



Spring 2023 Economic Factor Summary

Proposed 2023 COPAS Economic Factors

The following **COPAS Economic Factors** have been proposed, for Standing Committee approval, all with an effective date of April 1, 2023.

These rates were not calculated when the original Council meeting notice was originally sent, however notice was given that the rates, once determined, would be provided.

These **rates are not official until published on the COPAS website** on or about April 28, 2023. Visit www.copas.org/resources/economic-factors/

Audit Per Diem Rate

Proposed 2023 rate: \$1,130

Overhead Adjustment

Proposed 2023 rate: positive 8.5%

Loading/Unloading Costs

Proposed 2023 rate: \$1.00 per hundred weight

Worker's Compensation Insurance Manual Rates

As per the attached schedule

Excluded Amount

Proposed 2023 rate: \$3,000

Vehicle Rates

Proposed 2023 rates:

<u>Vehicle Type</u>	<u>Rate per Mile</u>
Passenger cars	\$0.56
1/2-ton pickups (2WD)	\$0.68
1/2-ton pickups (4WD)	\$0.80
3/4-ton pickups (2WD)	\$0.78
3/4-ton pickups (4WD)	\$0.86
One-ton pickups (2WD)	\$0.85
One-ton pickups (4WD)	\$0.94
SUV (2WD)	\$0.92
SUV (4WD)	\$0.97

Audit Per Diem Rate



March 14, 2023

To: Society Audit Committee Chairs
CC: COPAS Officers, Directors, Standing & Special Committee Chairpersons, Society Presidents, and Council Representatives
Subject: Audit Per Diem Rate effective April 1, 2023

Based on annual percentage change in the Professional and Technical Index (CEU6054000030) published by the Bureau of Labor Statistics, the proposed Domestic Audit Per Diem Rate effective April 1, 2023, will be \$ 1,130.00. This rate was calculated as:

2022 Index	\$ 1,430.48
2023 Index	1,521.69
Percentage Change	<u>6.376%</u>
2022 Rate	\$ 1,060.00
Adjustment	<u>67.59</u>
Calculated 2023 Rate	\$ 1,127.59

2023 Rate \$ 1,130.00 Rounded to nearest \$5

Historically, the Audit Per Diem Rate was adjusted annually utilizing the same index used to adjust overhead rates. That changed beginning in 2005 when the Audit Committee voted to use the above-referenced index as a more accurate representation of the actual costs of performing audits.

There is no recommended International Audit Per Diem Rate for 2023. In 2004, the Audit Committee decided to cease publishing an International Per Diem Rate.

Note: These rates are intended to be used by companies' own audit staffs to charge other non-operators when conducting audits. The rates are not intended to be used to set rates paid to independent contract consultants.

Matt Pilkington
Audit Committee Chair

Employment, Hours, and Earnings from the Current Employment Sta
Original Data Value

Series Id: CEU6054000030
 Not Seasonally Adjusted
 Series Title: Average weekly earnings of production and nonsupervisory
 Super Sector: Professional and business services
 Industry: Professional, scientific, and technical services
 NAICS Code: 54
 Data Type: AVERAGE WEEKLY EARNINGS OF PRODUCTION AND
 Years: 1990 to 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
1990	488.02	494.13	493.41	505.81	500.09	504.68	512.59	505.76	518.00	507.29	509.43	522.37	505.10
1991	502.68	509.37	509.76	511.18	515.51	528.88	516.20	520.19	532.11	523.01	525.86	536.35	519.20
1992	516.25	535.76	533.52	526.98	535.57	535.21	537.00	550.31	538.63	541.65	553.86	541.48	537.18
1993	531.88	537.29	536.05	537.83	560.27	548.81	549.89	562.19	553.22	559.20	557.28	557.50	549.25
1994	558.92	551.92	552.28	555.97	577.03	562.78	566.00	565.28	569.77	585.72	571.38	574.41	565.96
1995	575.48	567.99	565.87	585.35	577.23	578.70	594.21	582.82	588.11	602.87	590.96	594.52	583.73
1996	577.94	587.27	591.55	592.98	599.15	622.44	602.79	610.39	630.24	616.54	621.18	638.93	607.70
1997	613.89	639.55	641.42	632.47	637.94	655.54	639.74	647.62	650.15	653.38	674.89	663.84	646.03
1998	652.90	673.40	675.54	665.59	676.08	679.76	679.32	698.33	685.57	693.48	712.60	699.98	682.87
1999	689.93	698.66	698.04	701.06	725.62	709.92	714.59	732.17	718.92	727.62	728.86	730.08	714.70
2000	737.98	725.97	727.20	749.78	736.67	740.29	755.55	742.94	751.96	769.06	756.36	758.21	746.12
2001	743.63	762.49	759.48	778.48	760.42	766.12	779.04	762.55	787.32	769.60	772.84	796.76	769.79
2002	758.80	767.83	766.76	774.69	774.20	809.54	776.95	781.78	808.71	787.75	792.81	811.53	784.06
2003	770.70	803.95	806.47	783.66	793.90	819.93	792.84	797.33	802.52	804.64	835.86	800.98	801.05
2004	794.66	829.82	801.81	809.90	849.78	820.41	824.31	852.15	830.48	839.45	840.87	839.33	827.82
2005	855.62	838.02	834.02	849.53	880.64	854.76	857.33	856.89	864.72	905.20	877.15	873.66	862.36
2006	894.86	879.84	877.10	918.53	888.92	893.93	927.83	899.28	913.92	950.10	919.55	925.13	907.59
2007	905.93	926.15	926.15	964.48	942.84	951.71	980.98	954.58	991.13	963.38	967.67	998.28	956.34
2008	940.56	960.49	999.37	973.90	984.61	1025.03	991.39	999.54	997.22	1008.88	1051.20	1012.44	995.27
2009	999.33	1040.36	1038.24	1012.11	1019.52	1022.40	1022.64	1067.61	1031.47	1044.50	1088.43	1047.13	1035.98
2010	1036.41	1044.50	1045.30	1053.86	1110.81	1062.66	1068.71	1112.01	1078.65	1096.36	1088.49	1084.74	1073.43
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	1091.98
2012	1113.32	1080.64	1079.93	1130.13	1088.08	1092.62	1126.94	1095.48	1147.42	1101.70	1103.60	1150.91	1109.29
2013	1094.30	1118.16	1110.75	1117.08	1113.48	1164.02	1108.31	1118.64	1169.36	1126.63	1137.96	1176.86	1129.69
2014	1129.94	1190.17	1195.24	1161.24	1158.84	1204.64	1154.55	1163.83	1164.59	1167.84	1222.32	1167.84	1173.49
2015	1164.57	1215.77	1215.40	1180.84	1184.76	1183.74	1182.60	1239.11	1186.20	1202.93	1257.01	1200.69	1201.23
2016	1201.32	1205.46	1201.48	1217.58	1260.59	1213.79	1220.54	1217.04	1223.43	1276.33	1226.68	1222.75	1223.94
2017	1262.61	1228.27	1223.07	1284.32	1232.28	1237.83	1280.20	1237.51	1250.14	1302.37	1255.78	1255.32	1254.18
2018	1245.93	1267.81	1261.57	1323.96	1272.53	1279.94	1325.58	1284.66	1344.90	1289.74	1291.98	1345.15	1294.63
2019	1285.94	1294.46	1295.91	1308.53	1302.49	1360.24	1299.22	1321.32	1371.96	1322.75	1322.70	1372.33	1321.57
2020	1312.79	1380.81	1373.80	1339.92	1349.42	1339.76	1343.88	1415.59	1355.92	1373.74	1437.75	1381.74	1367.24
2021	1385.38	1383.56	1386.64	1410.01	1470.16	1408.17	1420.33	1483.13	1431.61	1458.14	1457.45	1462.16	1430.22
2022	1530.41	1485.96	1478.62	1509.84	1554.34	1501.61	1508.42	1510.37	1525.25	1589.87	1530.08	1533.90	1521.69
2023	1596.81												(A)

2023 Calculations	
2022 Index	\$ 1,430.48 (used by COPAS)
2023 Index	\$ 1,521.69 (A)
Percentage Change	6.376%
2022 Rate	\$ 1,060.00
Adjustment - 6.376%	67.59
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Employment, Hours, and Earnings from the Current Employment Sta
Original Data Value

Series Id: CEU6054000030
 Not Seasonally Adjusted
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 Super Sector: Professional and business services
 Industry: Professional, scientific, and technical services
 NAICS Code: 54
 Data Type: AVERAGE WEEKLY EARNINGS OF PRODUCTION AND
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2020	1312.79	1380.81	1373.80	1339.92	1349.42	1339.76	1343.88	1415.59	1355.92	1373.74	1437.75	1381.74	1367.24
2021	1385.38	1383.56	1386.64	1410.01	1470.16	1408.17	1420.33	1483.13	1431.61	1458.14	1457.45	1462.16	1430.22
2022	1530.41	1485.96	1478.62	1509.84	1554.34	1501.61	1508.42	1510.37	1525.25	1589.87	1530.08	1533.90	1521.69
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Overhead Adjustment Factor

Loading and Unloading Costs



March 10, 2023

To: COPAS Officers, Directors, Standing & Special Committee Chairpersons, Society Presidents and Council Representatives

Subject: Wage Index Adjustment Factor; Loading/Unloading Costs; Workers' Compensation Insurance

The various COPAS Accounting Procedures provide that the fixed overhead rates will be adjusted April 1 of each year using an index published by the Department of Labor, Bureau of Labor Statistics. This index is based on the change versus the prior year, in the average weekly earnings of Crude Petroleum and Gas Production Workers. The BLS ceased publishing this particular index in 2003. In February 2004, the Joint Interest and Audit Committees approved Model Form Interpretation 50 – Overhead Adjustment Index to provide guidance to the industry as to a replacement index for use in calculating the overhead adjustment as well as other economic factors such as the loading and unloading rates. The 2022 MFI-50 average index was \$1,636.55 compared to the 2021 average index of \$1,507.96. Therefore, effective April 1, 2023, the overhead adjustment factor will be a **positive 8.5%**.

Section IV, Paragraph 2.E.(1) of the 1984 Onshore Accounting Procedure and the 1986 Offshore Accounting Procedure provide that the \$0.25 per hundred weight on all tubular goods movements shall be adjusted by the same percentage increase or decrease as used to adjust overhead rates, rounded to the nearest cent. From 2019 through 2020 the rate escalated to \$0.92, from 2020 to 2021 the rate escalated to \$0.93, and from 2021 to 2022 the rate de-escalated back to \$0.92 per hundred weight. Effective April 1, 2023, the rate will increase to **\$1.00 per hundred weight**.

Finally, MFI-31 (formerly Interpretation 24) states that COPAS will publish, on an annual basis, Workers' Compensation Insurance Manual Rates for certain job classifications. The detailed schedule of the Workers' Compensation Insurance Manual Rates is in a separate attachment.

Patricia Ellington

COPAS Joint Interest Standing Committee Chair



March 10, 2023

Patricia Ellington, COPAS Joint Interest Chairperson

Re: COPAS Overhead Adjustment Index

In accordance with Model Form Interpretation 50, OH Adjustment Index, I have calculated the annual overhead adjustment for 2023 based on the changes from 2021 to 2022 in the Annual Average Weekly Earnings of Production Workers for Oil and Gas Extraction (NAICS code CEU1021100030) and the Annual Average Weekly Earnings of Production Workers for the Professional and Technical Services (CEU6054000030) indexes as published by the United States Department of Labor. The averages of the two above indexes increased from \$1,507.96 in 2021 to \$1,636.55 during 2022 for an increase of \$128.59 or 8.5%.

Attached is a spreadsheet with the calculation of the average, copies of the Bureau of Labor Statistics for support, and an updated cumulative escalation table.

Please contact me at 918-661-7510 if you need additional information.

Sincerely,

Jonathon Beene

COPAS ADJUSTMENT INDEX
 CALCULATION USING BLENDED RATES
 FOR 2023

Average Earnings From BLS Index Reports

Year	Oil and Gas Extraction Series ID CEU1021100030	Professional and Technical Services Series ID CEU6054000030	Average of Indexes
2021	1,585.44	1,430.48	1,507.96
2022	1,751.40	1,521.69	1,636.55
Increase/(Decrease) of Average			128.59

Percent change from 2021 to 2022 Average: 8.5%

Workers Compensation Insurance Manual Rates



Council of Petroleum Accountants Societies

2023 Workers' Compensation Insurance Manual Rates

Many Operators are self-insured, making it difficult to determine the amount the Operator should charge for this assumption of risk, and difficult for auditors to verify. COPAS enlisted the services of an actuarial firm to provide manual rates, which form the upper limit for self-insurance.

Model Form Interpretation #31 states that COPAS will publish, on an annual basis, Workers' Compensation Insurance Manual Rates for certain job classifications. The following rates were calculated by a third party, on behalf of COPAS. COPAS believes these rates were compiled in accordance with MFI-31, and are published only as a convenience to the industry. However, COPAS or its agents accept no responsibility for the accuracy of the rates or how the rates are actually utilized by various companies in their billing practices.

Based on a Joint Interest Committee survey, rates for ten states were discontinued. These states are noted in the list below.

**2023 Workers' Compensation Manual Rates
 Provided by Sound Actuarial Consulting, LLC
 Subject to COPAS Approval
 April 1, 2023**

	CLASS CODES				USL&HW Factor
	Rates are per \$100 of Payroll*				
Monopolistic	1320	6235	8227	8810	
Alabama	\$ 1.48	\$ 5.19	\$ 4.20	\$ 0.14	1.31
Alaska	\$ 0.72	\$ 2.59	\$ 2.72	\$ 0.21	1.31
Arkansas	\$ 0.85	\$ 2.12	\$ 1.61	\$ 0.07	1.84
California	\$ 2.00	\$ 5.88	\$ 4.72	\$ 0.31	N.A.
Colorado	\$ 0.82	\$ 3.56	\$ 2.39	\$ 0.08	1.84
Florida	\$ 1.44	\$ 4.87	\$ 4.38	\$ 0.14	1.58
Idaho	\$ 1.21	\$ 4.48	\$ 3.26	\$ 0.13	1.80
Illinois	\$ 4.68	\$ 15.46	\$ 5.64	\$ 0.10	1.50
Indiana	\$ 1.32	\$ 3.33	\$ 2.12	\$ 0.10	2.08
Kansas	\$ 2.62	\$ 8.59	\$ 2.27	\$ 0.10	2.10
Kentucky	\$ 2.27	\$ 5.06	\$ 2.66	\$ 0.12	1.50

Louisiana		\$	2.58	\$	6.61	\$	3.97	\$	0.19	1.23
Michigan		\$	0.84	\$	2.21	\$	1.52	\$	0.06	1.65
Mississippi		\$	1.08	\$	4.15	\$	3.02	\$	0.17	1.81
Montana		\$	1.25	\$	5.05	\$	3.63	\$	0.22	1.84
Nebraska		\$	3.35	\$	4.39	\$	2.83	\$	0.15	1.58
Nevada		\$	2.84	\$	8.98	\$	4.40	\$	0.23	1.31
New Mexico		\$	1.30	\$	4.05	\$	3.06	\$	0.18	1.58
New York		\$	5.57	\$	8.96	\$	14.25	\$	0.15	1.766
North Dakota	Y	\$	2.56	\$	3.46	\$	2.49	\$	0.20	N.A.
Ohio	Y	\$	1.17	\$	2.50	\$	1.64	\$	0.08	N.A.
Oklahoma		\$	1.47	\$	5.11	\$	2.68	\$	0.14	1.75
Pennsylvania		\$	2.27	\$	2.75	\$	2.27	\$	0.12	1.73
South Dakota		\$	1.78	\$	4.38	\$	3.77	\$	0.16	1.50
Tennessee		\$	1.05	\$	3.29	\$	2.24	\$	0.10	2.10
Texas		\$	0.65	\$	3.62	\$	1.05	\$	0.06	2.10
Utah		\$	1.05	\$	2.40	\$	1.83	\$	0.07	1.82
Virginia		\$	1.52	\$	3.58	\$	2.11	\$	0.07	1.32
West Virginia		\$	1.61	\$	3.62	\$	2.33	\$	0.10	2.10
Wyoming	Y	\$	0.57	\$	2.57	\$	1.92	\$	0.34	N.A.

Class	Description
1320	Oil or Gas Lease Operator – All Operations & Drivers
6235	Oil or Gas Well - Drilling or Redrilling & Drivers
8227	Construction or Erection Permanent Yard
8810	Clerical Office Employees NOC

* Rates include the following employers liability coverage:

<u>Injury</u>	<u>Coverage Limit</u>
Bodily Injury by Accident	\$100,000 - each accident
Bodily Injury by Disease	\$100,000 - each employee
Bodily Injury by Disease	\$500,000 - policy limit

Remarks:

California does not promulgate a USL&HW percentage, but rather leaves that to the discretion of each insurer.

Kentucky rates include a 6.94% provision for the assessment for the Special Fund, which is outside of the manual rate.

Michigan - the approved loss costs do not include trend; the adjustment factor reflects an annual trend factor of -4.5%

North Dakota - Cap of \$38,400 on wages applied

Ohio - The fully loaded rates include adjustments for administrative costs (31.59%)

Wyoming - Code 211000: Oil & Gas Extraction, Code 213111: Drilling Oil & Gas Wells, Code 213112: Support Activities for Oil and Gas Operations, Code 000010: Clerical Office Occupations

Excluded Amount



March 15, 2023

To: COPAS Officers, Directors, Standing & Special Committee Chairpersons, Society Presidents and Council Representatives

Subject: Excluded Amount

Most COPAS Accounting Procedures prior to COPAS 2012 require the application of freight equalization if actual trucking charges are greater than the Excluded Amount (reference the attached Exhibit). Although actual trucking charges are primarily used as industry practice, since they are easily supported through vendor invoices, under many model forms freight equalization is still required in cases where actual transportation cost is greater than the cost between the rail point and property, and the requirement for COPAS to publish the Excluded Amount is still in effect. By raising the excluded amount, the pool of invoices that Operators and Auditors have to examine for potential freight equalization will be reduced.

COPAS 2005 provided definitions for these terms as follows:

“Equalized Freight” means the procedure of charging transportation cost to the Joint Account based upon the distance from the nearest Railway Receiving Point to the property.

“Excluded Amount” means a specified excluded trucking amount most recently recommended by COPAS.

Beginning with the COPAS 1984 Model Form, the excluded amount of \$400 was to be adjusted to the amount most recently recommended by COPAS. The first update to Excluded Amount (Transportation Equalization Minimum Amount) was approved at the Spring 1996 Council meeting, resulting in an Excluded Amount of \$700.

After review of the intent of excluded amount and as an economic factor recommended by COPAS, the Materials Subcommittee of the Joint Interest Standing Committee submitted a recommendation to the Joint Interest Standing Committee that the Excluded Amount should be \$1,600, effective April 1, 2014. The Materials Subcommittee’s determination of the above Excluded Amount was based on an average of transportation costs, provided by several companies represented by the Materials Subcommittee, and comparable transportation routes. This recommendation was approved by Council at the Spring 2014 meeting.

Since the same Excluded Amount has historically been in effect for several years (see historical rates below), the Materials Subcommittee annually analyzes trucking costs and reports results to

the Joint Interest Standing Committee, but such results are not submitted for Council approval unless the recommended Excluded Amount changes from the prior year.

Currently, based on an updated analysis of transportation costs, the Materials Subcommittee recommends for COPAS Council approval, and subsequent posting on the COPAS website, an Excluded Amount of **\$3,000**, effective April 1, 2022.

Historical Excluded Amounts:

- \$ 100: COPAS 1962 until COPAS 1974 was published (1975)
- \$ 200: COPAS 1975 until COPAS 1984 was published (1985)
- \$ 400: COPAS 1984 until COPAS 1995 was published (1996)
- \$ 700: Spring 1996 Council meeting to Spring 2014 Council meeting
- \$1,600: Spring 2014 Council meeting to Spring 2019 Council meeting
- \$2,000: Spring 2019 Council meeting to Spring 2022 Council meeting
- \$2,300: Spring 2022 Council meeting to Spring 2023 Council meeting
- \$3,000: Spring 2023 Council meeting

Respectfully Submitted,

Patricia Ellington

COPAS Joint Interest Standing Committee Chair

EXHIBIT
MFI-1 (COPAS 1962)
MFI-2 (COPAS 1968)
Section II.5.C

5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store or railway receiving point where like material is available, except by agreement with Non-Operators.

B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store or railway receiving point, except by agreement with Non-Operators. No charge shall be made to Joint Account for moving Material to other properties belonging to Operator, except by agreement with Non-Operators.

C. In the application of subparagraphs A and B above, there shall be no equalization of actual gross trucking costs of \$100 or less.

MFI-3 (COPAS 1974 Arctic),
MFI-4 (COPAS 1975),
MFI-5 (COPAS 1976 Offshore),
Section II.5.C

5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like Material is normally available, unless agreed to by the Parties.

B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.

C. In the application of Subparagraphs A and B above, there shall be no equalization of actual gross trucking cost of \$200 or less excluding accessorial charges.

MFI-17 (COPAS 1984), Section II.6.C

6. TRANSPORTATION

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.
- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.**

MFI-19 (COPAS 1986), Section II.5.C

5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.
- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.**

MFI-39 (COPAS 1998), Section III.4.C

4. TRANSPORTATION

Transportation of Operator's, Non-Operator's, Affiliate's or contractor's personnel, and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest supply store where like Material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.
- B. If surplus Material is moved to the Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest supply store where like Material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties unless agreed to by the Parties.
- C. **In the application of Paragraphs 4.A. and 4.B. above, the option to equalize or charge actual trucking cost is available when the actual charge is less than the amount most recently recommended by COPAS, excluding accessorial charges, as set forth in COPAS Bulletin 21.**

MFI-51 (COPAS 2005), Section II.4.B(2)

4. TRANSPORTATION

- A. Transportation of the Operator's, Operator's Affiliate's, or contractor's personnel necessary for Joint Operations.
- B. Transportation of Material between the Joint Property and another property, or from the Operator's warehouse or other storage point to the Joint Property, shall be charged to the receiving property using one of the methods listed below. Transportation of Material from the Joint Property to the Operator's warehouse or other storage point shall be paid for by the Joint Property using one of the methods listed below:
 - (1) **If the actual trucking charge is less than or equal to the Excluded Amount the Operator may charge actual trucking cost or a theoretical charge from the Railway Receiving Point to the Joint Property.** The basis for the theoretical charge is the per hundred weight charge plus fuel surcharges from the Railway Receiving Point to the Joint Property. The Operator shall consistently apply the selected alternative.
 - (2) If the actual trucking charge is greater than the Excluded Amount, the Operator shall charge Equalized Freight. Accessorial charges such as loading and unloading costs, split pick-up costs, detention, call out charges, and permit fees shall be charged directly to the Joint Property and shall not be included when calculating the Equalized Freight.

MFI-53 (COPAS 2012)

II.4

IV.B (Freight)

COPAS 2012 does not reference either freight equalization or excluded amount

4. TRANSPORTATION

The cost of transporting a Party's employees, Affiliate's employees, contractor's personnel, and Material necessary for Joint Operations, subject to Section IV (*Material Purchases, Transfers and Dispositions*).

Transportation of Material between the Joint Property and another property, or from the Operator's warehouse or other storage point to the Joint Property, shall be charged to the receiving property.

Transportation of Material from the Joint Property to a warehouse or other storage point shall be charged to the Joint Account.

Notwithstanding the foregoing, freight charges associated with redeployment of Operator's surplus from another property or warehouse to the Joint Property shall not exceed the cost of moving such surplus from the nearest stocking point to the applicable delivery location.

**TRANSPORTATION COST COMPARISONS
EXCLUDED AMOUNT DETERMINATION REVIEW
FOR 2023**

MARCH 2023 REVIEW

FROM/TO QUOTES FROM	Transportation Cost Quote
Houston to Port Fourchon	\$1,600
Oklahoma City, OK to McAlester, OK	\$850
Amarillo, TX to Perryton/Dumas TX	\$850
Houston to Texas Panhandle	\$2,500
Sheldon Rd (Houston , TX) to Port Fourchon (LA)	\$1,600
Sheldon Rd (Houston , TX) to Port Fourchon	\$1,600
Houston, TX to Midland, TX	\$2,000
Houston to Oklahoma City, OK	\$1,775

RATES INCLUDED IN 2023 REVIEW:

FROM/TO	Transportation Cost Quote
Houston to Texas Panhandle	\$2,500
Houston, TX to Midland, TX	\$2,000
Houston to Oklahoma City, OK	\$1,775
Houston to Port Fourchon	\$1,600
TOTAL	\$12,775

TOTAL AVG \$3,194

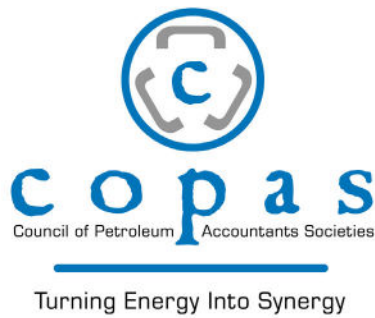
RECOMMENDED EXCLUDED AMOUNT 2023: \$3,000

**TRANSPORTATION COST COMPARISONS
EXCLUDED AMOUNT DETERMINATION REVIEW
FOR 2022**

FEBRUARY 2014 REVIEW		MARCH 2019 REVIEW		MARCH 2022 REVIEW	
FROM/TO	Transportation Cost Quote	FROM/TO	Transportation Cost Quote	FROM/TO	Transportation Cost Quote
Houston to Port Fourchon	\$1,500 - \$1,600	Houston to Port Fourchon	\$1,488	Houston to Port Fourchon	\$1,855
Oklahoma City, OK to McAlester, OK	\$1,500	Oklahoma City, OK to McAlester, OK	\$808	Oklahoma City, OK to McAlester, OK	\$930
Amarillo, TX to Peryton/Candian/ Dumas TX	\$600 - \$700	Amarillo, TX to Peryton/Dumas TX	\$468 - \$737	Amarillo, TX to Peryton/Dumas TX	\$800
Houston to Texas Panhandle	\$580,00	Houston to Texas Panhandle	\$2,047	Houston to Texas Panhandle	\$2,455
Sheldon Rd (Houston, TX) to Port Fourchon (LA)	\$1,625	Sheldon Rd (Houston, TX) to Port Fourchon (LA)	\$1,465	Sheldon Rd (Houston, TX) to Port Fourchon (LA)	\$1,865
Sheldon Rd (Houston, TX) to Port Fourchon (assumption)	\$1500 - \$1700	Sheldon Rd (Houston, TX) to Port Fourchon	\$0	Sheldon Rd (Houston, TX) to Port Fourchon	\$0
Houston, TX to Midland, TX	\$1,550	Houston, TX to Midland, TX	\$1,951	Houston, TX to Midland, TX	\$2,243
Houston to Oklahoma City, OK	\$1,625	Houston to Oklahoma City, OK	\$1,618	Houston to Oklahoma City, OK	\$1,860
RATES INCLUDED IN 2014 REVIEW:					
FROM/TO	Transportation Cost Quote	FROM/TO	Transportation Cost Quote	FROM/TO	Transportation Cost Quote
Houston to Port Fourchon	\$1,500 - \$1,600	Houston to Texas Panhandle	\$2,047	Houston to Texas Panhandle	\$2,455
Sheldon Rd (Houston, TX) to Port Fourchon (LA)	\$1,625	Houston, TX to Midland, TX	\$1,951	Houston, TX to Midland, TX	\$2,243
Sheldon Rd (Houston, TX) to Port Fourchon (assumption)	\$1500 - \$1700	Houston to Oklahoma City, OK	\$1,618	Houston to Oklahoma City, OK	\$1,860
TOTAL	\$4,775	Houston to Port Fourchon	\$1,488	Houston to Port Fourchon	\$1,855
TOTAL AVG	\$1,592	TOTAL	\$7,103	TOTAL	\$8,413
RATES INCLUDED IN 2019 REVIEW:					
RECOMMENDED EXCLUDED AMOUNT 2014: \$1,600					
RECOMMENDED EXCLUDED AMOUNT 2019: \$2,000					
RECOMMENDED EXCLUDED AMOUNT 2022: \$2,300					

* recommended to include 15% increase quarterly

Vehicle Rates



March 10, 2023

To: COPAS Officers, Directors, Standing & Special Committee Chairpersons, Society Presidents, and Council Representatives

Subject: Vehicle Rates effective April 1, 2023

COPAS Model Form Interpretation 55 (*Vehicle Rates*) was approved at the Fall 2013 Council meeting in San Antonio, Texas to meet the industry need for providing vehicle rates for use in charging Operator-owned vehicles to the Joint Account. As explained therein:

All COPAS model form accounting procedures provide direct charges to the joint account for the cost of vehicles used in joint operations and allow Petroleum Motor Transport Association (PMTA) rates as a means of billing for those costs. While the 1962 Model Form allows rates from “some other recognized organization” to be used in lieu of PMTA rates, the 1995, 1998, 2005, and 2012 Model Forms state that rates shall be from PMTA or “such other organization recognized by COPAS as the official source of such rates.” For companies that choose not to use actual costs, the 1968, 1974, 1976, 1984, and 1986 Model Forms do not have provisions for automotive rates other than PMTA rates.

With PMTA’s dissolution and the 2013 rates being the last PMTA-published rates, COPAS must designate an “alternative source of rates” so the industry has a suitable replacement for the PMTA rates. Of course, companies still have the option to calculate and charge a rate commensurate with its actual cost (up to the commercial rate limit) or a rate that represents average commercial rates in the area less 20%.

After reviewing and analyzing multiple options, including several government indices and COPAS’ taking over the survey formerly conducted by PMTA, contracting for and utilizing rates furnished by Kelley Blue Book (KBB) represents the most equitable and objective replacement to PMTA rates.

Based on KBB and Edmunds data as of March 6, 2023, the Vehicle Rates Subcommittee of the Joint Interest Standing Committee recommends the following rates for COPAS Council approval and subsequent posting on the COPAS website.



Turning Energy Into Synergy

Vehicle Type	Data Source	April 1, 2023 Rate per Mile
Passenger cars	KBB	\$.56
1/2-ton pickups (2WD)	Edmunds	.68
1/2-ton pickups (4WD)	Edmunds	.80
3/4-ton pickups (2WD)	Edmunds	.78
3/4-ton pickups (4WD)	Edmunds	.86
One-ton pickups (2WD)	Edmunds	.85
One-ton pickups (4WD)	Edmunds	.94
SUV (2WD)	Edmunds	.92
SUV (4WD)	Edmunds	.97

Notes:

(1) Rates include fuel, insurance, fees, maintenance, repairs, financing costs, and depreciation; they do not include driver's salary or costs, communications equipment, or other added equipment.

(2): There are no "Area" designations or per-hour rates, as were published by PMTA.

Respectfully Submitted,

Patricia Ellington
Joint Interest Standing Committee Chair



Turning Energy Into Synergy

**COPAS Vehicle Rates Subcommittee
2023 Rate Determinations Data**

Category	Vehicle Year	City/Zip Code Source	Beeville, TX 78102				Williston, ND 58801				Midland, TX 79701				Indiana, PA 15701				2023 Average	2022 Rates	2022 Change					
			Patricia	Danny	Paula	Tom	Cody	Patricia	Danny	Paula	Tom	Cody	Patricia	Danny	Paula	Tom	Cody	Patricia				Danny	Paula	Tom	Cody	
SUV - 2WD	2023	Edmunds	\$ 0.93	\$ 0.83	\$ 0.93	\$ 0.89	\$ 0.89	\$ 0.93	\$ 0.89	\$ 0.89	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.70	31.43%
SUV - 4WD	2023	Edmunds	0.98	0.98	0.98	0.98	0.94	0.94	0.94	0.94	0.98	0.98	0.98	0.98	0.98	0.98	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.72	34.72%
1/2 Ton Pickup - 2WD	2022	Edmunds	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.55	23.64%
1/2 Ton Pickup - 4WD	2022	Edmunds	0.81	0.81	0.81	0.81	0.76	0.76	0.76	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.62	29.03%
3/4 Ton Pickup - 2WD	2022	Edmunds	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.59	32.20%
3/4 Ton Pickup - 4WD	2022	Edmunds	0.86	0.86	0.86	0.86	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.63	36.51%
One Ton Pickup - 2WD	2022	Edmunds	0.84	0.84	0.84	0.84	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.63	34.92%
One Ton Pickup - 4WD	2022	Edmunds	0.93	0.93	0.93	0.93	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.67	40.30%
Sedan/Passenger Car	2022/2023	Kelley BB	0.56	0.56	0.56	0.56	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.52	7.69%

SUV - Ford, Expedition, XLT, 2WD
 SUV - Ford, Expedition, XLT, 4WD
 1/2 Ton Pickup - Ford F150 Super Crew Cab, XLT, 6. EcoBoost, Twin Turbo, 2.7L, Automatic, 10-Spd w/ Sport Mode Two-Wheel Drive 6'
 1/2 Ton Pickup - Ford F150 Super Crew Cab, XLT, V8, Flex Fuel, 5.0L, Automatic, 10-Spd w/ Sport Mode Four-Wheel Drive 6'
 3/4 Ton Pickup - Chevrolet 2500 Silverado HD Crew Cab LT, V8, Flex Fuel, 6.6L, 8cyl, 6A, Two-Wheel Drive
 3/4 Ton Pickup - Chevrolet 2500 Silverado HD Crew Cab LT, V8, Flex Fuel, 6.6L, 8cyl, 6A, Four-Wheel Drive
 One Ton Pickup - Chevrolet Silverado 3500HD Crew Cab LT, 4WD 6.6L, 8cyl, 6A, LB
 Sedan/Passenger Car, Full Size Cars (Note 1)

Notes:
 (1) Calculated by averaging the rates for the Chrysler 300 Touring, Toyota Avalon Hybrid XLE, and Dodge Charger SXT. See supporting schedule.
 Used 2022 vehicle year for Toyota Avalon Hybrid XLE due to unavailability of information.