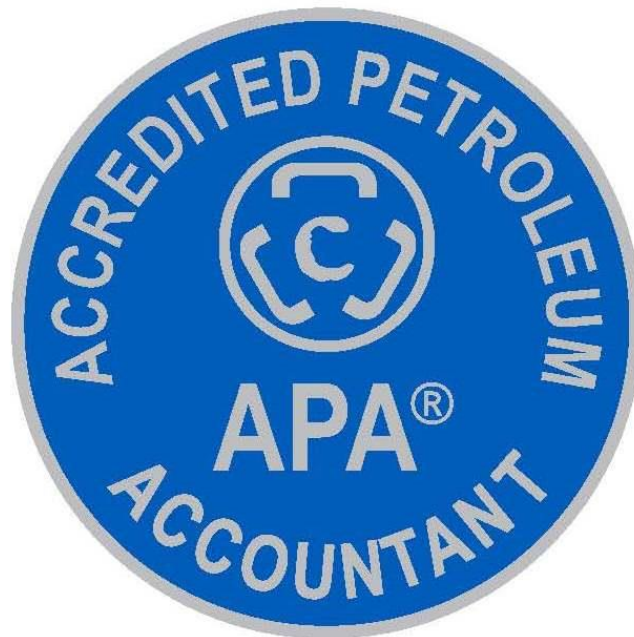


# THE ACCREDITED PETROLEUM ACCOUNTANT<sup>®</sup> CERTIFICATION

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## CANDIDATE HANDBOOK

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Written and Adopted By APA<sup>®</sup> Board of Examiners

Approved by COPAS Board of Directors

Revised November 10, 2020

## **WHAT IS A CERTIFICATION?**

A professional certification like the APA® credential offers candidates the opportunity to validate their knowledge and skills and communicates to employers, the public, and other stakeholders that certificate holders have met the requirements for competent practice in the Petroleum Accounting profession. Professional certifications are earned by meeting several important criteria:

- Demonstrating a specified level of work experience and/or education
- Passing a certification exam
- Meeting annual continuing education and certification maintenance requirements

All three criteria must be met in order to earn and maintain the certification, at which point an individual may use the APA® credential after his or her name.

## **EARNING AN APA® CERTIFICATION**

To earn the APA® certification, candidates must first meet the eligibility requirements for education and/or work experience, and must then register for, take and pass the APA® certification examination. The APA® certification is valid for one (1) year, and must be renewed by participating in the specified number of continuing education hours and paying applicable renewal fees as specified in the section “Maintaining your APA® Certification.”

## **CERTIFICATION EXAM ELIGIBILITY CRITERIA**

To register for and take the APA® certification exam, a candidate must meet ONE of the following requirements:

1. Hold a four (4)-year degree with a minimum of twelve (12) credit hours in Accounting and one (1) year of oil and gas industry work experience;

**OR**

2. Have five (5) years of oil and gas industry work experience.

## **EXAM MANAGEMENT**

The APA® certification exam is managed by Scantron, the testing vendor for the development, administration, scoring, and security of the APA® certification exam. The APA® certification exam is offered in a proctored computer-based testing (CBT) delivery format at over 550 CBT facilities throughout the U.S., Canada, and multiple locations internationally through Scantron’s contracted third-party vendors, as well as in a live online-proctored (LOP) setting using a candidate’s own computer.

## **EXAM REGISTRATION**

Candidates interested in taking the APA® Exam must submit an application, evidence that they meet the eligibility requirements, and the First Time Examination Fee at a minimum of forty-five (45) days prior to an exam-testing window. Should the candidate be determined to be ineligible to take the exam, a refund less the Administrative Fee, will be given prior to the testing window for which application is made. Once the application and all eligibility requirements are deemed to have been

completed, the APA® Administrator will contact Scantron to begin the exam registration process. The candidate will receive instructions directly from Scantron to register with Scantron’s online test scheduling system to select a testing session. Candidates may select from Scantron’s network of test sites, based on seating availability, or complete the exam in live online-proctored setting. Candidates who chose to take the exam at a test site will select from a listing of available testing centers by geographical location and test date.

## **INTERNATIONAL EXAMS**

The APA® Certification Exam is built around the accounting practices, guidelines, and principles of the United States only. No international accounting practices, procedures, guidelines, or principles are part of this examination. However, the APA® certification exam is offered through Scantron’s international testing sites (outside the US or Canada). If a candidate chooses an international testing site, an international testing surcharge will be required when registering in Scantron’s network of test sites. This fee will be charged immediately upon selection of an international testing facility.

NOTE: The APA® Certification Examination is currently offered in English only. If English is not a first language, no special accommodations will be made.

## **EXAM FEES**

All exam fees will be received by COPAS through the registration process for the certification exam.

<b>RETAIL EXAM PRICING – US and CANADA Computer-based Format</b>	<b>COPAS Member Fee</b>	<b>Non-Member Fee</b>
First Time (COPAS)	\$475.00	\$650.00
Administrative Fee (ineligibility or failure to schedule)	\$50.00	\$50.00
Reschedule/Cancellation Fee (minimum of 4 days in advance) (Scantron)	\$50.00	\$50.00
Retake (COPAS) within one year of first testing window if failed; cannot retake within same window	\$375.00	\$550.00
Late Registration Fee (within 30 days of testing window) (COPAS)	\$75.00	\$75.00
No Show Fee (no reschedule or cancellation of appointment)	\$475.00	\$650.00

<b>RETAIL EXAM PRICING – INTERNATIONAL Computer-based Format</b>	<b>COPAS Member Fee</b>	<b>Non-Member Fee</b>
First Time (COPAS)	\$475.00	\$650.00
International Surcharge (Scantron)	\$150.00	\$150.00
Administrative Fee (ineligibility or failure to schedule)	\$50.00	\$50.00
Reschedule (Scantron) intl to intl	\$50.00	\$50.00

Reschedule (Scantron) intl to domestic, refund 50% of intl surcharge	\$75.00	\$75.00
Reschedule (Scantron) domestic to Intl (\$50 reschedule + \$150 Intl surcharge)	\$200.00	\$200.00
International Cancellation Fee (minimum of 4 days in advance) (Scantron)	\$75.00	\$75.00
Retake (COPAS)	\$375.00	\$550.00
Retake International Surcharge (Scantron)	\$150.00	\$150.00

## OVERVIEW OF THE APA® CERTIFICATION EXAM

The APA® certification examination is a knowledge-based exam designed to assess professional competence in the field of petroleum accounting. The exam consists of 175 multiple-choice questions, 160 of which will count towards the candidate's score and 15 of which are unscored, pilot test questions that do not count towards the candidate's score. The 160 scored items are based on the exam content outline, also called the exam blueprint (Exhibit A), and are administered in random order. Candidates are given three and one-half (3.5) hours to complete the multiple-choice exam.

## APA® EXAM CONTENT OUTLINE

The APA® exam content outline is the blueprint for the construction of the APA® certification exam, and is divided into major categories of knowledge called domains. Each of these content domains is divided into more focused areas of knowledge called subdomains, and each subdomain has very specific pieces of knowledge associated with it. This content outline is based on a national study of petroleum accounting professionals and delineates all of the key knowledge required for competent performance as an APA®. It also provides information about which content domains are most important for the overall job performance of an APA® and are therefore weighted the most heavily on the exam.

The overview of the APA® exam content outline that appears below includes the content domains and subdomains, as well as the percentage exam questions devoted to each domain. A more detailed APA® exam content outline that includes knowledge statements can be found in **Exhibit A**.

### **Domain I: Fundamentals of Oil and Gas Accounting – 13%**

1. Value Chain
2. Industry Sectors
3. Health, Safety, Environmental

### **Domain II: General Accounting (Upstream, Midstream, Downstream) – 22%**

1. Fixed Assets
2. Asset Retirement Obligation (ARO)
3. Audits
4. Acquisition and Divestitures
5. Key Industry Metrics

**Domain III: Upstream – 38%**

1. Successful Efforts vs Full Cost
2. Land and Leasing
3. Exploration
4. Drilling
5. Production
6. Upstream Revenue
7. Joint Interest

**Domain IV: Midstream – 17%**

1. Types of Revenue Streams
2. Pipelines
3. Oil
4. Natural Gas

**Domain V: Downstream – 10%**

1. Refining/Petrochemicals
2. Hydrocarbons Inventory Management
3. Marketing (Wholesale/Retail)

**RESOURCES**

The list of resources for the APA® certification exam is provided below. These resources are intended to help candidates prepare for professions in petroleum accounting. While these materials help candidates prepare for the APA® certification exam, it is critical that candidates view these materials as helpful resources rather than the sole authority for a particular profession or examination.

The COPAS resources are available for purchase on the COPAS website, either individually or by subscribing to COPAS ePublications. Please check the COPAS website ([www.copas.org](http://www.copas.org)) for current pricing. The commercially published resources are available through your preferred retailer.

**Commercially Published Resources**

*Fundamentals of Petroleum*, Edited by Debby Denehy, University of Texas, Austin, 5th Ed., 2011  
*Oil and Gas Law in a Nutshell*, John S. Lowe, West Group, 6th Ed., 2014  
*Petroleum Accounting Principles, Procedures, and Issues*, Brady, et al, PDI, 8th Ed., 2020  
*Petroleum Refining in Nontechnical Language*, William Leffler, Pennwell, 4th Ed., 2008

**COPAS Published Resources**

AG-6 Oil Accounting Manual  
AG-9 Vendor Audits  
AG-10 Investigation of Suspected Irregularities  
AG-11 Internal Audits of Exploration and Producing Divisions  
AG-12 Determining Finding, Development, and Acquisition Costs  
AG-13 Accounting for Farmouts/Farmins, Net Profits Interest and Carried Interests  
AG-15 Gas Accounting Manual  
AG-16 Internal Audits of Gas Plants

AG-17 Refining and Marketing Exchange Accounting  
AG-18 Revenue Variance Analysis  
AG-19 Expenditure Audit Protocols  
AG-21 Revenue Audit Protocols  
MFI-17 COPAS 1984 Model Form Accounting Procedure Interpretation  
MFI-21 Overhead Principles  
MFI-38 Materials Manual  
MFI-51 COPAS 2005 Model Form Accounting Procedure Interpretation  
TR-9 Petroleum Industry Accounting Educational Training Guide  
TR-34 Managerial Accounting and Economics Study Guide

## **EXAM DELIVERY AND SECURITY**

Testing facility examination rooms will have closeable doors to minimize potential distractions to the candidates. Many testing sites have rooms with more than one testing station per examination room, with adequate space, or partitions between testing stations. The proctor will monitor activity from within the examination room via direct observation, through an unobstructed window view, or via video surveillance. All attempts will be made by the testing center to provide a calm, quiet, testing experience. Candidates who are sensitive to noise and occasional distractions may bring earplugs or similar to mitigate ambient noise.

For live-online proctored examinations, the candidate will give the proctor access to his or her computer to monitor for unauthorized activities, such as accessing other software applications, using multiple monitors, or having someone else take the examination remotely. The candidate must also verbally agree to any rules set by the test sponsor. The proctor can terminate the testing appointment for integrity reasons at any time.

The proctor will perform an environmental scan, in which the candidate will show the proctor a 360-degree view of his or her environment, including the top of and underneath the desk, by holding and moving the webcam or laptop webcam as directed by the proctor. The proctor will then enable the monitoring software for watching and recording the candidate. Once this is complete, the candidate will click a link to launch the examination login process.

Candidates will have three and one-half (3.5) hours to complete the 175-multiple-choice question exam unless provided with special time accommodations. Candidates are required to adhere to the following examination policies:

- No visitors are allowed in the examination rooms.
- Candidates must perform all of their own work, without assistance. Sharing information or disturbing others is cause for dismissal with no refund.
- Impersonating another candidate, giving or receiving help on the exam, or removing exam materials or notes from the examination site is cause for dismissal with no refund.
- No dictionaries, calculators, paper, or other supplies are allowed to be brought into the exam room.
- No purses, bags, or any powered communication devices such as cell phones, tablets, etc. are allowed in the examination room.
- No food or drinks are allowed in the examination room unless approved in advance for medical reasons.

Candidates may be disqualified from taking or continuing forward in the examination process, or from receiving exam results, if the Board of Examiners, Scantron and/or the examination proctor determine, either through direct observation or through statistical analysis that the candidate engaged in collaborative, disruptive, cheating, or other unacceptable behavior before, during or following the administration of the APA® exam.

### **CALCULATOR AND PAPER POLICY**

Exam candidates for the APA® certification credential are NOT allowed to bring calculators into the testing area. Candidates will have access to an online calculator as a part of Scantron's CBT testing platform. Bringing a calculator into the testing room would constitute cheating and be subject to disciplinary procedures.

Paper and pencils may be provided by the proctor during the exam. For exams taken at a testing facility, upon completion of the exam, the candidate must return all paper provided, including that used, to the proctor. For live online-proctored exams, candidates must destroy the paper in front of the proctor. Under no circumstance may the paper provided be removed from the testing facility. If paper provided is not returned, it shall be considered cheating and the candidate will be subject to disciplinary procedures.

### **EXAM SCORING AND PASSING CRITERIA**

The candidate's score is derived from the number of questions answered correctly, and is then converted to a scaled score ranging between 200 and 800 points, with the passing point set at the scaled score of 500 points. Candidates who earn a scaled score of 500 or more points will be awarded the APA® certification.

### **RECEIVING APA® EXAM RESULTS**

After completing an exam, candidates will receive an immediate score report, which they should print for their records. The exam results candidates receive from Scantron constitute a candidate's official score and/or pass/fail status. Only the total scaled score, which is based on the number of questions answered correctly, determines pass/fail status. Candidates who achieve a final scaled score of 500 or more on their certification exam will be awarded the APA® certification for the successfully passed exam. Candidates who pass the APA® exam will receive their certification within two to three weeks after the scores are released. Candidates who achieve a final scaled score below 500 points will receive a 'failed' status on the examination. These candidates may choose to retest at a later date (see Exam Fees).

The APA® Board of Examiners, through Scantron's secure portal, will access score reports for all candidates who complete the APA® examination during each testing window. All exam results will be stored in the specific candidate's secured file at the COPAS office.

### **MAINTAINING THE APA® CERTIFICATION**

APA® certifications are valid for one year, expiring on the last day of March of each year. In order to maintain a current certification, APA® Certificate Holders are required to complete an Annual

Assessment certifying that thirty (30) hours of continuing education have been completed over a two (2) year period and submit a Renewal Fee (see Fee Schedule).

### **RECERTIFICATION POLICIES AND PROCEDURES**

APA® certified professionals must comply with the following every year to renew their APA® certification:

- Complete at least thirty (30) hours of continuing professional education credits (CPE) over a two (2) year period with a minimum of five (5) hours earned in any one year
- Complete an Annual Assessment
- Remain in good standing with the APA® Board of Examiners.
- Submit the Annual Assessment by email, fax, or mail along with the appropriate Renewal Fee prior to the expiration date for the certification.

### **RENEWAL FEE**

#### **APA® Certification**

On-time renewal                      \$100

#### **Late Renewals:**

Up to 2 months late                      \$125

3 months to 6 months late              \$175

Later than 6 months                      Certification Revoked\*

### **CONTINUING PROFESSIONAL EDUCATION (CPE)**

Thirty (30) hours of Continuing Professional Education (CPE) are required over a two (2) year period with a minimum of five (5) CPE hours earned in any one year to maintain a current APA® certification. COPAS will not award any CPE for passing the APA® exam.

Types of CPE that qualify are:

- Courses that qualify for CPA continuing education in the certified individual's state of licensure
- CPE presented at petroleum accountants local Society meetings
- CPE presented at national COPAS meetings

College credit hours will earn fifteen (15) hours of CPE for each semester hour completed if the credit hours are related to accounting. The CPE requirement will be waived if the APA® passed the exam during the calendar year being reported on the Annual Assessment Form.

Each APA® should maintain a copy of each Annual Assessment Form filed with the APA® Administrator and supporting documentation for a period of no less than five (5) years. Records must be made available to the APA® Administrator, or designee upon request.



# EXHIBIT A

## APA® EXAMINATION BLUEPRINT

<b>DOMAIN 1: FUNDAMENTALS OF OIL AND GAS ACCOUNTING – 13%</b>
Subdomain 1: Value Chain
Knowledge of:
a. Hydrocarbon exploration and development
b. Hydrocarbon production and processing
c. Hydrocarbon disposition
d. Types of hydrocarbons (oil, condensate, natural gas)
e. Types of finished products (Natural Gas Liquids (NGLs), Residue gas, Liquefied Natural Gas (LNG), fuels, feedstocks, chemicals)
f. Types of byproducts (Sulfur, Petroleum Coke, asphalt)
g. Hydrocarbon valuation
Subdomain 2: Industry sectors
Knowledge of:
a. Upstream
b. Midstream
c. Downstream
d. Integrated vs. non-integrated
e. Sarbanes-Oxley Act
Subdomain 3: Health, Safety, Environmental
Knowledge of:
a. Incident Prevention (e.g., facility, equipment maintenance, safety training, etc.)
b. Regulatory environment (Local, State, Federal)
c. Remediation management
<b>DOMAIN 2: GENERAL ACCOUNTING (UPSTREAM, MIDSTREAM, and DOWNSTREAM) – 22%</b>
Subdomain 1: Fixed Assets
Knowledge of:
a. Company full cost vs. successful efforts election
b. Intangible vs. tangible property
c. Proved and unproved reserves
d. Exploration costs and unproved property
e. Methods of Depreciation, Depletion & Amortization
f. Aggregation of properties for depreciation/depletion/impairment

g. Impairment calculations
h. Work in progress (WIP)
<b>Subdomain 2: Asset Retirement Obligation (ARO)</b>
Knowledge of:
a. Definition of asset retirement obligation (ARO)
b. Abandonments
c. Key inputs into calculation of ARO
d. Aggregation of property for ARO
<b>Subdomain 3: Audits</b>
Knowledge of:
a. Joint Interest audits
b. Payout audits
c. Vendor audits
d. Revenue audits (Severance Tax, Royalty, Escheat)
e. Internal audits
<b>Subdomain 4: Acquisitions and Divestitures</b>
Knowledge of:
a. Purchase and sale agreement
b. Final accounting statement (close vs. post-close)
c. Business combination vs. asset acquisition
d. Fair value calculation, including goodwill, and Purchase Price Allocation
e. Transaction expenses
f. Gain/loss calculation on dispositions
g. Due diligence
<b>Subdomain 5: Key Industry Metrics</b>
Knowledge of:
a. Volume/price analysis
b. Finding and development costs
c. Reserve replacement
d. Lifting cost per barrel of oil equivalent (BOE)
e. Throughput metrics
f. Earnings before interest, tax, depreciation, and amortization (EBITDA)
g. Internal rate of return (IRR)
h. Margin per barrel
i. Project Evaluation
<b>DOMAIN 3: UPSTREAM – 38%</b>
<b>Subdomain 1: Successful Efforts vs. Full Cost</b>
Knowledge of:
a. Capital vs. Expense Classification under Successful Efforts

b. Capital vs. Expense Classification under Full Cost
c. Calculation of Depreciation, Depletion & Amortization
d. Impairment vs. Ceiling test
e. Gain/Loss calculations on dispositions
f. Company full cost vs. successful efforts election
<b>Subdomain 2: Land and leasing</b>
Knowledge of:
a. Types of ownership (Working, Royalty, Overriding Royalty, Carried, Nonconsent, Net Profits Interests and Production Payments)
b. Mineral lease agreements
c. Surface use agreements
d. Road use agreements
e. Types of Conveyances (Farmins, Farmouts, Pooling, Unitization and Communitizations)
f. Drilling title opinion (DTO)
g. Damage Payments
h. Right-of-Way Agreements
i. Delay Rentals
j. Lease Acquisition Costs
<b>Subdomain 3: Exploration</b>
Knowledge of:
a. Geological & Geophysical Activities
b. Surveys and Seismic Agreements
c. Accounting treatment of Geological & Geophysical activities
d. Field Delineation
<b>Subdomain 4: Drilling</b>
Knowledge of:
a. Difference between exploratory and developmental wells
b. Drilling vs. Completion Costs
c. Tangible vs. Intangible Costs
d. Accounting for dry holes
e. Infill Drilling
f. Hydraulic Fracturing
g. Facility Installation
h. Contracts
<b>Subdomain 5: Production</b>
Knowledge of:
a. Measurement methods
b. Measurements points
c. Lease Operating Expenses
d. Volume Allocations

e. Well operation and maintenance activities
f. Ad valorem tax
<b>Subdomain 6: Upstream Revenue</b>
Knowledge of:
a. Revenue Recognition Standards
b. Gas contracts
c. Oil contracts
d. Transportation contracts and statements
e. Gathering contracts and statements
f. Gas Balancing
g. Accounting for Processed Gas
h. Revenue Division Order Title Opinion
i. Remittance Advices
j. Production volume vs. Sales volume reconciliation
k. Commodity Inventory Accounting
l. Pipeline Imbalance Accounting
m. Revenue Accruals
n. Oil, Gas, and Liquid Allocations
o. Marketing Deductions from Revenue
p. Revenue Distribution
q. Owner Suspense and Escheat
r. Severance Taxes
s. Severance Tax Audits
t. Royalty Audits
u. 1099 Processing and Reporting
v. State and Federal Royalties
<b>Subdomain 7: Joint Interest</b>
Knowledge of:
a. Historical perspective on JOAs and accounting procedures
b. Joint operating agreement
c. Types of Model Form Accounting Procedures (Onshore, Offshore, Deepwater, Project Team)
d. Model Form Accounting Procedure
e. JOA Division of interest (DOI)
f. Authority for Expenditures (AFE)
g. Materials accounting
h. Payout accounting
i. Direct Costs
j. Indirect Costs
k. Operator owned facilities and equipment
l. Affiliates
m. Rents and Royalties
n. Fully burdened labor costs

o. Overhead (Drilling, Producing, Major Construction, Catastrophe)
p. Plug and Abandonment
q. Statements and Billings
r. Advances
s. Discounts
t. Insurance
u. Taxes (e.g., sales, ad valorem)
<b>DOMAIN 4: MIDSTREAM – 17%</b>
<b>Subdomain 1: Types of Revenue Streams</b>
Knowledge of:
a. Transportation (Pipelines, Barge, Rail, Truck)
b. Gas Plant Processing/Fractionation
c. Storage
d. Marketing (purchase and resale)
<b>Subdomain 2: Pipelines</b>
Knowledge of:
a. Nominations and actuals
b. Cash-outs
c. Pipeline inventories and imbalances (terminals)
d. Tariffs
e. Joint Ventures/Limited Partnerships
f. Difference between interstate and intrastate pipelines
g. Federal Energy Regulatory Commission (FERC)
h. Office of Natural Resource Revenue (ONRR)
<b>Subdomain 3: Oil</b>
Knowledge of:
a. Buy/Sell agreements
b. Exchange agreements
c. Regional/National pricing indexes and differentials
d. Inventories and imbalances
e. Gravity Banks
<b>Subdomain 4: Natural Gas</b>
Knowledge of:
a. End products from processing and fractionation
b. Regional/National pricing indexes and differentials
c. Types of processing/sales contracts (e.g., Percent of Proceeds, Fee based, Keep Whole, Processing Agreement)
d. Gas Plant accounting
e. Transportation agreements
f. Exchange agreements

g. Inventories and imbalances
h. Natural Gas Liquids
i. Take in Kind (TIK)
<b>DOMAIN 5: DOWNSTREAM – 10%</b>
<b>Subdomain 1: Refining/Petrochemicals</b>
Knowledge of:
a. Process flows
b. Processing units
c. Distribution/Transportation Channels
d. Accounting for cost allocations
<b>Subdomain 2: Hydrocarbons Inventory Management</b>
Knowledge of:
a. Source and types of feedstocks
b. Types of products (Intermediate, Finished goods)
c. Inventory measurement components (e.g., shrinkage, temperature, line fill, gravity)
d. Types of costing (LIFO, FIFO, Weighted average price, Moving average price)
<b>Subdomain 3: Marketing (wholesale/retail)</b>
Knowledge of:
a. Types of marketing channels (wholesale, retail, other manufacturers)
b. Regional/National pricing indexes and differentials
c. Types of retail ownership
d. Types of products sold (e.g., diesel, petrochemicals, jet fuel, gasoline)