Dillard College of Business Administration  
**Fall Semester 2010**  

**SYLLABUS: Petroleum Accounting**  
*ACCT 4013-180: TR 5:30 PM-6:50 PM*  
*Meets in DB 338*

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**Contact Information:**  
Dr. Bob Thomas, Ph.D., CPA  
Assistant Professor of Accounting  
DB 286  
Office hours: 10:50 AM – 11:50 AM, TR  
1:20 PM – 5:20 PM, TR  
Or by appointment  
E-mail address: bob.thomas@mwsu.edu

**Course Materials:**  
2. Course WebCT: where you will find the Syllabus, Calendar, Lesson Materials, Announcements, and Grades.

**Course Description:**  
Welcome to Petroleum Accounting. This class is designed to help give you a strong foundation and a solid understanding of the activities common to companies engaged in crude oil and/or natural gas exploration and production (E&P activities). This course will focus on the fundamentals of accounting for these activities. An understanding of the course material is essential for a successful career in petroleum accounting.

**Course Prerequisite:**  
Many of the skills required for success in this course are components of the general education requirements. Basic computer skills are necessary prior to enrollment. Students must have completed ACCT 3023 (Accounting Information Systems) prior to enrollment.

**Learning Goals:**  
A. **General Learning Goals:**  
Students will demonstrate problem solving and decision making abilities through the critical analysis, evaluation, and interpretation of petroleum accounting 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 and/or in-class exercises. The development of each student’s abilities will be assessed through examinations which require problem solving and decision making.
Students will be able to utilize available technology for common business applications. Homework is assigned which requires the student to use the computer. In addition, a course WebCT site is available for the student’s use.

B. Course Specific Learning Goals:
This course seeks to provide the undergraduate accounting student with a foundation in fundamental petroleum accounting. A student who successfully completes this course should be able to:

- understand the various crude oil and natural gas exploration and production activities,
- understand the jargon common to the petroleum industry and to petroleum accounting, and
- understand, identify, and appropriately apply petroleum accounting principles to various exploration and production activities.

Course Policies:
A. Participation/Attendance Policy:
Participation/attendance will be monitored each class meeting. Class will begin at the scheduled time. Each student is expected to remain until class is finished. Promptness is an expected quality of individuals in any profession. These requirements are in accordance with the university attendance policy. (See Midwestern State University 2009-2010 Student Handbook, p. 40).

Attendance will be taken at the beginning of each class. If a student comes in late, the student must tell me at the end of that class period in order for the attendance record to be changed.

Attendance will be taken into consideration in borderline grade situations. Please note that poor attendance typically results in a poor grade in the course.

B. Classroom Behavior:
It is important that the classroom environment be free of disruptions that may interfere with the learning process. To minimize classroom distractions, students should observe the following rules:

1. Remain seated while the class is in progress (unless you become ill).
2. Avoid conversing with colleagues while the class is in progress.
3. Turn off all cell phones, beepers, and other wireless communications prior to entering the classroom.
4. Avoid food and beverage consumption in the classroom. With the exception of bottled water, NO FOOD OR BEVERAGE IS ALLOWED IN THE CLASSROOMS IN THE DILLARD BUILDING. Food and beverages can be consumed in the public areas in the facility as well as in the conference rooms.
5. Turn off and put away laptop computers during class unless the laptop is being used during authorized times to take class notes.
6. Close and put away all materials not directly related to the ongoing course lecture (e.g., magazines, newspapers, books, and work from other classes, etc.).
7. Remain awake and attentive and be prepared to engage in class discussions at all times.

Midwestern State University’s Code of Student Conduct contained in the 2009-10 Student Handbook, pages 69-80, will be adhered to explicitly.
C. 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. The instructor must give the student a verbal or written warning prior to being dropped from the class.

THIS IS YOUR WRITTEN WARNING THAT YOU MAY BE DROPPED FROM THIS CLASS IF YOU HAVE MORE THAN THREE (3) ABSENCES.

D. Questions Regarding Course Grade:
Grades are confidential by law. Therefore, I do not post grades or reveal grades over the telephone or by e-mail/fax. Grades will be posted in WebCT for this class. After grade reports are issued, if you have a question about your grade, you must contact me within one month of the date your final examination was administered. Due to storage limitations, I normally must discard exams, papers, etc. after the first month into the following semester.

E. Grading and Evaluation:
Grading and evaluation will be as follows:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>Exam 1</td>
</tr>
<tr>
<td>25%</td>
<td>Exam 2</td>
</tr>
<tr>
<td>25%</td>
<td>Exam 3</td>
</tr>
<tr>
<td>25%</td>
<td>Miscellaneous (homework, quizzes, groupwork, etc.)</td>
</tr>
<tr>
<td>100%</td>
<td>Total</td>
</tr>
</tbody>
</table>

A course grade of 90% or better will result in a letter grade of A, 80-89% B, 70-79% C, 60-69% D, <60% F.

F. Exam Protocol:
You will need:
1. A ScanTron Form 882-E. These may be purchased at the MSU Bookstore.
2. Several No. 2 pencils for marking answers on your ScanTron.
3. A silent, basic four-function calculator that works throughout the exam (if the calculator fails for any reason, the student may not share someone else’s calculator, but may borrow one for the remainder of the exam). Programmable or alphanumeric calculators, calculators with display greater than a single line, graphing calculators, Palm Pilots (or equivalent) or cell phones may not be used for class work or exams.

Test dates may be changed as the semester progresses. If a student is absent, it is the student’s responsibility to determine if a test date has been changed by checking WebCT.

CAUTION: If you erase an answer on your ScanTron Form, the ScanTron grading machine may incorrectly grade your answers. Consequently, you must erase completely, if you erase a ScanTron answer. Additionally, your answer blocks must be completely shaded in to ensure proper grading. Items counted wrong by the ScanTron machine due to improper shading or erasing will receive zero points.
Examinations are returned to the student and discussed in class after they are graded. The student should review the exam at this time as a learning tool and make note of any areas where performance was not acceptable. Examinations will be collected from the student after they are discussed in class and are retained as evidence of the student’s performance in this course. The examinations are the property of Midwestern State University.

G. Missed Examinations:
The only valid excuses for missing an exam are illness requiring medical care, required university activities, or a personal emergency of a serious nature. Make-ups will be approved only in cases where there are valid excuses for missing, and the student presents supporting documentation. Prior permission is required, if possible; otherwise, documentation is required immediately upon returning to this class; otherwise, no make-up will be allowed, and a grade of zero will be assigned. (You must discuss makeup approvals with me no later than the day of the first Petroleum class period that you attend following the absence).

In cases where a make-up exam is authorized for Exam 1 or Exam 2, the Exam 3 score will be used to assign a grade for the missed item(s). For example, if you are allowed to make up Exam 2 and score an eighty-five for the Exam 3 score, you will receive an eighty-five for Exam 2 and an eighty-five for Exam 3.

In cases where a make-up exam is authorized for Exam 3, ALL authorized Exam 3 make-ups will be given on Nov. 23rd. There will be no other opportunity to make-up Exam 3. Failure to take Exam 3 on these dates will result in zeros being assigned for the Exam 3 score and for any missed exam scores.

H. Homework:
Assignments must be submitted as an attachment (acceptable formats: Microsoft Word, Microsoft Excel, or Adobe PDF) via the appropriate WebCT Assignment Link before 10 AM on the due date. Late homework assignments will receive zero credit (no exceptions).

I. Course Content and Outline:
A. Upstream Oil and Gas Operations
B. Introduction to Oil and Gas Accounting
C. Nondrilling Exploration Costs - Successful Efforts
D. Acquisition Costs of Unproved Property - Successful Efforts
E. Drilling and Development Costs - Successful Efforts
F. Proved Property Cost Disposition - Successful Efforts
G. Accounting for Production Activities
H. Full Cost Accounting
I. Accounting for Asset Retirement Obligations and Asset Impairment
J. Accounting for Revenue from Oil and Gas Sales
K. Oil and Gas Disclosures
L. Analysis of Oil and Gas Companies' Financial Statements
M. Conveyances
N. Joint Interest Accounting
J. Academic Integrity:
With regard to academic honesty, students are referred to the “Student Honor Creed” on p. 19 of Midwestern State University Undergraduate Catalog, Vol. LXXVIII, No. 1. In short, cheating, collusion, and plagiarism will not be tolerated. The term “cheating” includes, but is not limited to: (1) use of any unauthorized assistance in taking quizzes, tests, or examinations; (2) dependence upon the aid of sources beyond those authorized by the instructor in writing papers, preparing reports, solving problems, or carrying out other assignments; or (3) the acquisition, without permission, of tests or other academic material belonging to a member of the university faculty or staff.

K. Americans with Disabilities Act:
This class follows the guidelines suggested by the office of Disability Support Services for those students who qualify for disability services. See Midwestern State University Undergraduate Catalog, Vol. LXXVIII, No. 1, p. 21. Students with disabilities must be registered with Disability Support Services before classroom accommodations can be provided.

L. Syllabus Change Policy:
This syllabus is a tentative guide for the course and is subject to change. Changes will be communicated via WebCT. The number of miscellaneous assignments is subject to change. Assignment due dates and exam dates are also subject to change. The tentative plan is to cover portions of the following textbook chapters in the following order: 1, 2, 3, 4, 5, 6, 8, 7, 10, 12, 14, 9, 13, and 16. The tentative schedule included with this syllabus will be changed as necessary to accommodate the progress of the class.

M. Additional Information:
• You need to check WebCT regularly. If you miss a class, it is your responsibility to find out what you missed, to acquire any handouts, and to get any assignments and submit them before the due date. Following each class, I will post an entry on the WebCT “Calendar” feature outlining what was covered/assigned in class that day.

• All communication with me should be either by face-to-face communication or via e-mail to bob.thomas@mwsu.edu. If you choose to call my office, I’ll be happy to answer and speak with you if I’m not busy helping someone else at that time. If you leave a voicemail, all responses from me will be via e-mail to your preferred e-mail address designated in WebWorld.

N. Homework Due Dates:

<table>
<thead>
<tr>
<th>Tentative Due Date</th>
<th>Assignments-Due by 10 AM Central Time via WebCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-Sep</td>
<td>Homework 1 due (Covers Chapter 2, 3, and 4 through page 105)</td>
</tr>
<tr>
<td>28-Sep</td>
<td>Homework 2 due (Covers Rest of Chapter 4 beginning on page 105)</td>
</tr>
<tr>
<td>5-Oct</td>
<td>Homework 3 due (Covers Chapter 5)</td>
</tr>
<tr>
<td>14-Oct</td>
<td>Homework 4 due (Covers Chapters 6 and 8)</td>
</tr>
<tr>
<td>4-Nov</td>
<td>Homework 5 due (Covers Chapter 7)</td>
</tr>
<tr>
<td>9-Nov</td>
<td>Homework 6 due (Covers Chapter 10)</td>
</tr>
<tr>
<td>16-Nov</td>
<td>Homework 7 due (Covers Chapter 16)</td>
</tr>
</tbody>
</table>
## O. Tentative Schedule:

<table>
<thead>
<tr>
<th>Class Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-Aug</td>
<td>Discuss Syllabus, WebCT, WebWorld; Watch movie; Begin discussing Ch. 1</td>
</tr>
<tr>
<td>26-Aug</td>
<td>Watch movie; Finish covering material up through the middle of page 105</td>
</tr>
<tr>
<td>31-Aug</td>
<td>Discuss Hwk 1; Review for Exam 1</td>
</tr>
<tr>
<td>2-Sep</td>
<td>Exam 1 (pages 1-105 plus movies)</td>
</tr>
<tr>
<td>7-Sep</td>
<td>Go over Exam 1; Continue discussing Ch. 4 on p. 105</td>
</tr>
<tr>
<td>9-Sep</td>
<td>Finish discussing Ch. 4</td>
</tr>
<tr>
<td>14-Sep</td>
<td>Finish discussing Ch. 6 as well as Ch. 8, and Ch. 7 (through p. 234)</td>
</tr>
<tr>
<td>16-Sep</td>
<td>Exam 2 (pages 105-234 and 281-297)</td>
</tr>
<tr>
<td>19-Oct</td>
<td>Discuss Hwk 2; Begin discussing Ch. 5</td>
</tr>
<tr>
<td>21-Oct</td>
<td>Finish discussing Ch. 5</td>
</tr>
<tr>
<td>23-Oct</td>
<td>Discuss Hwk 3; Begin discussing Ch. 6</td>
</tr>
<tr>
<td>28-Oct</td>
<td>Finish discussing Ch. 6 as well as Ch. 8, and Ch. 7 (through p. 234)</td>
</tr>
<tr>
<td>30-Oct</td>
<td>Discuss Hwk 4; Review for Exam 2</td>
</tr>
<tr>
<td>5-Oct</td>
<td>Finish discussing Ch. 6 as well as Ch. 10, 12, and 14</td>
</tr>
<tr>
<td>7-Oct</td>
<td>Discuss portions of Chs. 9 and 13; Begin discussing Ch. 16</td>
</tr>
<tr>
<td>12-Oct</td>
<td>Go over Ch. 16 ratio problems</td>
</tr>
<tr>
<td>14-Oct</td>
<td>Discuss Hwk 7; Review</td>
</tr>
<tr>
<td>16-Oct</td>
<td>Exam 3 (Comprehensive)</td>
</tr>
<tr>
<td>18-Nov</td>
<td>Exam 3 (Authorized Make-up Exams)</td>
</tr>
<tr>
<td>22-Nov</td>
<td>Thanksgiving Holiday (No Class)</td>
</tr>
<tr>
<td>23-Nov</td>
<td>Go over Exam 3</td>
</tr>
<tr>
<td>2-Dec</td>
<td>Wrapping up</td>
</tr>
</tbody>
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