days/Times/Location: TTH10:30-11:45, CC 206

Office Location: Classroom Center 215F

Office Hours: Mon Tues 9:30-10:30 and 12:00-3:00, Wed 5:30-6:30, or by appointment

Office Phone: (806) 651-2517

E-Mail: Use course mail on WTClass or kfriske@mail.wtamu.edu

Class Website: https://wtclass.wtamu.edu  Refer to this location for announcements, supplementary information, and communication outside of class.

WTAMU College of Business (COB) Mission Statement

The mission of the College of Business is to provide high quality undergraduate and graduate business education with a global perspective and ethical awareness. We accomplish this through emphasis on excellence in teaching, which is strengthened by faculty scholarship and supported by professional service.
Terms of Use

A student's continued enrollment in this course signifies acknowledgment of and agreement with the statements, disclaimers, policies, and procedures outlined within this syllabus and elsewhere in the WTClass environment. This Syllabus is a dynamic document. Elements of the course structure (e.g., dates and topics covered, but not policies) may be changed at the discretion of the professor.

Course Description

This course will cover generally accepted accounting practices and procedures in the petroleum industry. Topics will include successful efforts, full cost, tax, joint interest, and conveyances. Accounting for costs incurred in the exploration and production of oil and natural gas is a major emphasis.

Course Materials (Text, calculator, etc.)

The required textbook is:
Fundamentals of Oil & Gas Accounting, 5th Edition, by Wright and Gallun
ISBN: 978-1-59370-137-6
Publisher: Penn Well
Copyright: 2008

Recommended software: word processing software preferably Microsoft Word, spreadsheet software like Excel, and Adobe Reader (which can be downloaded for free) to open the pdf files.

Learning Goals of the BBA Program

The College of Business at West Texas A&M University seeks to prepare students in the BBA degree program for careers in business and to foster their professional growth and advancement via the key learning goals. Each learning goal is accompanied by an operational definition for the goal.

- **Goal 1: Communication**: Graduates of the BBA program will be effective communicators.
- **Goal 2: Critical Thinking**: Graduates of the BBA program will be critical thinkers.
- **Goal 3: Business Environment**: Graduates of the BBA program will be knowledgeable of ethical, global, and social environmental factors and how they relate to business decisions.
- **Goal 4: Functional Business Analyses and Applications**: Graduates of the BBA program will be knowledgeable in the functional areas of business and their integration.
Course Objectives

By the end of the course, students will be able to accomplish the following course objectives:

1. Students will demonstrate their understanding of the common activities in the petroleum industry and the terms specific to the industry through successful completion of exams and group/individual assignments.
2. Students will demonstrate their understanding of the three basic accounting methods used in petroleum accounting through successful completion of exams and group/individual assignments.
3. Students will demonstrate the ability to consider current, real world issues in petroleum accounting through successful completion of group/individual assignments.
4. Students will demonstrate critical thinking and analysis, oral and written communication, and teamwork skills through a successful petroleum company analysis group presentation project.

Map from COB Learning Goals to Objectives for this Course

<table>
<thead>
<tr>
<th>Course Learning Objective</th>
<th>Maps to COB Learning Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td>3</td>
<td>1, 2</td>
</tr>
<tr>
<td>4</td>
<td>1, 2, 3</td>
</tr>
</tbody>
</table>

Course Grading Policies

Grades in this course are based on performance on three exams, several individual and/or group assignments or quizzes, and a group presentation. The final exam (Exam #3) is non-comprehensive. The distribution of points and the tentative grading scale are as follows:

- Exams: 300 points
- Group/Individual Assignments/Quizzes: 50 points
- Group Presentation: 100 points
- Total Points: 450 points*

* Students enrolled in this course for graduate credit (ACCT 5334) will have an additional assignment worth 50 points and will have a total of 500 points. The graduate assignment for this course will be to write a paper explaining the potential effects of IFRS on petroleum accounting and oil and gas companies. Detailed instructions for the Graduate Assignment will be provided later.

©2010-11 Karyn Bybee Friske. All rights reserved.
Tentative grading scale (for 4334 only):

405-450 points (90%)......A  
360-404 points (80%)......B  
315-359 points (70%)......C  
270-314 points (60%)......D  
Below 270 points.............F

Tentative grading scale (for 5334 only):

450-500 points (90%)......A  
400-449 points (80%)......B  
350-399 points (70%)......C  
300-349 points (60%)......D  
Below 300 points.............F

Exams

Exams consist of theory and application questions in a variety of formats including multiple-choice, matching, problem, and essay. **Absence from a scheduled exam will result in a grade of zero, unless student has prior approval from the instructor and the absence is in accordance with University regulations.** Make-up exams should be rare and will be scheduled by the instructor.

All electronic devices except a non-phone calculator must be turned off and stowed during exams.

Group /Individual Assignments

During the semester, students will be given several group and individual assignments designed to develop critical thinking, communication, and research skills. In addition, quizzes may be given at the beginning of the class period and will be over the assigned reading. Students must be in attendance on those days to receive credit for the assignments or quizzes.

Group Presentation

At the end of the semester, each group will prepare and present to the class an analysis of a company in the petroleum industry.

Course Procedures and Policies

The course material is presented using a lecture/discussion format. Individual and group assignments are used to assist students in understanding key concepts. **Students are to study assigned materials prior to each class.**
Although students are not graded on attendance, they are expected to attend class regularly and to participate. Promptness is also important, and is an expected quality of successful individuals in the accounting profession. The student is responsible for all material covered in class, handouts, and all announcements made during any absence.

Students will be assigned to groups for the group project. Meeting time conflicts must be worked out among the group members. The group is to work together throughout the semester to allow cohesiveness to develop so that each of the group members can work together effectively. An important objective of this approach is to help future accountants develop the ability to perform assigned tasks without having the luxury of choosing a group.

Electronic class participation is encouraged. Please check the course website on WTClass at least once a week. I may contact the class during the semester via WTClass for announcements, e-mail, and other information.

Cell phones, PDAs, and any other electronic communication/listening devices, etc. must be turned off and stowed away during this class. There is zero tolerance for use of these items during class.

**Important Dates**

1/24  Last Day to Add or Register for Spring 2011  
3/9   Last day to drop or withdraw with guaranteed 'X'  
3/31  Last day to drop or withdraw

**Course Topics**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upstream Oil and Gas Operations</td>
</tr>
<tr>
<td>2</td>
<td>Intro to Oil and Gas Accounting</td>
</tr>
<tr>
<td>3</td>
<td>Nondrilling Exploration Costs – Successful Efforts</td>
</tr>
<tr>
<td>4</td>
<td>Acquisition Costs of Unproved Property - SE</td>
</tr>
<tr>
<td>5</td>
<td>Drilling and Development Costs - SE</td>
</tr>
<tr>
<td>6</td>
<td>Proved Property Cost Disposition – SE</td>
</tr>
<tr>
<td>7</td>
<td>Full Cost Accounting</td>
</tr>
<tr>
<td>8</td>
<td>Accounting for Production Activities</td>
</tr>
<tr>
<td>10</td>
<td>Accounting for Revenue from Oil and Gas Sales</td>
</tr>
<tr>
<td>11</td>
<td>Oil and Gas Tax Accounting</td>
</tr>
<tr>
<td>12</td>
<td>Joint Interest Accounting</td>
</tr>
<tr>
<td>14</td>
<td>Oil and Gas Disclosures</td>
</tr>
<tr>
<td>16</td>
<td>Analysis of Oil and Gas Financial Statements</td>
</tr>
</tbody>
</table>
Copyright

All original content in this document, all web-based course materials (be they text, audio, and/or video), and/or classroom presentations are © by (Karyn Bybee Friske). No distribution without the express written consent of the author. Students are prohibited from selling (or being paid for taking) notes during this course to or by any person or commercial firm without the express written permission of the professor.

COB Student Resources Link

The COB has developed a Student Resources repository (e.g., APA writing style information, business core reviews, facilities, and other helpful supplements) which can be found on the COB Website: http://www.wtamu.edu/academics/college-business-facilities-and-resources.aspx

Dropping the Course:

Should a student decide to drop the course, it is the student’s responsibility to be aware of the final drop dates and adhere to the WTAMU Ad/Drop policy. Any student participating in the course after the WTAMU posted drop date will be considered active and a grade will be administered at the end of the course for that student.

Repeating Course Work

Students are charged a fee for any course attempted for a third or subsequent time at WTAMU other than a non-degree credit developmental course or exempted courses.

COB Writing Component

Students earning a BBA degree must complete at least one course with a writing component outside of their major as part of the business core requirements. The COB writing component is a requirement in the following courses: IDM 3320(Digital Collaboration and Communication), MGT 3335(Organizational Behavior), FIN 3350(Personal Financial Planning), FIN 4320(Investments), FIN 4321(Portfolio Theory), ECON 4342(Economic Development), and ECON 4370(Economics of Biotechnology and Healthcare). Students in a writing component course are explicitly required to demonstrate knowledge of communication skills. Specific objectives may include but are not limited to the following concepts put forth by the National Business Education Association: (1) ability to organize a written and an oral message coherently and effectively, (2) ability to use technology for communication, (3) ability to research a topic, prepare a report, and present the findings to all organizational levels, and (4) ability to demonstrate critical-thinking skills. Specific course requirements and the role of the writing component with respect to student grading policy are at the discretion of the course instructor of record.

©2010-11 Karyn Bybee Friske. All rights reserved.
Scholastic Dishonesty

It is the responsibility of students and instructors to help maintain scholastic integrity at the University by refusing to participate in or tolerate scholastic dishonesty. Commission of any of the following acts shall constitute scholastic dishonesty. This listing is not exclusive of any other acts that may reasonably be said to constitute scholastic dishonesty: acquiring or providing information for any assigned work or examination from any unauthorized source; informing any person or persons of the contents of any examination prior to the time the examination is given in subsequent sections of the course or as a makeup; plagiarism; submission of a paper or project that is substantially the same for two courses unless expressly authorized by the instructor to do so; submission of a paper or project prepared by another student as your own. You are responsible for being familiar with the University's Academic Integrity Code, as well as the COB Student Code of Ethics below.

WTAMU COB Student Code of Ethics

Each student enrolled in COB courses accepts personal responsibility to uphold and defend academic integrity and to promote an atmosphere in which all individuals may flourish. The COB Student Code of Ethics strives to set a standard of honest behavior that reflects well on students, the COB and West Texas A&M University. All students enrolled in business courses are expected to follow the explicit behaviors detailed in the Student Code of Ethics.

Code of Ethics:

- Do not use notes, texts, solution manuals, or other aids for a quiz or exam without instructor authorization.
- Do not copy the work of others and/or allow others to view your answers or copy your work during a quiz, exam, or on homework assignments.
- Do not allow other parties to assist in the completion of your quiz, exam, homework, paper, or project when not permitted.
- Do not work with other students on projects or assignments without authorization from the course instructor.
- Properly cite and specifically credit the source of text, graphic, and web materials in papers, projects, or other assignments.
- Do not forge the signature of an instructor, advisor, dean, or another student.
- Provide truthful information for class absences when asking faculty for excused absences or for a make-up for a quiz, exam, or homework.
- Provide truthful information on your resume including work history, academic performance, leadership activities, and membership in student organizations.
- Respect the property, personal rights, and learning environment of all members of the academic community.
- Live up to the highest ethical standards in all academic and professional endeavors.

Students violating the Student Code of Ethics will be reported to the Dean’s office and are subject to penalties described in the West Texas A&M University Code of Student Life, which
may include suspension from the University. In addition, a violator of the Student Code of Ethics may become ineligible for the following:

- Participation in student organizations sponsored by the COB.
- Recognition for College academic honors, awards, and scholarships.

**Technology Requirements**

All technological requirements for the successful completion of this course are the responsibility of the student, including access to a working computer with broadband internet connection and state-of-the-art security. The student is responsible for all technological problems not related to WTAMU, including but not limited to equipment failures, power outages, and internet breakdowns. Furthermore, students are responsible for all necessary technical and operational skills for completing this course, and for being familiar with WTClass (the Angel Learning System) both in a general sense and in a specific sense as pertaining to this course and any materials stored within. The professor is not responsible for any technical matters related to WTClass. Students must contact WTClass if they have problems accessing and/or using Angel.

**Viewpoints Disclaimer**

The views expressed in this document, web-based course materials, and/or classroom presentations and discussions are those of the professor and do not necessarily represent the views of West Texas A&M University, its faculty and staff, or its students. Views expressed by students are likewise those of the person making such statements. It is understood and expected that each individual within this course will respect and allow individual difference of opinion.

**External Websites Disclaimer**

Neither the professor, the COB, nor WTAMU are responsible for the content of external websites discussed in the classroom and/or linked to via online course materials, emails, message boards, or other means. Referred websites are for illustrative purposes only, and are neither warranted nor endorsed by the professor, COB, or WTAMU. Web pages change frequently, as does domain name ownership. While every effort is made to ensure proper referencing, it is possible that students may on occasion find materials to be objectionable for reasons beyond our control.

**Physical or Educational Access**

West Texas A&M University seeks to provide reasonable accommodations for all qualified persons with disabilities. This University will adhere to all applicable federal, state and local laws, regulations and guidelines with respect to providing reasonable accommodations as required to afford equal educational opportunity. It is the student's responsibility to register with Disability Support Services and to contact the faculty member in a timely fashion to arrange for suitable accommodations.

©2010-11 Karyn Bybee Friske. All rights reserved.
Evacuation Statement

If you receive notice to evacuate the building, please evacuate promptly but in an orderly manner. Evacuation routes are posted in various locations indicating all exits, outside assembly area, location of fire extinguishers, fire alarm pull stations and emergency telephone numbers (651.5000 or 911). In the event an evacuation is necessary: evacuate immediately do not use elevators; take all personal belongings with you; report to outside assembly area and wait for further information; students needing assistance in the evacuation process should bring this to the attention of the instructor at the beginning of the semester.

Chemical and Equipment Safety Statement

Safety is everyone's responsibility. Material Safety Data Sheets (MSDSs) are provided for all chemicals used in this class. MSDSs provide information about physical properties, health risks, fire explosion data, and other important information associated with these chemicals. Before handling or using a chemical, you should refer to the MSDS for that chemical. It is your responsibility to inform the instructor in writing of any health conditions that may prevent you from safely using a chemical (pregnancy, auto immune deficiency, etc.). It is also the responsibility of the student to report any spill or problems found while storing or using a chemical. If you are unsure about a chemical, always ask. If you see any unsafe condition, notify your instructor immediately. If you are unsure about the proper and safe operation of any piece of equipment, ask your instructor for proper instruction. All injuries, spill of materials and unsafe conditions must be reported to the instructor immediately.

* Syllabus template approved by COB Curriculum Committee 7-12-2010. Annual review of the syllabus is a formal part of the COB continuous improvement process.