

OIL AND GAS ACCOUNTING I
ACCOUNTING 4378/5397/7397
FALL 2013

INSTRUCTOR: Barry Teare; jbteare@gmail.com; 713-743-4845

OFFICE HOURS: Room 380-J 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.

Required Text:	<i>Fundamentals of Oil and Gas Accounting</i> . Wright and Gallun (5th edition, ISBN-13: 978-1-59370-137-6)
COURSE GRADING:	Your grade will be determined by the scores on THREE EXAMS (1/3 for each exam)
COURSE WEBSITE	http://uh.edu/blackboard/

Course Description and Objectives:

Accounting 4378/5397/7397 is an introduction to accounting for upstream Oil & Gas activities. Upstream Oil & Gas activities are also referred to as Exploration and Development activities. These activities include exploration, acquisition, drilling, development and production and can be viewed as phases in the search for and production of oil and gas. The course is organized to initially briefly discuss the history of the U.S. oil & gas industry and the geological origins of petroleum. Second, we delve into exploration methods and procedures, the acquisition of mineral interests (including the provisions contained in a typical lease agreement) along with drilling operations and production of hydrocarbons in greater detail.

The course will include discussions of current topics such as recent discoveries of large oil and gas reserves recoverable through the utilization of "fracking" techniques.

However, our emphasis will be on the accounting and reporting of the above activities. You will be introduced to successful efforts accounting and specifically the recording of transactions associated with non-drilling exploration expenditures, accounting for the costs of acquiring unproved properties, drilling and development costs, proved property disposition and the accounting for production activities. Other oil and gas topics such as conveyances and decommissioning and abandonment will also be included in this introduction to oil & gas accounting. This course will provide you with a foundation in oil & gas accounting to enable you to take the other two oil & gas accounting courses included in the oil & gas track, or provide you with a better understanding of the oil & gas industry and the associated financial reporting issues to enhance your understanding of the industry.

Major Assignments/Exams

The grade for the course will be determined by scores on three class period exams.
Maximum point values for each are as follows:

3 class period exams 100 points each
Final Exam (Optional) 100 points

At the end of the semester, the final exam score will be compared with the lowest of the three class period exams. If the

final exam score is higher than the lowest class period exam, then the lowest class period exam will be dropped and the final exam will count full value toward total points accumulated for the course. Otherwise, only class period exams will count toward total points.

Letter Grades will be awarded according to total points accumulated as follows:
A-270-300 B-240-269 C-210-239 D-180-209 F-179 & Below

Examples:

Example 1:

Scores toward Total			
Exam 1		80	80
Exam 2	75	0	
Exam 3		80	80
Final Exam	80	80	
TOTAL		240	and course grade is B

Example 2:

Scores toward Total			
Exam 1		80	80
Exam 2		85	85
Exam 3	85	85	
Final Exam	70	0	
		250	and course grade is B

Either way, the maximum total possible points is 300 points.

IMPORTANT: THERE ARE NO MAKE-UP EXAMS GIVEN IN THIS COURSE!

List of discussion/lecture topics

Date		Coverage
August		
26-Aug		Chapter 1-2
28-Aug		Chapter 2
September		
2-Sep		No Class
4-Sep		Chapter 3
7-Sep		Chapter 3
9-Sep		Chapter 4
16-Sep		Chapter 4
18-Sep		Chapter 4
23-Sep		Chapter 5
25-Sep		Chapter 5
30-Sep		Chapter 5
October		
2-Oct		Exam 1
7-Oct		Chapter 6
9-Oct		Chapter 6
14-Oct		Chapter 6
6-Oct		Chapter 6
21-Oct		Chapter 8
23-Oct		Chapter 9
28-Oct		Chapter 9
30-Oct		Chapter 10
November		
4-Nov		Chapter 10
6-Nov		Exam 2
11-Nov		Chapter 12
13-Nov		Chapter 12
18-Nov		Chapter 12
20-Nov		Chapter 13
25-Nov		Chapter 13
27-Nov		Thanksgiving
December		
2-Dec		Chapter 13
4-Dec		Exam 3

FINAL EXAM AS PER THE UNIVERSITY FINAL EXAM
SCHEDULE

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. If you withdraw from the class by the drop deadline, we will assign a W (withdraw passing) regardless of your performance on the exams.

WORK SCHEDULES: DO NOT STAY IN THE CLASS IF IT CONFLICTS WITH YOUR WORK SCHEDULE OR TRAVEL SCHEDULE. WE DO NOT ADAPT ACCT 4378/5397 TO FIT THESE SCHEDULES. REMEMBER, IF YOU SCHEDULE YOUR CLASSES ON MONDAY AND WEDNESDAY OR TUESDAY AND THURSDAY YOU WILL BE TAKING EXAMINATIONS ON THOSE DAYS AND COULD HAVE AN EXAMINATION IN MORE THAN ONE CLASS ON THOSE DAYS.

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, September 11, 2013 -- LAST DAY TO DROP WITHOUT RECEIVING A GRADE AND WITHOUT HOURS COUNTING TOWARDS ENROLLMENT CAP. ■

Friday, November 1, 2013 -- 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 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.