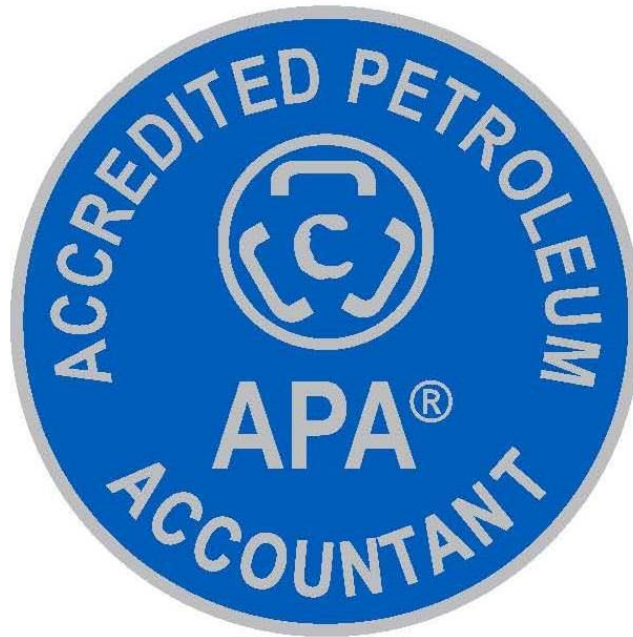


THE ACCREDITED PETROLEUM ACCOUNTANT[®] CERTIFICATION



CANDIDATE HANDBOOK

Written and Adopted By APA[®] Board of Examiners

Approved by COPAS Board of Directors

Revised February 1, 2024

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, 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 Meazure Learning (formerly 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 Meazure Learning’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 Examination Fee. Should the candidate be determined to be ineligible to take the exam, a refund less the Administrative Fee, will be given.

REVIEW COURSE SUBSCRIPTION

Once the application fee is submitted and all eligibility requirements are deemed to have been completed, the candidate will receive access to the APA® Review Course, including summarized material and sample question bank for each domain/subdomain. Review Course access will be valid for two (2) years from the date of purchase, except as noted below.

The Review Course subscription includes two examination attempts any time during the two-year window. Registration for either exam must be completed through the COPAS office. Beginning in January 2024, the exam may be taken any day of the year, subject to exam facility hours and/or proctor availability. Passing either of the two examination attempts included with the subscription terminates the subscription at that time.

A separate subscription for the Review Course is required for each exam taker. No account or password sharing is permitted. Successful candidates cannot transfer access to another candidate. Content cannot be copied and exported from the system.

EXAM PROCESS

The APA® Administrator will contact Meazure Learning to begin the exam registration process. The candidate will receive instructions directly from Meazure Learning to register with Meazure Learning's online test scheduling system to select a testing session. Candidates may select from Meazure Learning'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 Meazure Learning'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 Meazure Learning'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.

RETAIL EXAM PRICING – US and CANADA Computer-based Format	COPAS Member Fee	Non-Member Fee
First Time (COPAS)	\$1,600.00	\$2,000.00
Administrative Fee (ineligibility or failure to schedule)	\$50.00	\$50.00

Reschedule/Cancellation Fee (minimum of 4 days in advance) (Meazure Learning)	\$50.00	\$50.00
Late Registration Fee (within 30 days of testing window) (COPAS)	\$75.00	\$75.00
No Show Fee (no reschedule or cancellation of appointment)	One exam attempt will be deducted	One exam attempt will be deducted

RETAIL EXAM PRICING – INTERNATIONAL Computer-based Format	COPAS Member Fee	Non-Member Fee
First Time (COPAS)	\$1,600.00	\$2,000.00
International Surcharge (Meazure Learning)	\$150.00	\$150.00
Administrative Fee (ineligibility or failure to schedule)	\$50.00	\$50.00
Reschedule (Meazure Learning) intl to intl	\$50.00	\$50.00
Reschedule (Meazure Learning) intl to domestic, refund 50% of intl surcharge	\$75.00	\$75.00
Reschedule (Meazure Learning) domestic to Intl (\$50 reschedule + \$150 Intl surcharge)	\$200.00	\$200.00
International Cancellation Fee (minimum of 4 days in advance) (Meazure Learning)	\$75.00	\$75.00
No Show Fee (no reschedule or cancellation of appointment)	One exam attempt will be deducted	One exam attempt will be deducted

Additional discounts are available for multiple subscribers from one company, as follows: 10% for five to nine employees; 20% for 10 – 14 employees; and 30% for 15 or more employees. Contact the APA® Administrator for further details.

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

A 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) 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, 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, Measure Learning 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 Measure Learning'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, 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 Meazure Learning 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 Meazure Learning'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

DOMAIN 1: FUNDAMENTALS OF OIL AND GAS ACCOUNTING – 13%
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
DOMAIN 2: GENERAL ACCOUNTING (UPSTREAM, MIDSTREAM, and DOWNSTREAM) – 22%
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)
Subdomain 2: Asset Retirement Obligation (ARO)
Knowledge of:
a. Definition of asset retirement obligation (ARO)
b. Abandonments
c. Key inputs into calculation of ARO
d. Aggregation of property for ARO
Subdomain 3: Audits
Knowledge of:
a. Joint Interest audits
b. Payout audits
c. Vendor audits
d. Revenue audits (Severance Tax, Royalty, Escheat)
e. Internal audits
Subdomain 4: Acquisitions and Divestitures
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
Subdomain 5: Key Industry Metrics
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
DOMAIN 3: UPSTREAM – 38%
Subdomain 1: Successful Efforts vs. Full Cost
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
Subdomain 2: Land and leasing
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
Subdomain 3: Exploration
Knowledge of:
a. Geological & Geophysical Activities
b. Surveys and Seismic Agreements
c. Accounting treatment of Geological & Geophysical activities
d. Field Delineation
Subdomain 4: Drilling
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
Subdomain 5: Production
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
Subdomain 6: Upstream Revenue
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
Subdomain 7: Joint Interest
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)
DOMAIN 4: MIDSTREAM – 17%
Subdomain 1: Types of Revenue Streams
Knowledge of:
a. Transportation (Pipelines, Barge, Rail, Truck)
b. Gas Plant Processing/Fractionation
c. Storage
d. Marketing (purchase and resale)
Subdomain 2: Pipelines
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)
Subdomain 3: Oil
Knowledge of:
a. Buy/Sell agreements
b. Exchange agreements
c. Regional/National pricing indexes and differentials
d. Inventories and imbalances
e. Gravity Banks
Subdomain 4: Natural Gas
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)
DOMAIN 5: DOWNSTREAM – 10%
Subdomain 1: Refining/Petrochemicals
Knowledge of:
a. Process flows
b. Processing units
c. Distribution/Transportation Channels
d. Accounting for cost allocations
Subdomain 2: Hydrocarbons Inventory Management
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)
Subdomain 3: Marketing (wholesale/retail)
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)