

Council of Petroleum Accountants Societies, Inc.

127th Council Meeting

Friday, September 27, 2024

8 a.m. CST

Westin Riverwalk Hotel

San Antonio, Texas



Council of Petroleum Accountants Societies, Inc.

Meeting Notice





July 29, 2024

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

Re: Notice of Fall 2024 Council Meeting

In just 60 days' time, the 127th meeting of the Council will be held. The meeting will begin at 8 a.m. CST on Friday, September 27, and will conduct business as outlined on the agenda included in this notice. 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 handled according to the Bylaws. The noticed voting items are listed below with a parenthetical indication of the vote required to approve that voting item.

1. 2024 COPAS Spring Council Meeting Minutes (majority)
2. Dissolution of the Appalachia Society (2/3)
3. Suspension of the Austin, Corpus Christi, and New Mexico Societies (2/3)
4. Election of (3) Board of Directors for 2025 - 2027 term (top 3)
5. Election of 2025 Nominating Committee (majority)

The Board of Directors will meet on Monday, September 23 from 8:00 a.m. to 5:00 p.m. CST, and from 1:30 p.m. to 5:00 p.m. CST on Thursday, September 26.

Four hours of Continuing Professional Education will begin the activities on Tuesday, September 24, beginning at 8 a.m. President-elect Kim Peyton will lead the COPAS Leadership Conference from 1:00 p.m. to 5:00 p.m. that afternoon. The Leadership Conference is open to all COPAS members. The Leadership Reception is by invitation only. An agenda will be posted on the website when it is completed.

There will also be a nightly Hospitality Suite beginning on Tuesday, September 24. Committee meetings, River Boat rides and the Welcome Reception will fill the Wednesday, September 25 activities. Committee meetings, the Briscoe Art Museum and the Banquet and Band, with a special surprise guest, will complete the day, Thursday, September 26.

The Council agenda is included in this notice. While three board members will be elected at this meeting, the candidate information is not yet available but will be provided shortly. The details of all other voting items are included. Please contact the COPAS Office if you have any questions or need assistance in registering for the meeting. Registration is available by clicking the events tab on the COPAS website. You will also find the link to book your hotel under the group rate.

I look forward to seeing you all soon.

Sincerely,

Craig Buck

Craig Buck, President

Council of Petroleum Accountants Societies, Inc.

Meeting Agenda



127th Meeting
Council of Petroleum Accountants Societies, Inc. (COPAS)
Westin Riverwalk Hotel – San Antonio, Texas
Council Meeting Agenda
8 A.M. Friday, September 27, 2024

Call to Order	Craig Buck
Host Society Welcome	Kirk Foreman
Reading of COPAS Antitrust Policy	Tom Batsche
Roll Call	Rebecca Paris
Minutes of Spring 2024 Meeting	Rebecca Paris
Vote – Approval of Minutes (majority)	
Financial Reports	Carole Tear
COPAS 2024 Goals and Objectives	Craig Buck
COPAS Board of Directors Report	Kevin Launchbaugh
Bylaws Committee Report	Kevin Launchbaugh
Membership and Society Activity Report	Kevin Launchbaugh
Vote – Dissolution of the Appalachia Society (2/3)	
Vote – Suspension of Austin, Corpus Christi, and New Mexico Societies (2/3)	
Leadership Conference	Kim Peyton
First Timer Social	Kim Peyton
Research and Advisory Committee Report	Dalin Error
Executive Director's Report	Tom Wierman
Editorial Committee Report	Tom Wierman
Audit Standing Committee Report	Cecil Sprague
Joint Interest Standing Committee Report	Patricia Ellington



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 John Jolly Memorial Fund Desk & Derrick University of North Texas Center for Energy Accounting and Sustainability Board of Directors Report	Kirk Foreman
Ring of Honor	Craig Buck
Eagle Award	Craig Buck
Nominating Committee Report Vote – Election of 2025 – 2027 Directors (3) (majority) Vote – Election of 2025 Nominating Committee (majority)	Craig Buck
Recognition of Retiring Board of Directors	Craig Buck
Spring 2025 Council Meeting, Tulsa and Arkansas Societies April 21 – 25, 2025, Embassy Suites Rogers, Arkansas	Vanessa Green
Fall 2025 Council Meeting, COPAS Office September 22 – 25, 2025, Marriott Country Club Plaza Kansas City, Missouri	Tom Wierman
Future Meetings Spring 2026 COPAS Office Fall 2026 COPAS Office Spring 2027 Houston Society (75 th Anniversary)	
Other Business	All Attendees
Adjournment	

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THE source of business and accounting solutions for the energy industry

Council of Petroleum Accountants Societies, Inc.

Voting Items



126th Meeting
COUNCIL OF PETROLEUM ACCOUNTANTS SOCIETIES, INC. (COPAS)

April 25, 2024

Hyatt Regency Jacksonville Riverfront
Jacksonville, Florida

The 126th meeting of the Council of Petroleum Accountants Societies, Inc. (COPAS) was held on Friday, April 26th, at the Hyatt Regency Jacksonville Riverfront Hotel, Jacksonville, Florida.

Call to Order

President Craig Buck called the Council meeting to order at 8:01 a.m. EDT.

Craig called on Savannah Ballard, Permian Basin Society President to give welcoming remarks.

Craig then had Secretary Rebecca Paris present the following resolution for Council approval:

**A resolution to commemorate the 70th anniversary of
the establishment of
the Petroleum Accountants Society of the Permian Basin**

WHEREAS, the Petroleum Accountants Society of the Permian Basin was organized in 1954.

WHEREAS, Mr. Lester VanPelt represented the Petroleum Accountants Society of the Permian Basin at a meeting on February 11, 1961, where the discussions leading to the formation of the Council of Petroleum Accountants Societies of North America were held.

WHEREAS, the Council of Petroleum Accountants Societies of North America was formed on April 25, 1961, to bring together various Petroleum Accountants Societies in North America to coordinate the work of the participating societies and to increase the effectiveness of the various societies. The organizers of COPAS desired to avoid duplication of effort in the solution of common problems, and to add the weight of authority of each of

the individual organizations to the pronouncements of the group on matters of accounting theory and technique affecting the petroleum industry.

WHEREAS, the Petroleum Accountants Society of the Permian Basin hosted the formation meeting of the Council of Petroleum Accountants Societies of North America on April 25, 1961.

WHEREAS, the Petroleum Accountants Society of the Permian Basin was a charter member of the Council of Petroleum Accountants Societies of North America.

WHEREAS, Mr. Eugene Myrick (1966-1967) and Mr. John White (1970-1971) each served as COPAS President.

WHEREAS, the Council of Petroleum Accountants Societies of North America name was changed on April 24, 1980 to omit the words “of North America,” and known henceforth as the Council of Petroleum Accountants Societies, Inc. (COPAS).

WHEREAS, the Petroleum Accountants Society of the Permian Basin is hosting the 126th annual meeting of the Council of Petroleum Accountants Societies, Inc. (COPAS) April 22-26, 2024 and,

WHEREAS, the Petroleum Accountants Society of the Permian Basin continues to be a long-standing contributor to the great works of the Council of Petroleum Accountants Societies, Inc. (COPAS).

NOW, THEREFORE, BE IT RESOLVED by the Council of Petroleum Accountants Societies, Inc. (COPAS) that the members of this body commemorate the 70th anniversary of the establishment of the Petroleum Accountants Society of the Permian Basin. We express our gratitude and sincere congratulations to early contributors of the society and to those who help to carry on the organization.

Council approved the resolution unanimously this 26th day of April 2024, in Jacksonville, Florida.

COPAS Antitrust Statement

Scott Barrios read the COPAS Antitrust Statement.

Roll Call

Secretary Rebecca Paris called the roll of Council Members. Nineteen (19) 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, Ark-La-Tex, Corpus Christi, Michigan, and New Mexico. A quorum was present. Two (2) societies were unable to vote: Appalachia and Canada.

Fall 2023 Council Meeting and December 2023 Special Meeting Minutes

The minutes of the 125th Council meeting held at the Cheyenne Mountain Resort, Colorado Springs, Colorado, and the minutes from the December 2023 Special Meeting were distributed in the 60-day notice and presented for approval.

Craig entertained a motion for approval of both sets of minutes as presented. Oklahoma City moved and Houston seconded the motion. Craig asked if there was any discussion; hearing none he requested a vote by acclamation. The motion carried 17-0-0.

Financial Reports

Carole Tear gave the following financial report:

COPAS Membership assessments continue to trend up as we see recovery in membership of many societies. In 2024, revenues are anticipated to decrease slightly from products and publications after the boost caused by the release of significant new documents in 2022 and 2023. Additional revenue decreases are expected as sales of the APA® Review Course settle down after the initial boost from its 2023 release and marketing. A large spike in Other Income in 2022 was due to the ERC funds received that year, and the bump in 2023 Other Income was related to the 2023 Spring meeting revenues, which are largely offset by related expenses.

As with previous years, the largest portion of COPAS revenues were attributable to the sale of publications and member assessments. An expected 2024 Increase in member assessments was materially offset by the decrease in income related to the National Office hosting of Spring 2023 meeting.

Membership assessments rates trended up at a consistent rate since 2015. The member assessment rate remained at \$110 for 2024. A proposed increase will move the assessment rate to \$115 in 2025.

While membership has been fairly flat in the post COVID periods of 2021-2024, COPAS has begun to see signs of recovery. COPAS continues to face challenging economic trends, but considers the recovery encouraging, and is actively looking for ways to encourage and foster growth in membership.

Expenses have remained flat over the five-year review period. A slight annual increase in Marketing is due to increased investment in the COPAS website, including search algorithms and various other COPAS and APA® promotions. Depreciation decreased significantly over the five-year period as a large portion of COPAS assets have been fully depreciated. Product sales, APA®, and Education expenses remained flat, or experienced very slight increases in support of increased demand.

The largest portion of COPAS 2023-2024 expenses continue to relate to Membership Services, primarily the COPAS National Office. The National Office provided support to members related to local society leadership, education, CPE support, and other priorities and initiatives. The National Office also helped execute strategic plans and goals. In addition, the comparison indicates a continued significant Marketing expense as they

continue to invest in expanding services offered through the website and other marketing initiatives.

Craig entertained a motion for approval of the 2025 Membership Assessment Rate of \$115 for Participating Society members and \$150 for Limited members, plus a \$25 initiation fee for new Limited members. Dallas moved and Fort Worth seconded the motion. Craig asked if there was any discussion; hearing none he requested a vote by acclamation. The motion carried 17-0-0.

COPAS 2023 Goals and Objectives

Craig began the discussion of his 2024 Goals and Objectives by noting the unique opportunity he had being the first two-term COPAS Board President allowing him to carry some goals forward.

1. 50 new members in 2024
2. Increase APA by 20% - review course very successful and has possible international appeal.
3. Finalize partnership with Enverus for CEPS
4. Streamline COPAS Publication Process (PRUTCOM)
5. Move common admin tasks to national board to take weight off of local societies.
 - a. Dues
 - b. Micro sites
 - c. Repository for documents
6. Solution for members without societies (Virtual Society)

COPAS Board of Directors Report

The Board met to conduct business where Board decisions were required during the Spring 2024 national meeting.

During those meetings the Board approved the minutes from the following Board of Directors meetings in 2024:

- January 29
- February 21
- March 27

In addition, the BOD discussed an approved:

- A 30-day money back guarantee less 10% administrative fee for the APA® Review Course
- Renewal of the Meazure Learning contract
- To retire all Accounting Procedures other than MF-2 Gas Plant Model Form Accounting Procedure, MF-6 2005 Accounting Procedure Joint Operations, MF-7 Deepwater Model Form Accounting Procedure, and MF-8 2022 Accounting Procedure Joint Operations.

The Board also met with the marketing firm, RSM, to discuss changes to the COPAS website namely, to host micro sites for local societies and all membership enrollment through “Join

Now”. These improvements are anticipated in the near future pending completion of current negotiations for project costs.

The Board also agreed to a bi-monthly, virtual meeting, previously the “Small Oil and Gas Meeting,” that will begin this Fall. It will be open to all and may have CPE available depending on the topic and speaker.

A Virtual Society meant as a solution or option for societies that are struggling to stay in compliance with COPAS Bylaws, will begin this Fall. This society will have all of the rights and requirements of every COPAS society, and members are only eligible if they are outside of 75 miles from an established society.

The Board would like to remind the Council that the COPAS national office will begin hosting all national meetings beginning with Fall 2025 unless a society requests to host.

Finally, mentors are not just for first timers. The Council was advised to reach out to COPASMentor@COPAS.org if anyone wished to have a mentor or would like to be a mentor.

Membership and Society Activity Report

The Membership and Society Activity Report began with a reminder to the Council that COPAS does not want to lose members. One solution when societies are struggling is to create a Virtual Society. The Board has been lenient these last few years with regards to compliance with the COPAS Bylaws, but beginning this Fall societies will be suspended for non-compliance. This sparked a discussion within the Council. Houston asked if the Board has exhausted all opportunities to bring those societies back into compliance? Craig answered in the affirmative stating the Board liaisons have been working hand in hand with societies. Some societies provided plans to get back into compliance, and we are giving a few more months to act on those plans. Mississippi inquired if we were talking about the majority of the membership? Dallas asked what portion of the nearly 1,500 members was involved? Kim Peyton noted that most societies are returning to normal after COVID, and Kevin Launchbaugh pointed out that we need to reach out to East Texas members whose society was dissolved in Spring of 2023. Houston suggested sending an enrollment request to all members, past and present, in order to expand our membership.

Kevin then presented a request for Acadiana and New Orleans Societies to merge. Kevin explained that Acadiana was previously suspended and for all intents and purposes had effectively merged with New Orleans. The merger presented in the 60-day notice was a formality. Craig entertained a motion for approval of the dissolution of the Acadiana society. New Orleans moved and Mississippi seconded the motion. Craig asked if there was any discussion; hearing none he requested a vote by roll call. The motion required a 2/3 majority and was carried 17-0-0.

Bylaws Committee Report

The Board asked Wade Hopper to draft bylaws templates that can be used as a for a Virtual society, as well as for other local societies. The Board is recommending a few edits to the

several sets Wade provided, but they should be ready this year. This is a good chance for local societies to compare their bylaws to look for areas for improvement.

Leadership Conference

The Leadership Conference was held Tuesday, April 23, beginning at 1:00 p.m. EDT. After introductions by the sixty (60) attendees, a recap of the goals accomplished by the COPAS Progression Panel was shared.

- COPAS National Office will plan and host national meetings beginning Fall of 2025, with the expectation that local societies will provide manpower.
- Membership registration will be administered by the national office.
- Bi-monthly Meetings for CPE will begin in the Fall as an added member benefit.
- Micro websites are on the radar, and the national office is exploring options.
- Virtual Society will begin in the Fall as an option for members without an active society within 75 miles.

Deb Retzloff gave a presentation on the COPAS document process to give everyone an understanding as we look forward to document teams forming to consider and act upon the recommendations from the Document Review Team. The afternoon concluded with a Q&A with Dalin Error, Deb Retzloff, and Carole Tear on their experience with document teams. The meeting adjourned at 5:00 p.m. EDT.

The Leadership Reception was held Tuesday evening.

Craig took a moment to thank Kim for her work on some substantial topics in the Leadership Conferences at the last few national meetings,

Research and Advisory

Dalin Error noted there was nothing to report.

Nominating Committee

The Nominating Committee will be formed to provide nominations for Board elections in the Fall to fill the terms held by Craig and Dalin.

Executive Director's Report

Tom Wierman reported that he has visited nine societies beginning September 2023. Many of the presentations were APA® Review Course-related. Tom thanked the societies for their interest and hospitality.

Interest in the APA® Certification is high as evidenced by the number of signups for the APA® Review Course. Tom plans to hold periodic “study halls” with candidates to gauge progress and to offer additional support. Some additional live training sessions are being considered using the COPAS Energy Education Joint Interest and Revenue Bootcamp webinar material. Plans will be finalized, and the information communicated to the candidates enrolled in the Review Course.

Tom and Vanessa plan to hold Lunch & Learn sessions on Continuing Professional Education (CPE) requirements. Many societies use the COPAS NASBA or Texas Society

of CPA sponsor number. Because COPAS files these reports and pays the fee it is imperative that the information provided by the societies is correct. These Lunch & Learn sessions will provide information that will be helpful for the society speaker chair.

Tom reviewed the member benefits available, including those that are affinity or relationship based. Tom used office supplies as an example, comparing retail price and the member benefit pricing. Members should review the website for additional information or contact the COPAS Office.

Tom closed his report by asking members to contact the office if there is anything more, he or Vanessa can do to support the members or society. The COPAS Office takes immense pride in providing excellent customer service.

Editorial Committee Report

Tom Wierman noted that the Spring ACCOUNTS magazine mailed on February 26. Turnaround (from upload to print and mail) was much better for this issue than it has been. It is hoped that the turnaround for future issues will be similar.

Tom noted the future submission dates for the Summer, Fall and Winter 2024 ACCOUNTS. Due dates will be May 1, August 1, and November 1, respectively.

Many societies have discontinued sending news reports. Tom considered scrapping these news reports but noted that after making that comment, participation for this section of the magazine improved.

In his final comments Tom reminded members of the submission guidelines, such as writing in third person and keeping report dates and publication dates in mind. Tom showed an example of a society report that was creative and well-written.

Mississippi asked if the prospect of not sending hard copies of Accounts magazine, or providing the option has been reconsidered. Tom W. noted a revolt the last time it was discussed but agreed to keep it in mind.

Audit Standing Committee Report

Cecil Sprague provided the following report:

The Joint Interest and Audit Standing Committees held a joint meeting, Thursday, April 25. The meeting commenced at approximately 8:05 a.m. EDT with approximately 82 attendees.

Introductions were made, first timers were recognized, and the antitrust statement was read.

A guest speaker discussed the transformation of finance in the Oil and Gas industry and how new digital innovations will be leveraged in the future.

Craig Buck led a discussion on the PRUTCOM (Publications Reopening for Updates, Technical Corrections, or Modernization) initiative and evolution from CAPECUP. The majority of changes after the first draft comments were implemented and a new voting draft was distributed. Deb Retzloff commented that CAPECUP needs to be retired once PRUTCOM is approved. Additionally, the PRUTCOM team needs to progress quickly and get recommended documents in the pipeline. Craig commented that Tom Wierman has created a Google doc sign-up sheet that will be posted for all COPAS members on the COPAS website as a way to volunteer for a drafting team.

Document drafting strategy was discussed; how many documents at a time do we want to work on, which do we start with, etc. The Publications Review Summary from the Document Review task force was shared with the committees for discussion on documents that are recommended to be opened.

Dalin Error gave the COPAS Board of Directors update.

Audit Breakout Session

The Audit Standing Committee met separately immediately after the combined session. The meeting commenced at approximately 10:45 a.m. EDT and concluded at 11:58 a.m. EDT. Ten (10) societies were present to vote with a total of 32 attendees.

Robyn Tarnowski gave an update on the Emerging Issues sub-committee meeting that took place Wednesday, April 24.

The following items were approved:

1. Fall 2023 Meeting Minutes (Acclamation)
2. Winter 2024 Meeting Minutes (Acclamation)
3. Audit Per Diem Rate Effective April 1, 2022 (Majority)
4. PRUTCOM adoption (Majority)

Cecil Sprague led a discussion on the list of documents recommended by the Document Review Team that fall under the Audit umbrella. Dalin Error and Kevin Launchbaugh provided additional details from the document review task force team as to which documents the Audit committee should sponsor. MFI-36 Audit Rights of Non-Participating and Non-consenting Parties was recommended as one document sponsored by Audit that should be opened. Dalin and Kevin shared that MFI-35, MFI-36 and MFI-23 are BOD recommendations.

Vanessa Green and Kim Goodwin led a discussion/live poll of audience of remote audit trends in the industry. Vanessa shared the API Audit Committee Survey results from October 2023 as the survey referenced JV Audits. Vanessa also shared a 2002 presentation of the COPAS Audit Liaison survey results. Discussion continued whether a COPAS Audit

Liaison benchmark survey would be useful and if a team of volunteers would like to participate in drafting survey questions to gauge what companies would like to see.

Joint Interest Committee Report

James Wright presented a report on the Join Interest Committee:

Since our last general council meeting, the Joint Interest Standing Committee met on January 24. At this meeting, the Joint Interest Committee voted to approve the following item:

- Approval of Model Form Interpretation 57 – Addendum 1 (Remote Technology Centers)

This week, the Joint Interest Standing Committee met again on Thursday, April 25, first in a joint session with Audit that began with an engaging presentation from Afonso Guimaraes on robotic process automation, blockchain, and generative AI. A presentation/discussion was then led by Cecil Sprague and James Wright concerning PRUTCOM and documents recommended for revision by the Documents Review Task Force. After a small break, the Joint Interest Standing Committee met independently from 10:45 a.m. to 11:45 a.m. EDT with 41 attendees from 13 societies.

The Joint Interest Committee voted on numerous items:

- Overhead Escalation Rate
- Vehicle Rates
- Loading/Unloading Rates
- Excluded Amount
- Workers Compensation Rates
- PRUTCOM Adoption
- Vehicle Rates Subcommittee Changes

All items were approved unanimously.

Following voting, the committee further discussed the documents recommended by the Document Review Task Force. In a straw poll, the committee agreed that local societies should discuss opening MFI-37 Incentive Compensation Plans and consolidating MFI-41, MFI-42, and MFI-43 into one document governing documentation requirements for joint venture audits. Thanks to Amy Whitley for taking the minutes and the Chair, Patricia Ellington, for her help preparing the meeting even though she couldn't be here this week. The Joint Interest Committee would like to encourage everyone to attend future meetings to participate in these discussions.

The Joint Interest Committee would also like to thank COPAS of the Permian Basin for hosting the Spring 2024 COPAS meeting.

The Joint Interest Committee presented two documents to the Council for vote:

- MFI-57 AD-1, Remote Technology Centers
- Publication Reopening for Updates, Technical Corrections, or Modernization (PRUTCOM)

Craig entertained a motion for approval of MFI-57 AD-1, Remote Technology Centers. Houston moved and San Antonio seconded the motion. Craig asked if there was any discussion; hearing none he requested a vote by roll call. The motion required a 2/3 majority and was carried 17-0-0.

Craig entertained a motion for approval of Publication Reopening for Updates, Technical Corrections, or Modernization (PRUTCOM). Colorado moved and Permian Basin seconded the motion. Craig asked if there was any discussion; hearing none he requested a vote by roll call. The motion required a 2/3 majority and was carried 17-0-0.

Education, Financial Reporting, and Small Oil and Gas Standing Committee Reports

Jeff Wright presented the report on the Education, Financial Reporting, and Small Oil and Gas meetings:

The COPAS Education Committee met April 25, in Jacksonville. The meeting was a joint session with the Small Oil & Gas Committee and the Financial Reporting Committee. The meeting commenced at 1:00 p.m. EDT with reading of the COPAS Antitrust Statement by Education Committee Co-Chair, Jeff Wright. Board, Liaison, Kirk Foreman, provided the Board of Directors report and gave a brief update on the Side-by-Side Model Form Accounting Procedure project.

Small Oil & Gas Committee Chair, Howard Hong, led an ice-breaker exercise to allow attendees to introduce themselves and learn some things about one another.

Evan Masters and Darshana Shyamsunder with FORVIS presented on *Orphaned Wells Grant Compliance*. During the presentation they identified grant compliance items including inventory management, Davis Bason and BABA requirements. They also identified reporting requirements, as well as provided instructions on completing reports for compliance with grants. Finally, they provided example of best practices and lessons learned. One hour of CPE was awarded.

Jeff Wright with 4A Energy Advisors LLC presented on a Review of *COPAS AG-23 - Overhead Rate Negotiation and Calculation*. He explained the two basic approaches to calculating overhead rates and addressed the components and costs included and excluded from the overhead rate calculation. Finally, Mr. Wright also outlined factors to consider when negotiating overhead rates. One hour of CPE was awarded.

The meeting concluded at 4:35 p.m. EDT.

Revenue Standing Committee Report

Jeremy Norton presented the Revenue Committee report to Council:

The COPAS Revenue Standing Committee and the Revenue Sub-committees met April 24 and 25.

The primary focus of the Revenue Committee is educational sessions designed to assist the revenue accountant in completing their role. These CPE opportunities cover a wide variety of topics, and from a state and federal perspective. Topics for the spring meeting included detailed legislative updates, a review of the Office of Natural Resources Revenue (“ONRR”) 2016 Rule and audit issues the rule has created marketing and postproduction costs for severance taxes, midstream PPAs, and an overview of the Army Corps of Engineers activities in the Jacksonville District. Over the two-day period, there were eight presentations and eight and a half hours of CPE were awarded.

Nate Wolf provided an update on state severance tax legislation for items that are pending and for those that have passed. Following Nate’s presentation, the Revenue Committee held discussion and voted on the PRUTCOM proposal. The PRUTCOM document was reviewed and changes were summarized. There were twelve societies in attendance and the vote to pass the PRUTCOM document, as proposed, was unanimous. Robert Toudouze gave a refresher on the Office of Natural Resources Revenue 2016 valuation rules. These rules have been back and forth and round and round. Robert provided a reminder on the changes that should already be implemented in our accounting systems and discussed some audit issues that have started to arise as ONRR has begun to audit. Jeremy Norton concluded the morning with a discussion regarding the reporting issues surrounding unapproved Bureau of Land Management communization agreements.

April 25 was a full day of CPE. Dan Hodgson gave a detailed discussion of midstream prior period adjustments, commonly known as PPAs. He discussed some of the reasons these can happen and proposed ways we could mitigate some of them. After Dan’s presentation, Sarah Magruder, Savvy Oil and Gas Consulting, provided information about marketing and postproduction costs that are deductible from taxable value for severance taxes. Magruder emphasized that this requires review of both your costs on your revenue statement as well as costs that may appear in your lease operating expenses on your general ledger. The committee had an open discussion for attendees to raise issues they are seeing and seek input from others for solutions. A few questions related to consolidated production facilities, oil take-in-kind, and minimum revenue check writes were discussed. Some of these issues are trending items that are coming down the pipe and others are issues that have existed for some time that we wanted to discuss and get input from others upon.

The AG-6, *Oil Accounting Manual* and AG-15, *Gas Accounting Manual* project team reports were given. These projects are progressing; the detailed review has begun, and updates are being made. A couple of items that were explicitly noted were websites that have changed and a proposal to remove the usage of the word “usually” when discussing lease agreements and other items will likely be part of the updated documents.

Shelly Roberts and Aldone Graham, U.S. Army Corps of Engineers (USACE), Jacksonville District, discussed the mission of the USACE and some of the projects that the Jacksonville District handles. The Jacksonville District is one of the largest in the United States. The Corps supports many efforts related to water flow in Florida. Jeremy Norton concluded up the day with a legislative update on pending and passed legislation related to royalties.

Dan Hodgson, Midstream Subcommittee Chair, announced he will be stepping down at the end of 2024. Dan has provided insight and perspective not always given and has provided many hours of training on midstream accounting. There has been some interest in this role so we will be looking to fill that role in the coming months. Thank you, Dan, for your service to the Revenue Standing Committee.

As an affected committee, the Revenue Committee presented the Publication Reopening for Updates, Technical Corrections, or Modernization (PRUTCOM) publication for approval. Houston moved, and Oklahoma City seconded the motion to approve PRUTCOM. The motion was approved unanimously.

APA® Program Report

Tom Wierman reported that thirty-six (36) candidates are registered for the APA® Review Course so far, and several have taken their exam and passed. The exam is available year-round through our testing provider, Measure Learning, and candidates can take it at a testing center or at their home or office. Once a candidate registers for the exam, they'll receive access to the APA® Review Course, which are digital materials available on the COPAS website via login, along with two exam attempts in 24 months.

Nine new APA®s were recognized and congratulated on their achievement - Godfrey Bess, Stacey Chism, Eunkyong Choi, David Menzie, Annastassia Prasanson, Kyle Rogers, Justin Satterfield, Lilmohan Tameshwar, and Robyn Tarnowski

Mike May also recognized Tanya Paul as the new Vice Chair, and Ricky Schoonover as a new member of Board of Examiners (BOE). The two replace Dan Hodgson, who retired as Vice Chair, and Fay Lascelle. The BOE did not meet during the 2024 Spring Meeting but will meet in San Antonio to discuss international interest and how to accommodate. Finally, the BOE would like to see more promotion of the APA® within companies.

CEPS Control Panel Report

CEPS Control Panel Chair Cody Deckard had to step out of the meeting momentarily and Josh Havens provided his report in his stead. He, reported annual HPM Surveys were mailed in August. The panel met to review and analyze survey results on January 5, 2024.

The panel will continue to monitor OCTG (Oil Country Tubular Goods) pricing and effect HPM adjustments if necessary. Cody gave a special thanks to Bryan Cox at ConocoPhillips, for providing monthly updates on OCTG price movements.

Mid-term adjustments are triggered when market changes of +/- 6% occur. Annually in 2023 many adjustments for OCTG price fluctuation were made. In total, HPM's for OCTG prices were down 52% in 2023. The Interim price adjustments were made recently for March 2024 (effective April) - a downwards adjustment of -7% for 1st quarter.

The panel is looking for new members, preferably individuals with material / purchasing expertise; if you know someone who's interested, please contact Cody Deckard.

First Timers Update

COPAS Mentor Advisory Committee Chair Robyn Tarnowski reported COPAS Spring 2024 registration included thirty (30) First Timers and eighteen (18) volunteer COPAS Mentors.

A First Timer Virtual Welcome Event was conducted on Wednesday, April 17. We had great participation with nine (9) First Timers and nine (9) COPAS Mentors participating in the call. The event consisted of four (4) Breakout sessions, grouped by each registrant's focus area (Audit, Joint Interest, Revenue, Financial Reporting/SMOG). This event provides an opportunity for participants to put a face to a name and has proven to ease the arrival at the meeting.

A First Timers Social Mixer was conducted Tuesday night of the conference. The attendance was great with fourteen (14) First Timers and fourteen (14) COPAS Mentors present. We also welcomed six (6) additional COPAS members to the event. There was no set agenda, just an opportunity to meet everyone in person and get to know each other better.

Industry Liaison Report

Desk and Derrick

The organization is still pursuing energy education. In addition to education, the Association of Desk and Derrick Clubs (ADDC) continues to offer scholarships through the Educational Trust. The Western Region met April 18 to 20, in Corpus Christi. The Southeast Region met virtually on April 20. The Central Region met April 25 to 27, in Great Bend Kansas. Northeast Region Meeting May 16 to 18, in Canonsburg, PA. 2024 ADDC Convention and Educational Conference Sept 24 to 28, in Dallas TX.

Institute of Petroleum Accounting & John Jolly Memorial Fund

The Institute has recently undergone a rebranding and is now known as the Center for Energy Accounting and Sustainability (CEAS). CEAS expanded the advisory board adding two new members from COPAS (Dallas).

CEAS is gearing up to host an Oil and Gas Conference in Denver (replacing the recently discontinued AICPA conference) this November 2024.

Discontinued in 2017, *Journal of Energy Accounting and Sustainability Management* is making a comeback. This revamped journal will feature both academic and professional

articles, with plans to start accepting submissions in Fall 2024. The first issue is scheduled to be published in Spring 2025.

Moreover, CEAS is planning to introduce a full-fledged undergraduate or master's track in energy accounting and sustainability. This track will offer courses focused on the oil and gas industry including accounting, taxation, and regulation, as well as sustainability issues (ESG).

John Jolly Fellow

Hojoong Kim was the last doctoral recipient of the John Jolly Fellowship in 2022. Though no eligible recipients were put forward for 2023, the Fellowship expects to have a recipient in 2024 as part of launching the energy accounting and sustainability courses.

Sustainability

Nothing to report currently.

Future COPAS Meetings

Kirk Foreman reported the San Antonio Society is hosting the Fall 2024 meeting September 23-27 on the Riverwalk in San Antonio. The Wednesday welcome reception will be a margarita bar with heavy hors d'oeuvres. Kirk pointed out the hotel is one block from the river. The society is also instituting BYOB – bring your own boss. Up to ten managers could attend and pay no registration fee. Kirk thanked Savannah Ballard (Permian Basin) for providing much planning guidance.

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

Tom Wierman reported the Fall 2025 COPAS Meeting will take place at the Kansas City Marriott Country Club Plaza. The meeting will take place October 21-24. No rates have been set yet. Help with all aspects of the meeting will be greatly appreciated.

COPAS will begin hosting all future meetings with the assistance of interested societies.

Other Business

None

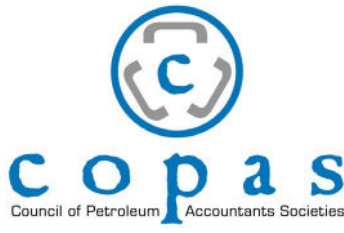
Adjournment

Craig entertained a motion to adjourn. Oklahoma City moved and Permian Basin seconded. The meeting was adjourned at 9:36 a.m. (EDT).

Respectfully Submitted,

Rebecca Paris

COPAS Secretary



July 23, 2024

Mr. Logan Kowcheck
President of the Petroleum Accountants Society of Appalachia
Schneider Downs & Co., Inc.
One PPG Place, Suite 1700
Pittsburgh, PA 15222

RE: Dissolution of the Petroleum Accountants Society of Appalachia as a
Participating Society

Dear Mr. Kowcheck:

The Petroleum Accountants Society of Appalachia has failed to meet the minimum requirements for a COPAS Participating Society as stated in the COPAS Bylaws. The society has not maintained the required membership number of 25 individuals for several years, did not hold the required number of Society meetings in 2023 and did not attend a COPAS Council meeting in 2023. The Society was suspended by the Council in April 2023 for non-compliance with the COPAS Bylaws.

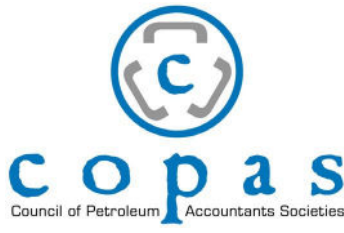
In light of the COVID Pandemic, the COPAS board has been very lenient in the application of the requirements for Participating Societies in the COPAS Bylaws for the past 3 years. However, the Petroleum Accountants Society of Appalachia has not demonstrated to the COPAS board that they will be able to comply with the requirements of a Participating Society. The COPAS board has determined that the COPAS Bylaws must now be enforced.

In accordance with the COPAS Bylaws, the dissolution of the Petroleum Accountants Society of Appalachia as a Participating Society will be included in the 60-Day mailer and as a voting item on the Council agenda for the Fall 2024 Council meeting in San Antonio, Texas.

Sincerely,

Kevin Launchbaugh
COPAS Board of Directors - Vice President

CC: COPAS Board of Directors



July 23, 2024

Mrs. Heather Jank
President of Austin Petroleum Accountants Society
Ameredev Operating, LLC
2901 Via Fortuna, Suite 600
Austin, TX 78746

RE: Suspension of Austin Petroleum Accountants Society as a Participating Society

Dear Mrs. Jank:

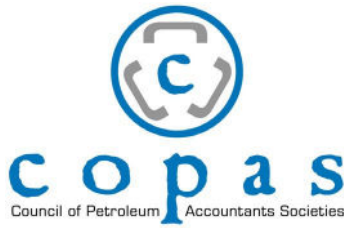
The Austin Petroleum Accountants Society has failed to meet the minimum requirements for a COPAS Participating Society as stated in the COPAS Bylaws. The Society did not hold the required number of meetings in 2023. In accordance with the COPAS Bylaws, the suspension of the Austin Petroleum Accountants Society as a Participating Society will be included in the 60-Day mailer and as a voting item on the Council agenda for the Fall 2024 Council meeting in San Antonio, Texas.

The COPAS board would like to retain the Austin Petroleum Accountants Society as a Participating Society in COPAS; however, the Society must present a plan and make substantial efforts to comply with the COPAS Bylaws. As such, the COPAS board will continue to work with the society to determine if a recovery plan can be developed during the suspension period.

Sincerely,

Kevin Launchbaugh
COPAS Board of Directors - Vice President

CC: COPAS Board of Directors



July 25, 2024

Ms. Brenda Hottell
President of COPAS of Corpus Christi
Winn Exploration Company, LLC
800 N. Shoreline Ste 1900N
Corpus Christi, TX 78401

RE: Suspension of COPAS of Corpus Christi as a Participating Society

Dear Ms. Hottell:

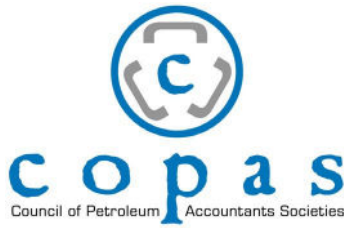
COPAS of Corpus Christi has failed to meet the minimum requirements for a COPAS Participating Society as stated in the COPAS Bylaws. The Society did not maintain the required membership number of 25 individuals in 2023. In accordance with the COPAS Bylaws, the suspension of COPAS of Corpus Christi as a Participating Society will be included in the 60-Day mailer and as a voting item on the Council agenda for the Fall 2024 Council meeting in San Antonio, Texas.

The COPAS board would like to retain COPAS of Corpus Christi as a Participating Society in COPAS; however, the Society must present a plan and make substantial efforts to comply with the COPAS Bylaws. As such, the COPAS board will continue to work with the society to determine if a recovery plan can be developed during the suspension period.

Sincerely,

Kevin Launchbaugh
COPAS Board of Directors - Vice President

CC: COPAS Board of Directors



July 23, 2024

Mr. Dan Lewis
President of the Petroleum Accountants Society of New Mexico
Abo Empires, LLC
PO Box 900
Artesia, NM 88211

RE: Suspension of the Petroleum Accountants Society of New Mexico as a
Participating Society

Dear Mr. Lewis:

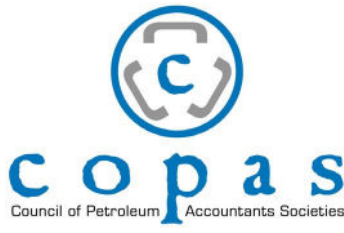
The Petroleum Accountants Society of New Mexico has failed to meet the minimum requirements for a COPAS Participating Society as stated in the COPAS Bylaws. The Society did not hold the required number of meetings in 2023 and did not attend a COPAS Council meeting in 2023. In accordance with the COPAS Bylaws, the suspension of the Petroleum Accountants Society of New Mexico as a Participating Society will be included in the 60-Day mailer and as a voting item on the Council agenda for the Fall 2024 Council meeting in San Antonio, Texas.

The COPAS board would like to retain the Petroleum Accountants Society of New Mexico as a Participating Society in COPAS; however, the Society must present a plan and make substantial efforts to comply with the COPAS Bylaws. As such, the COPAS board will continue to work with the society to determine if a recovery plan can be developed during the suspension period.

Sincerely,

Kevin Launchbaugh
COPAS Board of Directors - Vice President

CC: COPAS Board of Directors



DATE: July 29, 2024

TO: COPAS Board of Directors, Standing and Special Committee Chairpersons, Society Presidents, Council Representatives and COPAS Members

FROM: 2024 COPAS Nominating Committee

RE: **Candidates for the COPAS Board of Directors (2025 – 2027)**

The Council will elect three directors at the Fall Meeting to serve three-year terms beginning January 1, 2025.

The Nominating Committee is in the process of finalizing the candidates for the ballots but does not have all the information needed to include those names in this 60-day notice. Candidate information will be sent as soon as it is available, but with ample time for Society Voting Representatives to review prior to the Council vote on September 27.

Please contact me, or any of the Nominating Committee members, with any questions.

Sincerely,

Dalin Error

Dalin Error
2024 Nominating Committee Chair