



126th Council Meeting

Friday, April 26, 2024

8:00 a.m.

Hyatt Regency Jacksonville Riverfront

Jacksonville, Florida



February 20, 2024

COPAS Board of Directors
Standing and Special Committee Chairpersons
Society Presidents
Council Representatives

Re: Notice of Spring 2024 Council Meeting

Dear COPAS Member:

The Spring 2024 Council of Petroleum Accountants Societies, Inc. (COPAS) meeting will be April 22-26, at the Hyatt Regency Jacksonville Riverfront hotel, Jacksonville, Florida. The host for this meeting is the Permian Basin Society.

The 126th meeting of the Council will be held at 8 a.m. on Friday, April 26, to conduct business as outlined on the attached agenda, as well as any other business that may be brought before the Council. The voting items on the agenda meet the 60-day notice requirement. There may be other items presented for vote that have not met the 60-day notice requirement and they will be managed according to the COPAS Bylaws.

The Council voting items are listed below with parenthetical indication of the vote required to approve that voting item.

1. Fall 2023 Council Meeting Minutes (majority)
2. December 2023 Special Council Meeting Minutes (majority)
3. Membership Assessment, effective January 1, 2025 (majority)
4. Dissolution of the Acadiana Society* (2/3)
5. MFI-57 AD-1, *Remote Technology Centers* (2/3)
6. Approval of Publication Reopening for Updates Technical Corrections or Modernization (PRUTCOM) (2/3).

*The Acadiana and New Orleans Societies have agreed to merge, with New Orleans being the surviving entity. This Council vote would formalize the intent and actions of Acadiana.

The Board of Directors will meet on Monday, April 22 from 1:00 p.m. to 5:00 p.m., from 8:00 a.m. to Noon on Tuesday, April 23, and from 1:30 p.m. to 5:00 p.m. on Thursday, April 25. The Board of Directors meetings are open to all COPAS members, and you are encouraged to attend.

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President-elect Kim Peyton will lead the COPAS Leadership Conference on Tuesday, April 23 beginning at 1:00 p.m. A Leadership Reception will be held from 6:00 to 7:30 p.m. A First Timers Mixer will be from 8:00 to 9:00 p.m.

The full Council agenda and handouts are included in this notice and are also available on the COPAS website. Committee agendas will be posted on the website when they are finalized. All times listed are Eastern time zone.

Please call Vanessa Galindo, COPAS Office Manager, if you have any questions or need assistance in registering for the meeting.

I look forward to seeing you in April.

Sincerely,

Craig Buck

Craig Buck, President



Meeting

Agenda



126th Meeting
Council of Petroleum Accountants Societies, Inc. (COPAS)
Hyatt Regency Jacksonville Riverfront
Jacksonville, Florida

Council Meeting Agenda
8:00 a.m. Friday, April 26, 2024

Call to Order	Craig Buck
Reading of COPAS Antitrust Policy	Tom Batsche
Roll Call	Rebecca Paris
Minutes of Council Meetings	Rebecca Paris
Vote – Approval of Fall 2023 Minutes (majority)	
Vote – Approval of December 20, 2023 Special Meeting Minutes (majority)	
Financial Reports	Carole Tear
Vote – 2025 Membership Assessment Rates effective January 1, 2025 (majority)	
COPAS 2024 Goals and Objectives	Craig Buck
COPAS Board of Directors Report	Kevin Launchbaugh
Membership and Society Activity Report	Kevin Launchbaugh
Vote – Dissolution of Acadiana Society (2/3)	
Bylaws Committee Report	Kevin Launchbaugh
Research and Advisory Committee Report	Dalin Error
Nominating Committee	Dalin Error
Executive Director Report	Tom Wierman
Editorial Committee Report	Tom Wierman
Leadership Conference Report	Kim Peyton
Audit Standing Committee Report	Cecil Sprague



Joint Interest Standing Committee Report	Patricia Ellington
Vote – MFI-57 AD-1, <i>Remote Technology Centers</i> (2/3)	
Vote – Approval of Publication Reopening for Updates, Technical Corrections, or Modernization (PRUTCOM) (2/3)	
Education Standing Committee Report	Jeff Wright/Carolyn Szczepanski
Financial Reporting Standing Committee Report	Ken Nollsch
Small Oil & Gas Companies Standing Committee	Howard Hong
Revenue Standing Committee Report	Jeremy Norton
APA® Program Report	Mike May
CEPS Control Panel Report	Cody Deckard
Industry Liaison Reports	Scott Barrios
John Jolly Memorial Fund	
Desk & Derrick	
University of North Texas Center for Energy Accounting and Sustainability Board of Directors Report	
Fall 2024 Council Meeting, San Antonio Society	Kirk Foreman
September 23-27, 2024 – The Westin Riverwalk	
San Antonio, Texas	
Spring 2025 Council Meeting, Arkansas and Tulsa Societies	Nate Wolf
April 21-25, 2025 – Embassy Suites	
Rogers, Arkansas	
Future Meetings	
Fall 2025	COPAS Office - TBA
Spring 2026	COPAS Office – TBA
Fall 2026	COPAS Office - TBA
Other Business	
Adjournment	



Voting

Items



125th Meeting
COUNCIL OF PETROLEUM ACCOUNTANTS SOCIETIES, INC. (COPAS)

September 22, 2023

Cheyenne Mountain Resort
Colorado Spring, Colorado

The 125th meeting of the Council of Petroleum Accountants Societies, Inc. (COPAS) was held on Friday, September 22, 2023, at the Cheyenne Mountain Resort in Colorado Springs, Colorado.

Call to Order

President Craig Buck called the Council meeting to order at 8:03am MT.

Welcome

Tammy Miller-Davison of the Colorado Society shared their hopes that everyone had an enjoyable time. The planning committee had fun and encouraged participation at all levels. Tammy read from a list of several helpers and acknowledged Hilcorp for matching the conference donation of \$4,000, allowing the Colorado Society to donate \$8,000 to the Ronald McDonald House of Southern Colorado.

COPAS Antitrust Statement

Melissa Gruenewald read the COPAS Antitrust Statement.

Roll Call

Secretary Rebecca Paris called the roll of Council Members. Fifteen (15) of twenty-four (24) Participating Societies were present during roll call. The following societies did not have a representative present for the Council meeting: Acadiana, Appalachia, Arkansas, Austin, Canada, Corpus Christi, Fort Worth, Kansas, and New Mexico. A quorum was present.

Spring 2023 Council Meeting Minutes

The minutes of the 124th Council meeting held at the Marriott Country Club Plaza Hotel in Kansas City, Missouri, were distributed in the 60-day notice and presented for approval.

Craig entertained a motion for approval of the minutes as presented. Colorado moved and Dallas seconded the motion. Craig asked if there was any discussion; hearing none he requested a vote by acclamation. The motion carried 15-0-0.

Financial Reports

Kevin Launchbaugh presented a slide illustrating a 5-year revenue trend which included revenues for 2019, 2020, 2021, 2022 and Jan – Aug 31, 2023, and displayed revenue from Products/Publications, Membership Assessments, Education, APA®, PPP Loan, and Other. The last category, “Other”, included ERC funds received in 2022. He also presented a slide illustrating a 5-year operating expenses trend for 2019, 2020, 2021, 2022 and Jan – Aug 31, 2023, and included Membership Services, Education, Marketing, Depreciation, APA ®, Products/Publications and Other.

A 5-year Membership Count Trend illustrated the drastic decline of membership numbers from over 2,700 members in 2019 to approximately 1,400 in 2023, followed by the Membership Assessment Rate from 2011 to 2023. The current rate is \$110 for members of Participating Societies and \$145 for Limited Members with a \$25 initiation fee for new Limited Members.

The breakdown of the 2022 revealed the bulk of funds originated from Products and Publications, Membership Assessments, and Education. Once again, the ERC funds that COPAS received in 2022 produced a spike in the “Other” category, in addition to advertising revenues and the summer/winter meetings hosted by the COPAS National office.

The 2022 operating expenses were primarily related to the COPAS office, money well spent. Kevin noted that anyone who has ever asked a question or worked with Tom Wierman and/or Vanessa Galindo have witnessed the hard work that these two put into our organization.

As expected, 2023 revenues are weighted heavily toward Productions and Publications, Membership Assessment, and Education, including COPAS meetings hosted by national, and expenses were primarily related to the COPAS office. Budget to Actual for January through August 2023, shows that we are right on target with an increase in EPub subscriptions, the sales of nineteen APA® review courses. Kevin thanked the COPAS office for their hard work in getting the course completed and available to potential future APA@s.

COPAS 2023 Goals and Objectives

Craig Buck explained that out of the five goals set at the Spring 2023 National Meeting, he fully achieved two, while others, though not met, showed improvement in the designated areas.

1. Increase COPAS Society Membership by 5% (approximately seventy-five (75) new members).

While we did not reach that number, COPAS membership did increase by fifty-four (54) new members via the Join Now link on the COPAS website; Houston received eighteen (18) members, Colorado nine (9), Dallas, Fort Worth, OKC, Permian Basin, Tulsa four (4) each, California three (3), and Ark-La-Tex, New Mexico, New Orleans, Wichita Falls one (1) each.

2. Increase APA® Membership by 15% (approximately twenty (20) new members). Though the number fell short with four (4) new APA®s, the sale of nineteen (19) review courses provides hope for an increase in successful test takers in the coming months.
3. Complete and Market APA® Review Course. Goal met upon release of the course July 1st of 2023 after which nineteen (19) packages were sold through August 31st.
4. Re-Design CEPS Website. Re-design of the CEPS website remained in limbo with \$25,000 set aside within the COPAS budget to accomplish the task. Recent Board of Directors meetings have included discussions related to a revamp of the user interface in the near future. COPAS is also in talks with Enervus Open Invoice in hopes that a collaboration between our two organizations could be mutually beneficial. The original contact with Enervus, who shared the passion for this process, is no longer with the company, but Tom Wierman's continued attempts to connect have recently been successful.
5. Identify and Recruit Five New Members into COPAS Leadership Roles. This goal was exceeded through a new addition to the COPAS Board of Directors, additions to JI, Audit, and Education Committee Leadership, as well as new project team leaders within Revenue as they review AG's 6 and 15.

Lisa Collins, President of the Houston Society, inquired of Craig how COPAS could use Enervus for CEPS. Craig explained that Enervus has access to user data that we hope to tap into anonymously in order to forgo the annual pricing surveys sent to member companies. Dalin Error added that the surveys are often left unanswered, and those companies that do provide information can only comment on items they have purchased throughout the year in question. In contrast, Enervus' data includes purchases by multiple companies and is ongoing. Enervus would, in return, provide an interface that taps into CEPS.

Dustan Mathews with the Wichita Fall Society stated that utilizing Open Invoice would be very beneficial.

COPAS Board of Directors Report

Kim Peyton updated the Council on the Board of Director's meetings throughout the week, namely approval of Board Meeting minutes from July 11th, July 25th (via email), and August 26th, 2023, as well as approval to revise the Authority Limit Policy which raises the Executive Director's access to funds without Board approval from \$1,000 to \$2000, and from \$2,000 to \$5,000 for the combination of the Executive Director and President of the Board. The Board also approved the removal of the Board Travel Reimbursement Policy which has been suspended since 2019 and approved the 2022 Financial Review. The Board

discussed the creation of a formalized Meeting Hosting Liaison, and Tom Wierman and Vanessa Galindo with the COPAS office, plan on reviewing the Meeting Hosting Toolkit in the hopes of clarifying details that are currently confusing. The Board also talked about the sale of nineteen APA® Review Courses, as well as two upcoming free Lunch and Learns focusing on the course. Finally, the Board discussed forming a voluntary panel to discuss the Leadership Conference topic of changes meant to strengthen COPAS and allow it to continue as an Industry mainstay.

Bylaws Committee Report

Kim Peyton alluded to the updates to the COPAS bylaws as shown in the 60-day mailer, and asked if there were any comments or questions.

Hearing none, Craig Buck entertained a motion to approve the bylaws as stated. Houston moved, and Permian seconded. The vote was taken via roll call in order to ensure a 2/3 majority. All societies voted in favor. The motion passed 15-0-0.

Membership and Society Activity Report

Kim Peyton updated the Council on the merger of the Acadiana and New Orleans societies slated for approval by the Council at the Spring 2024 meeting in Jacksonville, Florida. She added that nearly all societies sent in their compliance responses after the Spring 2023 Meeting in Kansas City, Missouri.

Leadership Conference

Kim Peyton informed the Council that the Leadership Conference took place on Wednesday, September 20th, from 8:00am to 12:00pm (MT), and had sixty (60) attendees, robust discussion, and productive brainstorming about ways to insure the future of COPAS. The conference yielded a great deal of notes and a few email responses from societies that were not able to attend the conference. The notes both from the conference, and from other correspondence, will be pulled together by the COPAS Secretary, Rebecca Paris, for dissemination. The Board has also asked for volunteers for a COPAS Progression Panel (CPP), preferably at least one member per society. The panel currently plans to meet once per month, the first meeting on 10/25 at noon (CT), with hopes that progress can be shared by the Spring 2024 meeting. Board of Directors Society Liaisons will be reaching out to societies who may not have member volunteers.

Kim went on to thank the Colorado Society for the Leadership Dinner. In attendance were the Board of Directors, Committee Chairs, and Society Presidents. Kim asked that in the future, if a Committee Chair or Society President cannot make the dinner, to please send someone in their place.

First Timers Social

Robyn Tarnowski, Houston, informed the Council of this conference's thirty (30) first timers and seventeen (17) mentors, of which ten (10) first timers and seven (7) mentors, attended the virtual First Timers Welcome Event on September 13th via Teams. The virtual event planned the week before the Fall Meeting enabled first timers to ask questions and enable them to find familiar faces at the meeting. The First Timers Mixer, held the evening of September 20th, was a success and attended by twenty (20) first timers, ten (10) mentors, and five (5) guests.

Research and Advisory

Dalin Error updated the Council on the activities of the Research and Advisory Committee throughout the year. The committee is made up of past presidents and chaired by the most recent addition. The idea of the committee is to utilize the experience of these valued members, and though in most years the committee limits its interactions to selecting the Ring of Honor recipients, this year was a bit different. The Bylaws changes approved earlier in the Council meeting originated in this committee when Dalin challenged the committee to apply their wisdom to potential problems COPAS may face in the coming years.

Executive Director's Report

Tom Wierman began his report to the Council by discussing the APA® Review Course, a labor of love, that in retrospect began in 2016 when Tom began combing through COPAS Energy Education slides, aided by Dan Triezenberg, and culminated in the review course that was fully loaded and launched on July 1st of this year. Tom added that he passed the APA® on his first try utilizing the material in the review course and is proud to be certificate #300. He will be presenting at two upcoming “How to use the APA® Review Course” Lunch and Learns on October 5th and 26th.

Tom is planning a visit to the Permian Basin the week following the Fall 2023 meeting, Houston on October 19th, Fort Worth on November 1st, Rocky Mountain on November 15th, and Tulsa on a date to set later.

The COPAS office cancelled unpaid EPub subscriptions on August 31st due to non-payment. He reiterated that it is unfortunate that so many subscriptions were allowed to lapse because it is much less expensive to renew than to start a new subscription. EPub prices are going to increase in 2024 for subscriptions that are not set to auto renew in order to offset the costs of the COPAS office time and effort spent tracking down payments. Finally, Tom reminded corporate EPub subscribers that users can be added and subtracted any time.

The Severance Tax Guide, thank you Nate Wolf and Jeremy Norton of the Tulsa Society, is in the process of getting added to the website so that access can function similarly to CEPS and the APA® Review Course mainly in the ability to switch access on and off behind the scenes. This should make the material easier to attain for companies, and more efficient for the COPAS office who previously mailed the guides to recipients.

Tom reminded the Council that companies that have CEPS subscriptions can add and remove users as well. He noted that members receive 50% discounts on most publications not including COPAS Education.

Membership renewals are due December 1st, and members can continue to be added until July when the COPAS office will assume that member is meant for the following year. Though it is not a common problem across all societies, penalties will be added to invoices that are not paid timely. The “Join Now” link on the COPAS website has been successful this year adding fifty-four (54) members with Houston being the biggest beneficiary with eighteen (18) members added via the link through the end of August. The “Join Now” link replaces the dated process of having potential members reach out to COPAS who would then contact the society. The society would reach out to the potential member, the member would

pay the society who would notify COPAS, and COPAS would invoice the society for the COPAS portion of the dues. Many members fell through the cracks this way. All of the Tulsa Society membership for 2024 has taken place through the “Join Now” link as a pilot project, and it has gone very well. Members are directed to the “Join Now” link. The payment goes directly to COPAS who makes note of the member, and then send both the list of members and the local society portion of the dues to the society.

Tom alluded to Kim Peyton’s mention in her report of the 2022 Financial Review that was completed by the Financial Review Team made up of Rick Jones, Bailee Crenshaw, Nina Morgan and Royce Porter. COPAS found that a third-party financial review was too costly, so this team made up of volunteer COPAS members has saved a lot of money.

Carolyn Sczepanski, Dallas, asked if the APA® Review Course Lunch and Learns would provide CPE. Though no CPE was planned, Tom Wierman and Vanessa Galindo agreed to figure out how to make that happen for this free course. Tom reiterated the introductory price of the course, namely \$1,600 for members and \$2,000 for non-members, with a notice that prices will be going up soon.

Dan Triezenberg expressed his support of utilizing the Join Now link and received confirmation from Tom W. that when a society does not charge anything above the COPAS dues, the society will simply receive a list of new members thereby simplifying the process.

Lisa Collins with Houston asked if the COPAS office sent out notifications to the Tulsa society members, and Nate Wolf, President of PASO-Tulsa, informed the Council that the Tulsa society sent email reminders to members with the “Join Now” link. Members would then log on, fill out the online form, and pay for the membership. COPAS collected the data and sent the list of members details along with Tulsa’s share of dues.

Editorial Committee Report

Tom informed the Council that the Fall Accounts Magazine was sent out in early September, with a digital copy available on the COPAS website. The magazine content must be to the publishers a minimum of three weeks prior to the desired mail date, and a home address may be used.

Audit Standing Committee Report

The Joint Interest and Audit Standing Committees held a joint meeting in the morning, Thursday, September 21, 2023. The meeting commenced at approximately 8:04 a.m. with approximately 104 attendees.

Introductions were made where first timers were recognized. The antitrust statement was read.

Bret Hood gave an engaging presentation on interview techniques for financial professionals. Mr. Hood left the group with several key takeaways that members can apply in their roles as auditors and accountants.

A discussion on the documents presented to the Joint Interest and Audit Committees from the Documents Review Task Force was held. Sandy Launchbaugh joined the meeting remotely as a representative from the task force.

- The Documents Review Task Force provided three documents for consideration:
 - AG-1 Well Cost Allocations and Adjustments
 - AG-12 Determining, Finding, Development, and Acquisition Costs
 - MFI-23 Discounts
- The group reviewed the recommended changes outlined by the task force and discussed what changes could or could not be made under CAPECUP, as well as other mechanisms we have available to us to make changes.
- General takeaways from the discussion were:
 - An understanding the task force will be sending additional documents to the committees; we need to prioritize and focus on important changes.
 - The group was in favor of exploring something described as “CAPECUP Plus” would allow “obvious” errors to be changed without changing the meaning of the document - however that would require further discussion on the scope and the approval process.
 - If a CAPECUP plus is explored, it would involve Mike Cougevan, who was the primary contributor for CAPECUP, and consult Deb Retzloff and possibly John Hultin, who also contributed on CAPECUP.
 - General consensus is that the approval process would involve the committees.

Deb Retzloff led a presentation updating the committees on the MFI-57 Addendum 1 document. Deb communicated that the drafting team expects to present a voting draft for a committee vote at the Winter meeting.

Audit Breakout Session

The Audit Standing Committee met separately immediately after the combined session. The meeting commenced at approximately 11:50 a.m. There were 8 societies present to vote.

The following items were approved:

1. Spring 2023 Meeting Minutes (Acclamation)
2. Summer 2023 Meeting Minutes (Acclamation)
3. Voted in Vanessa Green as Audit Standing Committee Secretary, effective January 1, 2024!!

Lucas Vaughn gave an update on the Emerging Issues sub-committee meeting that took place Wednesday, September 20, 2023.

Kevin Launchbaugh gave the COPAS Board of Directors update.

A brief discussion was held on potential implications of sharing information between companies due to potential regulations from the SEC and Homeland Security due to the fact that Oil and Gas is considered critical infrastructure. This could potentially affect future audits.

The meeting concluded at 12:10 p.m.

Joint Interest Committee Report

James Wright, Vice Chair of the Joint Interest Standing Committee, updated the Council on the activities of the committee since the last General Council Meeting in April of 2023. He reported that the Joint Interest Standing Committee met on July 20th, 2023, and voted to approve the following items:

- Approval of Model Form Interpretation 40 – 24 Month Adjustment Period
- Approval of Matt Hayward – JI Standing Committee Secretary

The Joint Interest Standing Committee met again on Thursday, September 21st, in a joint session with the Audit Committee that began with an engaging presentation from retired FBI agent, Bret Hood, on Basic Interviewing Skills for Financial Professionals. A presentation/discussion was then led by Matt Pilkington and James Wright concerning the Documents Review Task Force. Deb Retzloff then led a discussion on the voting draft of addendum #1 to MFI-57. After a small break the Joint Interest Standing Committee met, independently from the Audit Committee, from 11:53 a.m. to 12:01 p.m. (MT). There were 100 attendees from 13 societies. During this meeting, the Joint Interest Committee voted on numerous items:

- Approval of Fall 2022 Meeting Minutes - Unanimous
- Approval of Winter 2023 Meeting Minutes - Unanimous
- Approval of Spring 2023 Meeting Minutes - Unanimous
- Approval of Summer 2023 Meeting Minutes - Unanimous
- Approval of 2023 Employee Benefit Percentage Limitation - Unanimous

James then thanked Matt Hayward, Joint Interest Committee Secretary, and Chair, Patricia Ellington, for their help preparing the meeting even though Patricia was unable to attend. The JI Committee would like to encourage everyone to attend the Winter Meeting in January 2024 to participate in further discussions and would also like to thank COPAS of Colorado for hosting the Fall 2023 COPAS meeting.

Following the JI Committee Report, Craig Buck asked for any discussion on MFI-40 and the Employee Benefits Upper Limitation of 35% effective January 1, 2024.

Hearing none he first entertained a motion for approval of MFI-40, 24-Month Adjustment Period for Joint Account Adjustments. New Orleans moved, and Houston seconded. The vote was accomplished via roll call and passed unanimously, 15-0-0.

Craig then entertained a motion for approval of the Employee Benefits Upper Limitation of 35% beginning January 1, 2024. Michigan moved and Colorado seconded. The vote was taken via acclamation and the motion passed unanimously.

Education Standing Committee Report

The Education Committee met September 21st, from 1 – 4 pm.

There were 15 members in attendance – a 50% increase in attendance from the Spring meeting.

Kirk Foreman opened the meeting with a brief welcome followed by discussion regarding the Education Committee's need to recruit a vice chair and secretary along with a Board of Directors update. Kirk introduced the new incoming co-chairmen for the committee – Jeff Wright and Carolyn Szczepanski.

Dustan Mathews agreed to accept the position of Secretary. A couple other attendees were interested in the Vice Chair position, but none committed.

The speaker was Dwayne Purvis. His presentation about “Managing the Zombie well apocalypse and Orphaned wells” was a real eye-opener. Meeting attendees had many questions regarding the problems and huge costs associated with these wells.

Kirk Foreman followed the speaker with a status update presentation regarding the committee's Model Form Accounting Procedure Comparison.

The meeting concluded at 4 pm.

Financial Reporting and Small Oil and Gas Standing Committee Reports

Melissa Gruenewald delivered a summary provided by Ken Nollsch, Chair of the Financial Reporting Committee, on behalf of himself and Howard Hong, Chair of the Small Oil & Gas Committee. The Financial Reporting Committee and Small Oil & Gas Committee had a combined meeting in person on September 21 led by the Financial Reporting Committee Chair, Ken Nollsch. There were twenty-four (24) members in attendance. Kim Peyton, Board liaison, then provided an update from the COPAS Board of Directors. The meeting started with general introductions and a networking event that lasted for an hour. Following the networking event, Brett Lawson and Doug Reeb from Plante Moran led a session on *Financing Trends in Oil & Gas*. The session was extremely informational and had a very good back and forth. Following the *Financing Trends* session, Rich Boer and Bob Johnson, from FORVIS, led a session on *Federal & Energy Tax Credits*. The session focused on the number of different tax credits available at both the state and federal levels for oil & gas companies.

Ken expressed his thanks to COPAS of Colorado for hosting. The Cheyenne Mountain Resort proved to be a wonderful location for a COPAS meeting. Thank you to Howard Hong, the Small Oil and Gas Companies Committee chair for his effort in helping to organize the meeting.

The Financial Reporting Committee has enjoyed meeting with the Small Oil and Gas Companies Committee at the COPAS meetings and will do so again at the COPAS Spring 2024 meeting in Jacksonville, Florida.

Revenue Standing Committee Report

Jeremy Norton, Chair of the Revenue Committee, provided the Council with a summary of meetings during the Fall 2023 COPAS National Meeting. The COPAS Revenue Standing Committee and the Revenue Sub Committees held their meetings this week on Wednesday and Thursday, September 20 and 21, respectively. On Wednesday, Rebecca Paris provided the COPAS Board of Directors updates. The Committee then began our CPE presentations with topics including land and division orders, helium, updates from the Office of Natural Resources Revenue, gas plant audits, and detailed legislative updates. Over the two-day period, we had eight (8) different presentations offering eight and a half (8.5) hours of CPE. Both days were well attended with twenty-eight (28) in attendance on Wednesday and twenty-six (26) on Thursday from ten (10) different societies.

On Wednesday, after Rebecca's Board of Directors update, Amanda French with Trinity Petroleum Management provided the first presentation. She explained to us how land is acquired, and division order ownership is determined. This subject is important for revenue accountants to understand to ensure they are paying the correct owners. April Lockler and Chris Carey with the Office of Natural Resources Revenue (ONRR) then reported on the topics of rejected reports, override requests, and detailed valuation issues. They provided an update on leadership changes at the agency and clarification about how reporting flows through their system in periods of low or negative gas pricing. To conclude the day, Kathleen Sgamma with the Western Energy Alliance provided an update on legislative and executive actions happening at the federal level that are targeting oil and gas. She described the work she is doing, as an advocacy group, to explain to Congress what the various agencies are doing to defund oil and gas investment. An update from the team working on Accounting Guidelines 6 (Oil Accounting Manual) and 15 (Gas Accounting Manual) was given. These projects are progressing. Volunteers have been allocated between oil and gas and completed initial reviews to replace the agencies that no longer exist in the documents. The next phase is to complete the detailed review. This is going to take some time due to the length of these documents.

Thursday was a full day of CPE. Marty Tschida from Moss Adams began the day with a detailed presentation on Colorado production taxes (ad valorem and severance). There have been many changes recently that Marty was able explain. He also brought attention to more changes that are coming. Nate Wolf followed Marty and provided a state severance tax legislative update on pending and passed legislation for this year. Katie Hynes from Trinity Petroleum Management then gave a presentation on helium. This noble gas is used in all kinds of applications from rockets and missiles to MRI machine cooling and retail scanners. It is usually produced with methane and extracted from the gas stream prior to processing.

Before breaking for lunch, an open discussion was held for attendees to raise issues they are seeing and seek input from others for solutions. Our primary focus during this time was regarding skim oil. After lunch, Dan Hodgson, midstream subcommittee chair, provided us an overview of gas plant audits. These are complex and require understanding of multiple facets of the oil and gas operations. Because of the complexity of some of the midstream issues, Dan organized a focus on midstream Wednesday morning. The sessions provided four hours of CPE covering gas plant statements, gas measurement, and what the transition

to hydrogen could look like. Jeremy Norton concluded the day with a legislative update on pending and passed legislation related to royalties.

Jeremy thanked the Colorado Society for hosting the revenue committee in Colorado Springs!

APA® Program Report

Dan Hodgson, Vice Chair of the Board of Examiners (BOE), clarified the distinction between the BOE, the guardians of the exam in place to protect its integrity, and the review course created and marketed by the COPAS office. Though the BOE supported its creation, they did not take part in developing it. Dan stated that he is stepping away from the Vice Chair of the APA® Program, though he is not stepping away from his support of the exam. The BOE is growing with new members due to the success of the program. Dan shared his belief that APA® is the heart of COPAS, and Mike May will continue as Chair. Dan then recognized the newest APA®s, as well as established APA®s in the Council Meeting.

CEPS Control Panel Report

Dalin Error reported for the CEPS Control Panel. More than 70 surveys were mailed out in August. The deadline for the survey responses will be late October.

OCTG Mid-term adjustments are triggered with market changes of +/- 6%. Since the January 2023 implementation we have made four (4) adjustments for OCTG price fluctuations. The HPM's for OCTG prices have decreased 37% cumulatively year-to-date. Interim price adjustments were effective in the following months:

- March 2023: -7%
- May 2023: -9%
- July 2023: -9%
- August 2023: -12%

The panel will continue to monitor OCTG pricing and input HPM adjustments if necessary. Cumulative system adjustments for the year equate to a 37% decrease. Additionally, another -8% decrease at month end of August will necessitate another downwards adjustment to be made this month.

As can be seen, this is a volatile pricing environment. CEPS relies on its users to provide quality information for the surveys. If you are a CEPS subscriber and have not received your survey (or have a question about the CEPS contact on file), please contact Tom Wierman at the COPAS office or Cody Deckard at Martindale Consultants (c.deckard@marticons.com).

If your company is not utilizing CEPS for handling material transfers, but is interested, please contact Tom Wierman at the COPAS Office for more details and possible trial usage.

Industry Liaison Report

Craig reported there was no new information to share.

Ring of Honor

Craig Buck began the first of two Ring of Honor award recipients, Mr. John Clark, who received the awarded posthumously recognizing his many contributions to COPAS.

John was a member of the Tulsa society employed by Conoco Phillips who had served as National Revenue Committee Chair, was a member of the COPAS Board of Directors, served as COPAS President, was a member of the PMTA Committee, an active liaison to the Office of Natural Resources Management, previously the Minerals Management Service, and who sadly passed away in March of 2023.

The second award recipient, Deb Retzloff, is currently a member of the Houston Society, a former employee of Exxon/Mobil, on the Board of Directors, served as COPAS President, revitalized the COPAS Mentoring Advisory Committee by serving as its Chair, chaired multiple drafting teams, and has been of service to many in the Document Publication Process. Deb was not in attendance but received a standing ovation. Her award will be presented in person by Tom Wierman and Craig Buck when they speak at the local Houston meeting in October.

Eagle Award

Craig began his description of the Eagle Award recipient, Mr. Dalin Error, as a member of the Houston Society, employed by Freeport McMoran and Beacon Offshore, as well as working as an Independent Consultant, a past Audit Committee Chair, on the COPAS Board of Directors, served as COPAS President, has been on the CEPS Control Panel countless years, and is a significant contributor on multiple drafting teams.

Dalin was humbled by the award, and in true Dalin style, reminisced that when he was on the high school basketball B team, he would never have expected to be so deeply touched by an award from a bunch of Accountants.

Nomination Committee Report

Dalin Error, Vanessa Green, and Carol Tear made up the Nominating Committee for 2023 and met three times to discuss candidates for the COPAS Board of Directors. In addition to two Board Members who were running for a second term, Rebecca Paris and Kirk Foreman, the committee nominated Carol Tear for consideration of a seat on the 2024 COPAS Board of Directors.

Melissa Gruenewald was nominated by Carol Tear of the Oklahoma City society, Carolyn Szczepanski was nominated by the Dallas society, and Kody Impson was nominated by Craig Buck, also of the Oklahoma City society, to serve as the 2024 Nominating Committee

Craig entertained a motion to approve the election of the three 2024 Board of Directors: Kirk Foreman, Rebecca Paris, and Carol Tear. Michigan moved and Houston seconded. The vote was done via acclamation and the motion passed unanimously.

Craig then entertained a motion to approve the 2024 Nominating Committee made up of Melissa Gruenewald, Carolyn Szczepanski, and Kody Impson. Michigan moved and Mississippi seconded. The vote was done via acclamation and the motion passed unanimously.

Recognition of Retiring Board of Directors

Craig Buck recognized the contributions of Melissa Gruenewald and shared a story from early in Craig's career. Melissa once ran mock interviews for college students. Sometimes, the interviews, meant to help college students gain more skill in the process, yielded job offers. Craig was the recipient of an offer from Chesapeake when interviewed as a college student by Melissa, thereby starting his oil and gas accounting career.

Melissa thanked present and past COPAS Board of Directors and expressed her gratitude to Vanessa Galindo and Tom Wierman. She ended by saying it had been a joy and an honor to serve.

Future COPAS Meetings

Spring 2024 Council Meeting, Permian Basin Society

Jingnan (Nancy) Zheng with the Permian Basin Society expressed the society's honor to host the 126th COPAS National Meeting in Jacksonville, Florida. She offered an invitation to come join. A short video promoting the meeting can be accessed on YouTube titled, "National Meeting 2024 by PASB."

April 22-26, 2024

Hyatt Regency Riverfront
Jacksonville, Florida

Fall 2024 Council Meeting, San Antonio Society

Kirk Foreman with the San Antonio Society gave away two free registrations in the form of maracas.

(1) first timer – Cameron Bradshaw

(1) experienced "wise timer" – Dustan Mathews

September 23-27, 2024

Westin Riverwalk
San Antonio, Texas

Future Meetings

Spring 2025 – Arkansas/Tulsa

Nate Wolf provided an update of the jointly hosted meeting by Arkansas and Tulsa societies to be held at Embassy Suites in Rogers, Arkansas. The registration fee is currently approximately \$350 with room rates of \$169 and will be held April 20-25, 2025.

Fall 2025 – COPAS Office

Spring 2026 – Oklahoma City

Other Business

Mia Downing with the Oklahoma City society invited anyone and everyone to an OKC society hosted golf tournament on October 23rd at Lincoln Park Golf Course in Oklahoma City, Oklahoma. All are welcome, both members and non-members.

Jingnan (Nancy) Zheng with the Permian Basin society stated that many of their members were new to COPAS, and she asked of experienced COPAS members present with a strong knowledge based related to COPAS procedures and guidelines to share sage advice in order to help provide perspective and best practices. Dalin Error recommended their members throw themselves into an activity. When they hear of leadership roles, drafting teams, etc. volunteer. Even when your knowledge is lacking, jump in and learn as you go. Karla Bower added that she learned best by delving into the documents, one topic at a time. Bite off a little at a time. Deana Duell recommended watching videos like “The Prize” which have been very helpful in teaching employees new to the industry. Tom Wierman suggested bringing in COPAS Energy Education where COPAS specific content, taught by knowledgeable and experienced teachers who can answer questions, can be a good teaching tool.

Dan Hodgson made mention of his hopes to create a Midstream Subcommittee by convincing local societies to invest in Midstream Subcommittees of their own. He pointed out that most societies are not built to address midstream concerns, but it’s an important part of our business. Dan is willing to put in the effort to get companies involved and needs some contacts at the local level. He challenged societies to go back to their local Boards and discuss whether they have room for a midstream subcommittee, and then begin recruiting local companies.

Adjournment

Craig entertained a motion to adjourn. Colorado moved and Wichita Falls seconded. The motion carried 15-0-0. The meeting was adjourned at 10:00 a.m. (MT).

Respectfully Submitted,

Rebecca Paris

COPAS Secretary



Turning Energy Into Synergy

COUNCIL OF PETROLEUM ACCOUNTANTS SOCIETIES, INC. (COPAS)

GENERAL COUNCIL

December 20, 2023

Via Email

Societies Present and Voting:

Permian – Savannah Ballard

Kansas – Brian Wilkinson

Tulsa – Nate Wolf

Houston – Lisa Collins

Austin – Heather Jank

New Orleans – Scott Barrios

New Mexico – Dan Lewis

Rocky Mountain – Jon Dahlin

Corpus Christi – Brenda Hottel

Acadiana – Judith Faulk

Dallas – Joe Lavis

Michigan – Dan Triezenberg

Colorado – Jenny Simpson

Alaska – Erin Ruebelmann

Arkansas – Rick Jones

San Antonio – Kirk Foreman

Oklahoma City – Mia Downing

Mississippi – Quint Withers

Appalachia – Ted Pettko

Fort Worth – Jessica Morales

California – Brandy Dupee

Executive Director, Tom Wierman, sent an email to all society presidents on behalf of COPAS President, Craig Buck, on December 10, 2023, at 11:55 AM (CT):

Council Voting Representatives,

Recently, Nancy Brown (Arkansas), one of our current Board members, resigned, leaving us with only eight active members. With the number of urgent items, the Board is trying to tackle currently, we feel it is best to replace Nancy as soon as possible. With this in mind, we would like to call a special electronic meeting in accordance with the Bylaws section listed below to elect a new Board member for the remainder of Nancy's term (2 years).

In the event of an emergency or urgent Council voting matter only, a special electronic or telephonic meeting or an electronic virtual meeting shall be called by the President, by a majority of members of the Board of Directors, or by a majority of Council representatives. The notice of the meeting shall be given by the President, or by the Vice President if the President fails to issue such notice, at least ten (10) days prior to the date of the meeting giving the time and purpose of the meeting in reasonable detail with agenda items identified on which a vote is anticipated. Such meeting must be approved by

at least two-thirds (2/3) of the Societies eligible to vote as of the date of the proposed meeting, via electronic means within five (5) business days following notice of such meeting. Business conducted at this meeting shall be limited to those items identified in the meeting agenda. Technology used must be commonly available to the voting representatives and allow open, immediate debate and discussion among the representatives in attendance.

We would like to hold an e-mail meeting on Wednesday, 12/20/23, for the sole purpose of electing Scott Barrios (New Orleans) to fill the remainder of the vacant term. No other Council business will be handled during this meeting. We will call the meeting to order at 8:00 A.M. (CST) and leave the floor open for debate and discussion via e-mail to all Council voting representatives until 12:00 P.M. (CST). Barring any negating discussion, at 12:00 P.M. (CST) we will call for a Council vote to elect Scott Barrios to the Board. The vote will be conducted via e-mail and will be left open from 12:00 P.M. to 1:00 P.M. (CST). The vote will be tabulated by the Board Secretary, and I will send the results to the Council upon completion.

Please respond to this e-mail in favor or opposed to this special electronic meeting by end of business Friday, 12/15/23, so we can see if we have the 2/3 majority needed to move forward with the meeting on 12/20/23. Please include your name and society when registering your vote.

Attached is Scott's biography in preparation for a potential vote. If you have any questions, feel free to reach out to me or Tom Wierman to discuss.

Vote:

Twenty-one of the twenty-three COPAS societies responded by the deadline of December 15, 2023. A quorum was present. The vote was 21-0-0 in favor of holding a special electronic meeting to elect Scott Barrios as the replacement Board member. Motion passed.

Craig Buck called the special meeting to order on December 20, 2023, at 8:07 AM (CT), and opened the floor for comments via e-mail, to remain open until 12:00 PM (CT). Seeing no discussion, at 12:03 PM (CT), Craig opened the meeting to confirm the candidate, Scott Barrios, to fill the vacant two-year term on the Board of Directors. He stated the vote would remain open until 1:00 PM (CT).

Vote:

Sixteen of the twenty-three COPAS societies responded by the deadline of 1:00 PM (CT) on December 20, 2023. A quorum was present. The vote was 16-0-0 in favor of electing Scott Barrios to the COPAS Board of Directors for the remainder of Nancy Brown's term. Motion passed.

Respectfully Submitted,

Rebecca Paris
COPAS Secretary



January 22, 2024

To: Tom Wierman, COPAS Executive Director
Subject: 2025 Recommended COPAS Member Assessments

The COPAS Board of Directors met on January 29, 2024, to establish the COPAS member assessment rates to be effective as of January 1, 2025.

In order to ensure a reasonable, predictable and independent adjustment to member assessment, the board followed the guidance adopted in the prior year when determining the proposed membership assessment rate. A published index, similar to one used in calculating the annual COPAS Audit Per Diem adjustment percentage (rounded to the nearest \$5), was applied. The Board recommends the 2025 member assessments as follows: \$115 for members of Participating Societies, \$150 for COPAS Limited members, and \$25 for New Limited member initiation fees.

The 2025 member assessments will be a voting item at the Spring Council meeting. Please include this letter in the 60-day notice.

Respectfully,

Carole Tear

COPAS Treasurer

Calculation of Adjustment as of 1/16/2023

Original Data Value

Series Id: CEU6054000030
 Not Seasonally Adjusted
 Series Title: Average weekly earnings of production and nonsupervisory employees, professional and technical services, not seasonally adjusted
 Super Sector: Professional and business services
 Industry: Professional and technical services
 NAICS Code: 54
 Data Type: AVERAGE WEEKLY EARNINGS OF PRODUCTION AND NONSUPERVISORY EMPLOYEES
 Years: 2010 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Sep	Oct	Nov	Dec	Annual	
2010	1036.41	1044.50	1045.30	1053.86	1110.81	1062.66	1068.71	1112.01	1073.65	1096.36	1088.49	1084.74	1073.45
2011	1114.35	1084.32	1072.21	1086.25	1119.72	1080.23	1080.28	1076.51	1083.67	1135.04	1087.07	1084.73	1091.96
2012	1113.32	1080.64	1070.93	1130.13	1088.08	1092.62	1126.94	1095.48	1147.42	1101.70	1103.60	1150.91	1109.20
2013	1094.30	1118.16	1110.75	1117.08	1113.49	1164.02	1108.31	1118.64	1169.36	1126.63	1137.96	1176.86	1129.60
2014	1126.94	1180.17	1195.24	1161.24	1168.84	1204.64	1154.55	1163.93	1164.55	1167.84	1222.32	1167.84	1173.46
2015	1164.57	1215.77	1215.40	1180.84	1184.76	1183.74	1182.80	1239.11	1186.20	1202.93	1257.01	1200.69	1201.23
2016	1201.32	1262.61	1265.46	1217.38	1260.58	1213.79	1220.54	1217.04	1223.43	1302.37	1285.76	1222.75	1223.94
2017	1262.61	1287.81	1223.07	1284.32	1232.28	1237.83	1280.20	1237.51	1230.14	1302.37	1285.76	1222.75	1223.94
2018	1265.94	1294.46	1295.91	1303.96	1302.49	1360.24	1289.22	1321.32	1371.96	1322.34	1291.96	1345.15	1294.63
2019	1312.79	1380.81	1373.80	1359.82	1349.06	1339.40	1343.16	1414.84	1355.19	1372.64	1436.63	1380.65	1386.57
2020	1385.38	1383.56	1386.64	1409.85	1470.16	1408.17	1420.33	1463.13	1431.61	1462.13	1457.45	1462.16	1430.03
2021	1530.41	1485.96	1478.62	1509.84	1554.34	1501.61	1508.42	1510.37	1525.25	1589.87	1530.08	1533.90	1521.96
2022	1600.35	1559.95	1554.40	1647.13	1570.96	1568.19	1635.38	1573.80	1589.84	1655.03	1655.03	1595.35	1595.49

2025 Calculation	
2022 Index	1521.56
2023 Index	1595.49
Change	73.93
Percentage Change	4.859%

Participating member
 2024 Rate: \$ 110.00
 2025 Rate Calculation: \$ 115.34
 2025 Rate rounded to nearest \$5: \$ 115.00

New Limited initiation
 2024 Rate: \$ 25.00
 2025 Rate Calculation: \$ 26.21
 2025 Rate rounded to nearest \$5: \$ 25.00

Limited member
 2024 Rate: \$ 145.00
 2025 Rate Calculation: \$ 152.05
 2025 Rate rounded to nearest \$5: \$ 150.00

<https://beta.bls.gov/dataViewer/view/timeseries/CEU6054000030>

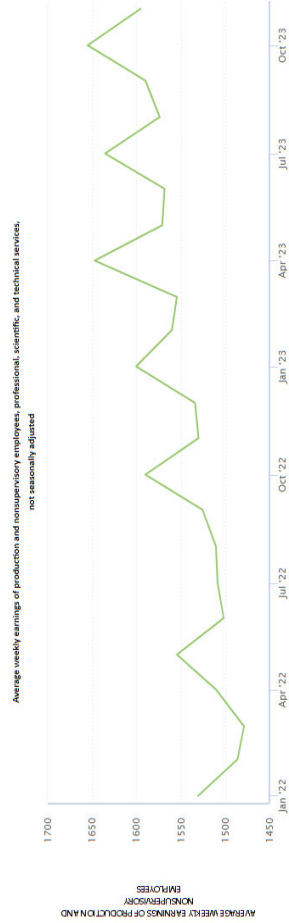
2022 Jan 2022 Feb 2022 Mar 2022 Apr 2022 May 2022 Jun 2022 Jul 2022 Aug 2022 Sep 2022 Oct 2022 Nov 2022 Dec 2022 Jan 2023 Feb 2023 Mar 2023 Apr 2023 May 2023 Jun 2023 Jul 2023 Aug 2023 Sep 2023 Oct 2023 Nov 2023
 1530.41 1485.96 1478.62 1509.84 1554.34 1501.61 1508.42 1510.37 1525.25 1589.87 1530.08 1533.9 1600.35 1559.95 1554.4 1647.13 1570.96 1568.19 1635.38 1573.8 1589.84 1655.03 1595.35 (P)

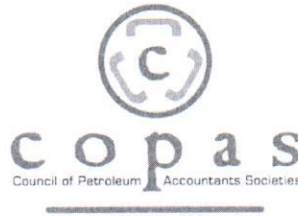
Data extracted on: Jan 11, 2024 (10:19:12 AM)

Employment, Hours, and Earnings from the Current Employment Statistics survey (National)

Series Title : Average weekly earnings of production and nonsupervisory employees, professional, scientific, and technical services, not seasonally adjusted
 Series ID : CEU6054000030
 Seasonality : Not Seasonally Adjusted
 Survey Name : Employment - Hours and Earnings from the Current Employment Statistics survey (National)
 Measure Data Type : AVERAGE WEEKLY EARNINGS OF PRODUCTION AND NONSUPERVISORY EMPLOYEES
 Industry : Professional, scientific, and technical services
 Sector : Professional and business services

Latest Observation: November 2023
1595.35
 Jan 2022 - Nov 2023
 Minimum Value: March 2022
 1478.62
 Maximum Value: October 2023
 1655.03
 Data Availability: 1990 - 2023





COUNCIL OF PETROLEUM ACCOUNTANTS SOCIETY OF ACADIANA
PO BOX 51925
LAFAYETTE, LA 70505-3266

RESOLUTION OF COPAS OF ACADIANA CHAPTER

WHEREAS, COPAS of Acadiana "Acadiana", is a Nonprofit Organization, qualified pursuant to the provisions of Internal Revenue Code Section 501(c)(6), and

WHEREAS, Acadiana, recognizes that each Participating Society must meet annual COPAS membership requirements to maintain its status as a Participating Society and the chapter is not in compliance with the following requirements:

- The membership consisting of 25 or more individuals representing five or more companies;
- Has a minimum of two accounting study committees actively studying accounting areas of interest similar to those of the COPAS Standing Committees;
- Is represented at and participates in at least one Council meeting and one other COPAS activity each calendar year. (Other COPAS activities include the Leadership Conference, Board of Directors Meetings, and COPAS Standing, Special and Sub- Committee meetings);

WHEREAS, the Acadiana chapter, is committed to effectively serving the members of the chapter and NOW, THEREFORE BE IT RESOLVED as follows:

1. That, Acadiana is committed to providing membership privileges of the National COPAS organization.
2. The National office of COPAS has recommended the merger of the Acadiana chapter into the New Orleans Chapter of COPAS to maintain the benefits of the organization.
3. A Resolution to merge the Acadiana chapter with the New Orleans chapter was voted on by e-mail of the Acadiana Chapter membership at which a quorum voted, and at which the requisite percentage of the quorum voted to adopt the Resolution.
4. All accounting records, tax filings and other administrative matters are maintained by the Chapter president, Judith Faulk. All filings with the Internal Revenue Service are current through June 30, 2022. The filing of the June 30, 2023 Form 990-N will be filed as well as the final short period return for the year beginning July 1, 2023.
5. A vote to merge the Acadiana chapter with the New Orleans chapter was approved by the New Orleans chapter.

I, the undersigned, certify that the foregoing is true and correct.

By: *Judith Faulk 7-24-23*

Judith Faulk, President



Remote Technology Centers

MODEL FORM INTERPRETATION MFI – 57 AD-1

Joint Interest and Audit Committee Approved
January 25, 2024



MODEL FORM INTERPRETATION MFI-57 AD-1

Remote Technology Centers (COPAS 2022)

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For Council Approval April 26, 2024

I. INTRODUCTION

MFI-57, *Remote Technology Centers*, was approved by COPAS in April 2021, prior to the approval of MF-8 (COPAS 2022 Model Form Accounting Procedure) in October 2022. MFI-57 did not address the COPAS 2022 Model Form Accounting Procedure. The purpose of this Addendum is to include a discussion of that model form. The Addendum only addresses chargeability related to Remote Technology Centers under the COPAS 2022 Model Form Accounting Procedure. For other chargeability issues under that accounting procedure, see MFI-58, *COPAS 2022 Model Form Accounting Procedure Interpretation*.

II. RTC DEFINITION and CONSIDERATIONS

The COPAS 2022 Model Form Accounting Procedure's definition of a Remote Technology Center (RTC) is:

"Remote Technology Center" means a facility, regardless of location, having dedicated technical and/or operations staffing, that directly monitors and/or controls Joint Operations on a real-time basis.

This is the same definition as the COPAS Deepwater Model Form Accounting Procedure.

III. RTC CHARGEABILITY CONSIDERATIONS

A. RTC Facility and Equipment Cost Chargeability

The cost of the physical RTC and corresponding equipment are valid charges to the Joint Account primarily under the Equipment and Facilities Furnished by Operator provision of the various COPAS model form accounting procedures.

The COPAS 2022 Model Form Accounting Procedure, under Section II.6 (Equipment and Facilities Furnished by Operator), allows charges "for use of equipment and facilities furnished by Operator, including production facilities, Shore Base Facilities, Offshore Facilities, Field Offices, and Remote Technology Centers." Charges for the use of such equipment and facilities shall be made at either (a) "...rates commensurate with the cost of ownership and operation.... Such rates shall not exceed the commercial rates currently prevailing in the area of the Joint Operations.", or (b) "In lieu of charges in Section II.6.A, the Operator may elect to use commercial rates prevailing in the area of the Joint Operations, less 20%."

Section II.12 (Communications) allows direct charges to the Joint Account for the costs of installing, operating, repairing, and maintaining communication systems directly supporting Joint Operations.

The COPAS 2022 Model Form Accounting Procedure also has provisions for charging the cost of third-party service providers per Section II.5 (Services) and for charging the cost of goods and services provided by an Affiliate per Section II.7 (Affiliates). These provisions support charging the cost of an RTC and equipment when an RTC is provided by someone other than the Operator.

B. RTC Labor Cost Chargeability

COPAS 2022 Model Form Accounting Procedure

As provided in Section II.C.3 (Labor Costs) of MFI-57, two categories of RTC facility labor were identified: Dedicated Facility Labor which includes personnel required to operate the facility and Non-Dedicated Facility Labor associated with personnel who only utilize the RTC on an as-needed basis. Reference MFI-57 for specific types of personnel and functions included in these facility labor categories.

Dedicated Facility Labor

This labor is chargeable either under the same provisions listed above for RTC Facility and Equipment Cost Chargeability or under the Labor provision (Section II.2.A).

For an RTC provided by an Operator, Section II.6 (Equipment and Facilities Furnished by Operator) states “Charges for use of such equipment and facilities will be made at rates commensurate with the cost of ownership and operation. Such rates may include labor, maintenance, repairs, and other operating expense, insurance, taxes.....”. The inclusion of labor as a cost of ownership and operation supports chargeability of this labor.

By definition, a “Remote Technology Center” is a facility that serves the Joint Operations. Therefore, the salaries and wages for Operator’s employees who operate the Remote Technology Center are chargeable as labor “directly engaged in operating Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint Property” (Section II.2.A(2)) (Labor).

Additionally, Section II.12 (Communications) allows direct charges for “Costs of acquiring, leasing, installing, operating, repairing, maintaining, dismantling, and abandoning communication facilities or systems directly supporting Joint Operations. Such costs include hardware, software, labor, field buildings that house the communication system, and communication links”. Because labor is a cost of providing communication services, this supports charging Dedicated Facility Labor associated with these activities.

The COPAS 2022 Model Form Accounting Procedure also has provisions for charging the cost of third-party service providers per Section II.5 (Services) and for charging the cost of goods and services provided by an Affiliate per Section II.7 (Affiliates). These provisions support charging the Dedicated Facility Labor of an RTC provided by someone other than the Operator.

Non-Dedicated Facility Labor

The chargeability of this labor is determined by Section II.2.A. (Labor) which allows charges for Operator’s employees:

- (1) directly engaged in operating the Joint Property;

- (2) directly engaged in operating Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint Property if such costs are not included in the rates charged under Section II.6 (*Equipment and Facilities Furnished by Operator*) and are not a function covered under Section III (*Overhead*);
- (3) directly engaged in First Level Supervision of operations employees chargeable under II.2.A.(1) and (2);
- (4) directly engaged in providing Technical Services for:
- (a) design and drafting for a Major Construction or Catastrophe project, or Environmental Project, or technical design for the drilling, completing, sidetracking, deepening, or extending of a well; or
 - (b) handling or addressing specific operating conditions or problems for:
 - (i) drilling, re-drilling, deepening, plugging back, recompleting, or sidetracking; operations through the latter of completion or through plugging and abandonment if the well is a dry hole;
 - (ii) workovers, remediation, repairs, or reworks;
 - (iii) isolating, de-completing, or securing a well to protect it from operations conducted on an offset well;
 - (iv) Major Construction projects;
 - (v) Catastrophe projects;
 - (vi) Environmental Projects;
 - (vii) implementing new, or non-routine updates to, HSE Laws or standards required or recommended by governmental authorities having jurisdiction; or
 - (viii) plugging and abandonment operations.
- (5) directly engaged in performing the following functions for Joint Operations:
- (i) negotiating with landowners to acquire surface and subsurface rights to build, install, and access wells and other operations infrastructure; but excluding negotiations to acquire leasehold or mineral rights;
 - (ii) meeting with landowners, regulatory personnel, or survey crews to select sites for conducting Joint Operations and related infrastructure needed to carry out operations;
 - (iii) overseeing surveying and staking of locations, and line locating;
 - (iv) acquiring water rights;
 - (v) assessing damages in the field and negotiating settlements with landowners; or
 - (vi) conducting inspections in the field to verify compliance with surface use agreements or Laws.

For an employee to be charged under item (1), they must be directly engaged in operating the Joint Property. The interpretive language in the COPAS 2022 Model Form Accounting Procedure Interpretation states “The employees do not necessarily have to be on the contract or unit area. Some operations may be conducted in other locations such as a well pad or facility located off the contract area, a facility that remotely controls operations, or a construction yard where equipment used for Joint Operations is being assembled or fabricated. Chargeable

functions include monitoring or inspecting the well site, preventive maintenance, corrective maintenance and may be done remotely. Conversely, someone located on the contract area or unit area is not necessarily chargeable, if performing overhead functions.”

For an employee to be charged under item (2), they must be directly engaged in operating Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint Property. Because an RTC would be considered an “other facility serving the Joint Property, this provision supports charging Non-Dedicated Facility Labor if they are directly engaged in operating the RTC and if the labor costs are not included in the rates charged under Section II.6 (Equipment and Facilities Furnished by Operator) and the functions performed are not covered by Section III (Overhead).

For an employee to be charged under item (3), they must be directly engaged in First Level Supervision of operations employees chargeable under Section II.2.A(1) and (2). Section I.1 (Definitions) defines First Level Supervision as “...those individuals whose primary function in Joint Operations is the direct oversight of directly chargeable employees and contractors who operate the Joint Property.” Therefore, this provision supports charging Non-Dedicated Facility Labor if the employee qualifies as First Level Supervision by overseeing employees operating the Joint Property, or other facilities serving the Joint Property.

For an employee to be charged under item (4), they must be directly engaged in providing Technical Services for the activities/operations listed under Section II.2.A(4)(a) and (b). Therefore, this provision supports charging Non-Dedicated Facility Labor if the employee provides Technical Services for the activities/operations listed in Sections II.2.A(4).

The functions listed under item (5) are not RTC functions and therefore item (5) labor is not chargeable as an RTC cost.

The COPAS 2022 Model Form Accounting Procedure also has provisions for charging the cost of third-party service providers per Section II.5 (Services) and for charging the cost of goods and services provided by an Affiliate per Section II.7 (Affiliates). These provisions support charging the cost of Non-Dedicated Facility Labor when the RTC labor is provided by someone other than the Operator, if they are performing chargeable functions and not functions covered by overhead. There may, however, be other requirements for charging Affiliate labor, under Section II.7 (Affiliates) of the accounting procedure, or in the operating agreement.

Section II.13 (Health, Safety and Environment) also supports charging Non-Dedicated Facility Labor if someone is using the RTC to control/monitor the cleanup of a spill on the joint property per Section II.13(ii) or if someone is controlling/monitoring HSE assessments, surveys, or testing per Section II.13(iii).

CHARGEABILITY SUMMARY CHART

Chargeability Based on COPAS Accounting Procedure Referenced	
RTC Cost Category	COPAS 2022
Dedicated RTC Facility Space and Equipment – Notes (1) and (2)	Yes
RTC Dedicated Facility Labor – Notes (1) and (3)	Yes
RTC Non-Dedicated Facility Labor – Technical – Note (4)	Yes
RTC Non-Dedicated Facility Labor – First Level Supervision – Note (5)	Yes
RTC Non-Dedicated Facility Labor – Administrative and Other (Note 6)	No, except incidental 3 rd party

- (1) If RTC owned by Operator: Section II.6 (Equipment and Facilities Furnished by Operator); If RTC provided by third-party Section II.5 (Services); If RTC provided by Affiliate: Section II.7 (Affiliates).
- (2) Remote Technology Center specifically identified as a facility under Section II.6 (Equipment and Facilities Furnished by Operator) and lists communication facilities and systems directly supporting Joint Operations as chargeable under Section II.12 (Communications).
- (3) Chargeability covered under Section II.2 (Labor) and other provisions such as Section II.5 (Services) and Section II.7 (Affiliates).
- (4) Chargeability of technical personnel depends on whether personnel are engaged in providing Technical Services for specified design and drafting functions or handling or addressing specific operating conditions or problems for a specified list of functions per Section II.2.(4)(a) and (b) (Labor). Technical Services provided by third parties are chargeable under Section II.5 (Services) and Section II.7 (Affiliates), as applicable. Personnel in the RTC who are controlling/monitoring a) the actual cleanup of a spill on the joint property or b) the conduct of HSE assessments, surveys, or testing are chargeable per Section II.13(ii) and (iii) (Health, Safety and Environment).
- (5) Chargeability criteria requires First Level Supervision of operations employees chargeable under Section II.2.A.(1) and (2) (Labor), where employees are directly engaged in operating the Joint Property or facilities serving the Joint Property.
- (6) For services provided by third party, incidental administrative and other costs incurred by the third-party vendor that are an integral part of providing chargeable services are chargeable under Section II.5 (Services).

IV. APPENDICES

APPENDIX LISTING

- A. COPAS 2022 CHARGEABILITY BY TYPE OF COST
- B. COPAS 2022 MODEL FORM REFERENCES

For Council Approval April 26, 2024

APPENDIX A – COPAS 2022 CHARGEABILITY BY TYPE OF COST

Type of Cost	Cost Recovery Category	Chargeability
Operator's rent and utilities for the dedicated RTC space, including desks/furniture/office equipment used in this dedicated space.	RTC Facility and Equipment	Section II.6 (Equipment and Facilities Furnished by Operator) allows Operator to charge for use of equipment and facilities furnished by Operator and Remote Technology Centers are specifically included as a chargeable facility. Rates to be used are to be commensurate with the cost of ownership and operation or Operator has option to use commercial rates prevailing in the area of the Joint Operations, less 20%.
Operator owned computer systems or other technologies in the field that generate the data used in the RTC	RTC Facility and Equipment	Section II.6 (Equipment and Facilities Furnished by Operator) allows Operator to charge for use of equipment and facilities furnished by Operator. Additionally, Section II.12 (Communications) allows charges for communication facilities or systems directly supporting Joint Operations. Such costs include hardware, software, labor, field buildings that house the communication system, and communication links.
Operator owned equipment related to communications systems such as fiber optic cables.	RTC Facility and Equipment	Section II.6 (Equipment and Facilities Furnished by Operator) allows Operator to charge for use of equipment and facilities furnished by Operator. Additionally, Section II.12 (Communications) allows charges for communication facilities or systems directly supporting Joint Operations.
Operator owned equipment which comprises the RTC such as computers, monitors, control	RTC Facility and Equipment	Section II.6 (Equipment and Facilities Furnished by Operator) allows Operator to charge for use of equipment and facilities furnished by Operator and Remote

Type of Cost	Cost Recovery Category	Chargeability
components, projectors, hardware, and software		Technology Centers are specifically included as a chargeable facility. Additionally, Section II.12 (Communications) allows charges for communication facilities or systems directly supporting Joint Operations.
Third-party fees for use of third-party RTC	RTC Facility and Equipment	Section II.5 (Services) allows charges for cost of third-party services, equipment, and utilities used in Joint Operations (excluding those provided by Affiliates, services covered under Section II.9 (Legal Expense), and functions specifically identified in Section III (Overhead) as covered by overhead). Incidental administrative and other costs incurred by the third-party vendor that are an integral part of providing chargeable services, are chargeable.
Rent and utilities related to conference rooms/offices of asset team members located adjacent to the RTC/other non-dedicated areas.	Overhead	These costs are covered by overhead and should not be included in the RTC rate calculation.
Desks/furniture/office equipment used in conference rooms/offices of asset team members located adjacent to the RTC/other non-dedicated areas.	Overhead	These costs are covered by overhead and should not be included in the RTC rate calculation.
Laptops or desktop computers not dedicated to use for remote monitoring/control used by personnel who are not chargeable	Overhead	These costs are covered by overhead and should not be included in the RTC rate calculation.

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Dedicated personnel performing monitoring and/or control functions	Dedicated Facility Labor	Dedicated Facility Labor is included in the RTC rate calculation as the labor component of Operator furnished equipment under Section II.6 (Equipment and Facilities Furnished by Operator). Additionally, chargeable under Section II.2.A(1) and (2) (Labor) as labor directly engaged in operating the Joint Property or operating Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint Property since the RTC would be an "other facility serving the Joint Property".
IT personnel who work on communications and computer equipment	Dedicated Facility Labor	For facility equipment charged as part of the RTC rate, the cost of personnel who configure and maintain the equipment should also be charged as part of the rate. If the equipment is directly charged, the associated cost of personnel configuring and maintaining the equipment should be charged directly, and not included in the RTC rate. Labor is a chargeable component of communications cost under Section II.6 (Equipment and Facilities Furnished by Operator) and Section II.12 (Communications).
Supervisors of RTC Personnel	Dedicated Facility Labor	Direct supervision of Dedicated Facility Labor is considered chargeable as a cost of operations for labor under Section II.6 (Equipment and Facilities Furnished by Operator), assuming the supervision qualifies as RTC Facility Supervision.
Asset team technical personnel performing analytical work that would historically have been done offsite	Non-Dedicated Facility Labor	Chargeable if directly engaged in providing Technical Services for the criteria provided in Section II.2.A(4)(a) for design and drafting, or technical design; or Section II.2.A(4)(b) (Labor) for handling or addressing specific operating conditions or problems.

Type of Cost	Cost Recovery Category	Chargeability
<p>Asset team technical personnel performing work in the RTC that historically would have required trips to the field</p> <p>Asset team members with offices adjacent to the dedicated RTC space.</p>		<p>The asset team is comprised of people whose time is typically not directly chargeable. However, their time could become chargeable if they perform chargeable services, such as technical services, as outlined in this addendum.</p>
<p>Administrative Support</p>	<p>Overhead</p>	<p>These costs are covered by overhead and should not be included in the RTC rate calculation, except for incidental administrative and other costs incurred by the third-party vendor that are an integral part of providing chargeable services as provided under Section II.5 (Services).</p>

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APPENDIX B – COPAS 2022 MODEL FORM REFERENCES

RTC Cost Component	COPAS 2022
Facility, Equipment	<p><u>Section II.6 EQUIPMENT AND FACILITIES FURNISHED BY OPERATOR</u></p> <p>The Operator shall charge the Joint Account for use of equipment and facilities furnished by Operator, including production facilities, Shore Base Facilities, Offshore Facilities, Field Offices, and Remote Technology Centers. The cost of Field Offices are chargeable only to the extent the Field Offices provide direct service to individuals who are chargeable pursuant to Section II.2.A (<i>Labor</i>), Section II.5 (<i>Services</i>), or II.7 (<i>Affiliates</i>), as applicable.</p> <p>In the absence of a separately negotiated agreement, equipment and facilities furnished by the Operator will be charged as follows:</p> <p>A. Charges for use of such equipment and facilities will be made at rates commensurate with the cost of ownership and operation. Such rates may include labor, maintenance, repairs, other operating expense, insurance, taxes, depreciation using straight line depreciation method, and interest on gross investment, less accumulated depreciation, not to exceed 10% per annum; provided, however, depreciation shall not be charged when the equipment and facilities investment has been fully depreciated. The rate may include an element of the estimated cost for abandonment, reclamation, and dismantlement. Such rates shall not exceed the commercial rates currently prevailing in the area of the Joint Operations.</p> <p>B. In lieu of charges in Section II.6.A, the Operator may elect to use commercial rates prevailing in the area of the Joint Operations, less 20%. If equipment and facilities are charged under this Section II.6.B, the Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation. For automotive equipment, the Operator may elect to use rates published by COPAS. If COPAS ceases or fails to publish such rates, Operator may charge vehicle rates based on a method comparable to that most recently used by COPAS.</p>
Communication, Technology	<p><u>Section II.12 COMMUNICATIONS</u></p> <p>Costs of acquiring, leasing, installing, operating, repairing, maintaining dismantling, and abandoning communication facilities or systems directly supporting Joint Operations. Such costs include hardware, software, labor, field buildings that house the communication system, and communication links.</p>
Labor Operator	<p><u>Section II.2 LABOR</u></p> <p>A. Salaries and wages, including Operator’s established incentive compensation programs that are based on pre-determined metrics and are an integral part of salary programs, other than burdens on production, for Operator’s employees:</p> <ul style="list-style-type: none"> (1) directly engaged in operating the Joint Property; (2) directly engaged in operating Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint Property if such costs are not included in the rates charged under Section II.6 (<i>Equipment and Facilities Furnished by Operator</i>) and are not a function covered under Section III (<i>Overhead</i>); (3) directly engaged in First Level Supervision of operations employees chargeable under II.2.A.(1) and (2); (4) directly engaged in providing Technical Services for: <ul style="list-style-type: none"> (a) design and drafting for a Major Construction or Catastrophe project, or Environmental Project, or technical design for the drilling, completing, sidetracking, deepening, or extending of a well; or (b) handling or addressing specific operating conditions or problems for: <ul style="list-style-type: none"> (i) drilling, redrilling, deepening, plugging back, recompleting, or sidetracking; operations through the latter of completion or through plugging and abandonment if the well is a dry hole; (ii) workovers, remediation, repairs, or reworks; (iii) isolating, decompleting, or securing a well to protect it from operations conducted on an offset well; (iv) Major Construction projects; (v) Catastrophe projects; (vi) Environmental Projects;

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	<p>(vii) implementing new, or non-routine updates to, HSE Laws or standards required or recommended by governmental authorities having jurisdiction; or</p> <p>(viii) plugging and abandonment operations.</p> <p>(5) directly engaged in performing the following functions for Joint Operations:</p> <ul style="list-style-type: none"> (i) negotiating with landowners to acquire surface and subsurface rights to build, install, and access wells and other operations infrastructure; but excluding negotiations to acquire leasehold or mineral rights; (ii) meeting with landowners, regulatory personnel, or survey crews to select sites for conducting Joint Operations and related infrastructure needed to carry out operations; (iii) overseeing surveying and staking of locations, and line locating; (iv) acquiring water rights; (v) assessing damages in the field and negotiating settlements with landowners; or (vi) conducting inspections in the field to verify compliance with surface use agreements or Laws.
Third Party	<p><u>Section II.5 SERVICES</u></p> <p>The cost of third-party services, equipment, and utilities used in Joint Operations, except as follows:</p> <ul style="list-style-type: none"> (i) goods and services provided by Operator’s Affiliates, which are covered by Section II.7 (<i>Affiliates</i>); (ii) services covered by Section II.9 (<i>Legal Expense</i>); and (iii) functions specifically identified in Section III (<i>Overhead</i>) as covered by overhead. <p>Notwithstanding the foregoing, chargeable costs include incidental administrative and other costs incurred by the third-party vendor that are an integral part of providing chargeable services.</p> <p>Awards paid to contractors whose goods or services are chargeable under this Section II.5 are chargeable to the Joint Account if they pertain to services directly benefitting Joint Operations, are an established award program, and are based on pre-determined metrics. The Operator may charge the Joint Account for operational, technical, HSE, government-mandated, or government-recommended training for third parties who are chargeable under this Section II.5.</p>
Technical Personnel (Operator and Third Party)	<p><u>Section III OVERHEAD</u></p> <p>The Operator is entitled to charge overhead fees to the Joint Account in accordance with this Section as reimbursement for costs incurred by it that are not directly chargeable to the Joint Account. The overhead fees are reimbursement for the functions listed in the next paragraph and any other expenditures not classified as directly chargeable under Section II (<i>Direct Charges</i>).</p> <p>Functions included in the overhead rates regardless of whether performed by the Operator, Operator’s Affiliates or third parties, and regardless of location, include the following:</p> <ul style="list-style-type: none"> • warehousing, other than for warehouses that are jointly owned under the Agreement • costs of conducting inventories that are not chargeable under Section V (<i>Inventories of Controllable Material</i>) • procurement • administration • accounting and auditing • pipeline nominations and scheduling • human resources • management • supervision not directly chargeable under Section II.2 (<i>Labor</i>) • legal services not directly chargeable under Section II.9 (<i>Legal Expense</i>) • handling tax matters, other than those costs identified as directly chargeable under Section II.10 (<i>Taxes, Permits and Statutory Fees</i>) • permitting and regulatory work not directly chargeable under the Agreement or Section II.9 (<i>Legal Expense</i>), such as: preparing and monitoring of permits or certifications; preparing regulatory reports; reviewing, interpreting, or submitting comments on, or lobbying with respect to, Laws or proposed Laws • land and division order services that are not chargeable under the Agreement or Sections II.2 (<i>Labor</i>) or II.9 (<i>Legal Expense</i>) • Technical Services not chargeable under Section II.2.A.(4).

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	<p>Overhead charges are considered reimbursement for all costs and expenses associated with functions not directly chargeable, including the salaries or wages plus applicable Payroll Burden and Benefits, and Personal Expenses of individuals performing such functions, as well as their office and other support costs.</p>
Affiliate Provided	<p><u>II.7 AFFILIATES</u></p> <p>All work performed, or materials supplied, by an Affiliate of Operator shall be performed or supplied at competitive rates and terms, and in accordance with customs and standards prevailing in the industry unless otherwise agreed to by the Parties under Section I.6.A (<i>General Matters</i>).</p> <p>Charges to the Joint Account for goods and services provided by an Affiliate in a Competitive Transaction may be made without approval of the Parties, unless required under the Agreement. Each of the following is considered a Competitive Transaction:</p> <ul style="list-style-type: none"> (i) for an Affiliate that routinely conducts business with unaffiliated customers, the rates and terms charged the Joint Account are representative of rates and terms the Affiliate charges non-affiliated customers; (ii) Affiliate labor charged on the same basis as if provided by Operator under Section II.2 (<i>Labor</i>); (iii) Affiliate equipment and facilities charged on the same basis as equipment and facilities provided by Operator under Section II.6 (<i>Equipment and Facilities Furnished by Operator</i>); (iv) Affiliate equipment, facilities or Materials charged at rates and terms that are competitive with unaffiliated third parties, in accordance with customs and standards prevailing in the area of Joint Operations; (v) charges to the Joint Account for the Affiliate's goods and services used in Joint Operations that are less than or equal to \$ _____. This threshold applies separately to each Affiliate, and it applies separately to each : (x) project or operation requiring an AFE or other authorization from Non-Operators under the Agreement or (y) calendar year, for Joint Operations not requiring an AFE or other authorization under the Agreement. <p>If the Parties fail to designate a dollar amount in (v), the amount deemed adopted by the Parties is the amount established as the Operator's expenditure limitation in the Agreement. If the Agreement does not contain an Operator's expenditure limitation, the amount deemed adopted by the Parties is \$0.</p> <p>Charges to the Joint Account for goods and services provided by an Affiliate that are not considered a Competitive Transaction require approval of the Parties under Section I.6.A (<i>General Matters</i>).</p> <p>Nothing in this Section II.7 authorizes charges to the Joint Account for services covered by Section II. 9 (<i>Legal Expense</i>) or functions covered by Section III (<i>Overhead</i>).</p> <p>The Operator may not charge the Joint Account for expediting, purchasing fees, or other mark-up for Affiliate goods and services.</p>
Other	<p><u>Section II.13 HEALTH, SAFETY AND ENVIRONMENT</u></p> <p>Costs incurred for:</p> <ul style="list-style-type: none"> (i) well containment, pollution containment and pollution removal equipment that is in the same program area and capable of serving Joint Operations, whether used or on standby; or (ii) actual costs of control, cleanup, and resulting responsibilities of spills, or discharges from permitted outfalls, as deemed appropriate by Operator for prudent operations; or (iii) HSE assessments, surveys, or testing.

For Council Approval 2022

Publication Reopening for Updates, Technical Corrections, or Modernization **(PRUTCOM)**

COPAS has been the source for upstream oil and gas accounting rules and guidance since its founding in 1961. Our model form accounting procedures are contractual parts of almost every joint operating agreement and, when not included, our model form addendums, model form interpretations, and accounting guidelines are the backbones of how the industry accounts for upstream costs, production, and revenues.

Recognizing the importance and ubiquitous use of its publications, COPAS maintains and stays true to a detailed, rigorous, and robust Publication Process so new publications and modifications or additions to existing publications maintain COPAS' objective integrity and represent industry consensus.

COPAS approved a Conversion and Publication Errors Clean-Up Project (CAPECUP) in 2021 as an efficient mechanism to correct obvious mistakes in some publications, caused mostly by conversion errors when Word documents were converted to Adobe .pdf software for E-Publication and sales to individual subscribers. Adobe was not as powerful and compatible years ago, so errors were expected.

The scope of CAPECUP was intentionally extremely limited. To quote from the approved document,

This ongoing CAPECUP project cannot and will not make any substantive or even minor changes or “tweaks” to COPAS’ publications. Grammar errors due to changing grammar “rules,” spelling errors, use of the wrong word, or other errors that should have been noticed by the committees or technical writer, will remain in the document...This is only a clean-up project, to correct obvious errors in the original document and ensure the .pdf versions are identical to the original and official Word versions of COPAS’ publications.

Today, CAPECUP is the only tool COPAS has to make any changes to a publication without requiring a full re-opening of the document to make desired edits/changes/modifications. COPAS needs a process that fits “between” the benign CAPECUP guidelines and the full Publication Process that will allow publications to be edited to a greater extent than CAPECUP but not to the extent to allow substantive edits or where the intent, content, or meaning of the publication is changed. The changes allowed under the PRUTCOM process will maintain the integrity of the original publication but allow it to be updated when necessary so the publication remains of the most use to the

industry.

Approval of Proposed Edits

Anyone who identifies a potential PRUTCOM edit will submit the proposed edit(s) to the Chair of the originating Standing Committee. The Chair will submit the proposed edit(s) to the Standing Committee for a vote to either (1) proceed with the edit(s) under PRUTCOM, (2) proceed as a publication rewrite under the COPAS Publication process, or (3) take no action.

If the Standing Committee approves alternative (1) or (2), a Project Form will be submitted to the Board of Directors recommending the Board approve the project as classified. The Board has final authority to approve the project under PRUTCOM or the Publication Process, or not approve the project in any form.

If the Board approves the project as a publication rewrite (alternative 2), the Standing Committee will proceed according to the Publication Process.

If the Board approves the project as a PRUTCOM project (alternative 1), the Standing Committee will refer the proposed edit(s) to the Dedicated PRUTCOM Team for handling. The Team will review the proposed edit(s) and create one or more drafts for the Standing Committee's review and approval under the Committee's and COPAS' voting guidelines and requirements for Model Form Interpretations.

Dedicated PRUTCOM Team

By definition, a project approved under PRUTCOM guidelines cannot change an existing publication's intent, content, or meaning, whether substantively or even to a lesser extent. As such, it is expected that publication revisions under PRUTCOM can be drafted and approved in significantly less time than is required for new publications and most rewrites of existing publications. Rather than forming a traditional "document drafting team" for each PRUTCOM project, the Board of Directors will appoint, with recommendations from the Joint Interest, Audit, and Revenue Standing Committees, a six-person Dedicated PRUTCOM Team, to be made up of volunteers who will serve at least two-year terms and handle PRUTCOM projects during that term. Team members may be reappointed at the Board's discretion.

Scope of Edits

Many COPAS publications are decades old. While still providing useful conceptual guidance to the industry, it is likely some publications will "show their age" as the years progress.

Telex, microfiche, xxxxx, xxxxx, and many other terms may have existed when the publications were approved, but use of those terms ten or more years after those technologies ceased being used only serves to “date” the publication.

Organization names, state and Federal government agency names, industry terms, and other items that were correct when the publication was approved are no longer correct and should be updated to the current names and terminologies, again so the publication is not perceived as “out of date” by users and the industry.

The existing document may have incorrect or dated grammar, spelling errors, use of the wrong word, and other “mistakes” that would have or should have been caught through the technical writer review process. CAPECUP does not allow such corrections; COPAS believes requiring a drafting team be formed and the document re-opened to catch these technical writer-type mistakes to be a waste of time and resources that would delay COPAS being able to keep its publications most useful to the industry. Thus, these technical writer edits would be allowed under the PRUTCOM process, so long as they in no way alter the intent, content, or meaning, whether substantively or even to a lesser extent, of the existing document.

The PRUTCOM process will update publications for dated words, technical writer edits, obvious errors, and other edits determined to fit under the PRUTCOM process guidelines. The PRUTCOM process cannot be used in any way, manner, or guise to change the intent, content, or meaning, whether substantively or even to a lesser extent, of a publication. Any proposed edit(s) deemed by the originating Standing Committee or Board of Directors to be such must be handled under the COPAS Publication Process. COPAS publications undergo an exhaustive and comprehensive review process to ensure publications represent industry consensus and are worded precisely as intended, with specific words, grammar, phraseology, and manner carefully chosen to achieve that goal. The PRUTCOM process cannot usurp that “original intent”; such can only be achieved through a rewrite or creation of a new publication, both of which are handled according to the Publication Process.

It is expected PRUTCOM edits would fall into the following general, non-exclusive, categories. It is recognized, however, that the Standing Committee or Board of Directors may determine that such a proposed change is beyond the scope of PRUTCOM and slot the project into the “publication rewrite” classification. It is also possible that during the PRUTCOM review/approval process the Dedicated PRUTCOM Team or an “affected” committee may raise objection to the PRUTCOM classification of the proposed edit(s) and the project is reclassified into the “publication rewrite” category.

- Correct inconsistent spelling of the same word in different documents (Non-Operator, Nonoperator)

- Add or delete punctuation
- Correct formatting errors (spacing, margins, fonts, indentions, etc.)
- Inconsistent capitalizations within the publication
- Correct “bad” grammar
- Add quotation marks around terms or phrases
- Replace archaic, out-of-date, and antiquated terms
- Update governmental agency names
- Update governmental agency names to relevant agency
- Update industry organization names
- Add industry organization references
- Update vendor names
- Update regulation citations and references
- Add or correct references to COPAS publications
- Correct incorrect references within a publication

While not an “update, technical correction, or modernization,” the Dedicated PRUTCOM Team also would be used to handle approved Project Forms for the retirement of a publication or the consolidation of several publications.

Any suggested, edit, correction, or modification that changes the intent, content, or meaning of a publication, whether substantively or even to a lesser extent, is beyond the scope of PRUTCOM; the Board of Directors could only approve a Project Form for such that stated the edit, correction, or modification was to be handled through the COPAS Publication Process.