

SYLLABUS
ACCOUNTING 7388: Oil and Gas III
Spring 2018
Wednesday 6:00 – 9:00PM CBB 106

INSTRUCTOR: Barry Teare
 CONTACT: jbteare@bauer.uh.edu; 713-743-4041
 OFFICE HOURS: Room 360-H MH. To be announced in class.

We in the Department of Accountancy and Taxation want your work in each accounting course to be a challenging, rewarding and pleasant experience. Your instructor will try to assist in any and every reasonable way. Please request this assistance as you need, but don't wait until the last few days before an exam, and certainly not until the end of the semester after grades have been posted.

Required Text:	Fundamentals of Oil and Gas Accounting. Wright and Gallun (5th edition, ISBN-13: 978-1-59370-137-6)
COURSE GRADING:	Your grade will be determined by your participation, completion of written assignments, and group presentation.
COURSE WEBSITE	http://uh.edu/blackboard/

Course Description and Objectives:

The course will focus on the upstream, midstream, some downstream operations, and oilfield services. The course will cover oil and gas financial accounting, reporting and auditing issues. It will address the application of standards set by the Financial Accounting Standards Boards, and regulations established by the Securities and Exchange Commission. It will be led by professionals in the Oil & Gas industry from both Oil & Gas Companies as well as CPA firms.

Major Assignments/Exams

The grade for the course will be determined by scores on written assignments, group presentation, and your attendance and participation.

Maximum point values for each are as follows:

- Completion of written assignments 90% (see section 2)
 - Group presentation 5 % (see section 3)
 - Attendance 5% (see section 4)
- *You are allowed to miss up to TWO classes without penalty. Any student who misses more than TWO classes without a valid reason will forfeit their chance of earning an A in the class.

1. Written assignments

You will be required to write papers on selected topics. You will be given the opportunity to submit one draft of your first paper which will be returned with comments, and a final version that will be graded. All other papers will only be submitted in final draft form. The papers are to be submitted electronically to **BLACKBOARD**. Papers should be approximately 7 (exhibits not included) pages long, double-spaced, font 12pt, Times New Roman. You are to be very careful about following basic grammatical rules (at a minimum use grammar and spell check) when writing the paper. The first-class session of the semester will be dedicated to explaining the requirements of this course. We will focus on laying out my expectations for your written assignments and a review of the principles of oil and gas accounting from accounting.

a. Identify Major Shale Plays in the United States

- i. Compare Eagle Ford, Bakken, Marcellus, and Permian. Compare estimated ultimate reserves (EUR) for gas, oil and NGL's. (2013-Present)
- ii. Compare drilling and development costs per well. (Lease operating expenses 2013-Present)
- iii. Comment on the first or early shale exploratory well(s) and the company responsible. Should be ultimately an economic well.
- iv. Discuss reasons for success in producing the shale formations and the person responsible for developing the process
- v. Discuss the impact the shale plays have had on power generators and petrochemicals.
- vi. Discuss the impact of price declines in crude oil. Also, discuss the exporting of crude oil from the US.

All students who have not written a paper on the shale plays must write it as your first paper

- b. **IRAN as a Global Oil Producer**
 - i. History of IRAN's oil and gas exploration and production efforts. (Beginning prior to WWI)
 - ii. History of sanctions and subsequent effect of removal of sanctions (nuclear reactors).
 - iii. Infrastructure issues: investment, maintenance, and new construction related to the oil and gas industry
 - iv. History of political activity in Iran, recent changes to the Constitution, and implications for the global oil and gas industry

- c. **The Challenge of exporting LNG from the U.S.**
 - i. History of LNG in the United States
 - ii. Issues around exporting LNG (economic, political, or environmental)
 - iii. Economic value added from LNG export activities (job creation, balance of trade, etc.)
 - iv. Strategies of companies involved in building export terminals (include the new Tellurian model)
 - v. Where the U.S. industry is relative to other LNG exporters

- d. **Venezuela- Prior to WWI and forward**
 - i. History of Venezuela's oil and gas exploration and production
 - ii. History of political activity in Venezuela and potential changes to the Constitution and implications for the global oil and gas industry
 - iii. Infrastructure issues: investment, maintenance, and new construction related to the oil and gas industry

- e. **The PEMEX Puzzle**
 - i. History of oil and gas exploration and production in Mexico leading up to the formation of PEMEX, specifically limits on foreign entities.
 - ii. Infrastructure issues: investment, maintenance, and new construction related to the oil and gas industry
 - iii. Natural gas supply from the U.S.
 - iv. Recent political activity in Mexico and changes to the Constitution (implications for the oil and gas industry)

1. Requirements

- a. Undergrad and CAP students taking ONLY Oil and Gas II **OR** III will write a paper on the U.S Shale plays and the challenges of Exporting LNG from the U.S.
- b. Undergrad and CAP Students taking BOTH Oil and Gas II & III will write a third paper of their choice in addition to the U.S Shale Plays and the challenges of Exporting LNG from the U.S. The third paper **MUST** be from the remaining two topics listed above.
- c. GRADUATE Students **MUST** write FOUR papers regardless if you are enrolled in one or both oil and gas seminars.
- d. **Please Note:** Every student will have to write the paper on the U.S Shale Plays, if they haven't in an earlier class. The two required written assignments are the ones to be used for group presentations.

2. Presentation

After writing your papers, you will then form groups made up of 3 to 4 members. Everyone will be part of a team regardless of graduate/undergraduate classification. Each group will be allowed 30 minutes: 15 minutes of presentations and 15 minutes of questions and answers.

WITHDRAWAL AND COURSE ENROLLMENT RESTRICTIONS

Please refer to the university academic calendar at www.uh.edu/academics/catalog/general/academic_calendar.html for important dates for this semester.

DO NOT ENROLL IN THE CLASS IF IT CONFLICTS WITH YOUR SCHEDULE.

POLICY ON INCOMPLETE (I) GRADES

The University of Houston regulations for assigning incomplete grades state: "*The grade of I (incomplete) is a conditional and temporary grade given when students are passing a course, but for reasons beyond their control, have not completed a relatively small part of all requirements.*" (Emphasis added) Reasons for a student being unable to complete a course are due to: "*Health, Accident, Injury, or Family Tragedy*"

*A student who wants to try to improve their course grade, or avoid scholastic probation, or avoid loss of scholarship grants, or a student who needs to retake the course but wants to avoid paying tuition etc., **WILL NOT** be given an incomplete grade.*

IMPORTANT DATES:

WEDNESDAY, January 31, 2018 -- LAST DAY TO DROP WITHOUT RECEIVING A GRADE AND WITHOUT HOURS COUNTING TOWARDS ENROLLMENT CAP.

TUESDAY, April 3, 2018 -- LAST DAY TO DROP OR WITHDRAW WITH A W. PLEASE DO NOT WAIT UNTIL THE LAST MOMENT TO DROP.

MISSION OF THE DEPARTMENT OF ACCOUNTANCY & TAXATION

The Mission of the Department of Accountancy and Taxation is to:

- Prepare accounting graduates for leadership roles in the accounting profession;
- Conduct research that advances the body of accounting knowledge, and inevitably has implications on accounting practice;
- Perform service that leads to the efficient and effective practice of accounting.

OBJECTIVE OF THE DEPARTMENT OF ACCOUNTANCY AND TAXATION

To achieve its mission, the Department of Accountancy and Taxation strives to:

- Prepare its undergraduate students for graduate education or productive careers by establishing the foundations for life-long learning;
- Prepare its master-level students for positions of leadership in the accounting profession;
- Prepare its doctoral students for successful careers in accounting education and research;
- Develop innovative and effective instructional methods that stimulate accounting learning;
- Provide significant intellectual contributions in basic and applied accounting scholarship;
- Provide significant service and leadership to the accounting profession, the C.T. Bauer College of Business, the University, and to both professional and academic organizations.

Academic Honesty:

The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook, <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

Accommodations for Students with Disabilities:

The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

EVALUATIONS

The CBA has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment and other important decisions. We openly encourage students to provide feedback to the instructors and to the CBA through the evaluation process.

TENTATIVE SCHEDULE:

OIL AND GAS SEMINAR II

Week	Date	Topic	Instructor	Company	Assignment due
1	1/17/2018	Discussion of course, expectations, and paper assignments	Barry Teare		
2	1/24/2018		TBD*	TBD*	
3	1/31/2018		TBD*	TBD*	First Draft Due: by 11:59PM
4	2/7/2018		TBD*	TBD*	Returned First Draft
5	2/14/2018		TBD*	TBD*	Paper 1 Due: by 11:59 PM
6	2/21/2018		TBD*	TBD*	
7	2/28/2018		TBD*	TBD*	
8	3/7/2018		TBD*	TBD*	Paper 2 Due: by 11:59 PM
9	3/14/2018	SPRING BREAK!!!			
10	3/21/2018		TBD*	TBD*	
11	3/28/2018		TBD*	TBD*	
12	4/4/2018		TBD*	TBD*	Paper 3 Due: by 11:59 PM
13	4/11/2018		TBD*	TBD*	
14	4/18/2018		TBD*	TBD*	
15	4/25/2018	Presentations	Barry Teare		

*Will be posted via Black Board Announcements