

COPAS- COLORADO NEWS

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President's Message

We had another good turnout at our November luncheon to hear Dennis Carlton of Evergreen Resources present "Raton Basin 101." In his presentation he covered the occurrence of coal within the basin, the presence of natural gas within the coal seams, the extent of exploration and development efforts to date, and the process of drilling and completing natural gas wells in the coal horizons. This case history provided lots of useful information that can be used by COPAS members when dealing with coal bed methane properties and operations wherever they may occur. This was a very relevant topic since CBM production is growing in its share of total U.S. natural gas supply, and is becoming increasingly important for many of the E&P companies here in Colorado.

As I write this column the Thanksgiving holiday weekend has ended and December has arrived. Like most recent years, 2002 seems to have passed by very quickly. Oil prices began the year at \$20.47 and moved up over \$30.00 in late summer, then edged downward to the \$27.00 vicinity. Natural gas prices began the year at \$2.81 and have since risen to over \$4.00. More importantly for producers in the Rockies, the basis differential for Opal versus Henry Hub has declined from ridiculous levels (>\$2.00 per Mcf) to \$0.84. This results in a current price over \$3.00 for Wyoming gas – a much better number for producers than we saw a few months ago. Although the

rig count declined to the low 700s in the spring, it recovered during the summer and has held steady in the mid 800s since then.

In any case, it certainly has been a busy year, filled with many accomplishments for our companies and COPAS-Colorado. So, in keeping with tradition, we will gather at our annual holiday luncheon on December 17 to enjoy a sumptuous feast and perhaps win a few prizes. This year, instead of simply having random drawings for prizes, you will have an opportunity to put your skills and talents to use in order to increase your odds of winning. Santa and his elves have been busy concocting a fun competition for all of us and will be awarding some terrific prizes to the more successful competitors. (I believe there may still be one National Meeting conference bag available as the grand prize.) Be sure to attend and take your best shot at our first annual holiday prize competition!

See you there.

Doug Izmirian
2002-2003 COPAS-Colorado President

**COPAS-COLORADO
NEWS**

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2002 - 2003 Luncheons

All Luncheons to be held at Marriott City Center unless noted:

- December 17, 2002 – Xmas luncheon
- January 7, 2003 - Small O&G Tech Session
- February 4, 2003
- March 11, 2003
- April 1, 2003
- May 8, 2003 – Education Day

This Month's Speaker –

The December meeting is our annual Christmas Luncheon. We expect a visit from Santa for all the good little boys and girls, and the fun loving adults as well. Come in your most festive mood, ready to participate.

The January speaker will be Jim Higgins of the Colorado Department of Public Safety, Office of Preparedness, Security and Fire Safety (Colorado's office of 'Homeland Security').

Please read the Small Oil & Gas Companies Committee report for information on the January Tech Session.

Meeting Dates & Times

- Midstream\Downstream – TBD
- Education – TBD
- Financial Reporting – December 18, noon
- Joint Interest – January 21, 2003
- Revenue – December 4
- Tax – December 6, 7:30 a.m.
- Small Oil & Gas – January 28, 2003

Committee News

COPAS - Colorado Committee Chairs, Co-Chairs, and Board Liaisons are listed after each committee article below. Please contact them for additional information.

Midstream\Downstream

Committee

This committee is still in its planning stages and looking for members.

If you have an interest or know of someone who has an interest in the gas gathering, processing, marketing and transportation, crude gathering, marketing, transportation, trading, and refining\marketing we would love to hear from you.

Please contact Scott Hillman at (303) 860-5372 or shillman@transmontaigne.com.

If you are looking for the opportunity to chair or co-chair a committee, this could be the niche for you.

Board Liaison: Scott Hillman 303-860-5372 or shillman@transmontaigne.com

Education Committee

The Education committee met Monday, November 25 in the offices of Carbon Energy. We are excited about the upcoming Education Day, scheduled for May 8, 2003. The focus of Education Day will be broadening the traditional horizons of oil and gas accountants.

The Education committee is also working on expanding the opportunities for those who wish to become APAs (Accredited Petroleum Accountants). If you have sat for the exam in the past, please check your records. Credits expire after 5 years.

We will not be meeting in December, but will hit the ground running in early January. If you are interested in joining the committee, please contact Dawn MEEK (303) 785-2619 or Brenda Thompson (303) 785-2625.

Board Liaison: Jim Garrett 303-285-4905

Financial Reporting Committee

The Financial Reporting committee will meet at noon on Wednesday, December 18

at St. Mary Land and Exploration. The topic will be SFAS 143 Implementation. Lunch will be provided, so please rsvp to Mark Solomon.

For further details on the committee or co-chairing, please contact Mark Solomon.

Financial Reporting Committee Co-Chair Mark Solomon St. Mary Land & Exploration (303) 863-4383, msolomon@stmaryland.com

Board Liaison: Mike Roach 303-861-8140 or mroach@stmaryland.com

Joint Interest/Audit Committee

The Joint Interest/Audit committee met on November 19th at the offices of St. Mary Land and Exploration. Twenty committee members attended representing eight companies. Karen Breer of Carbon Energy gave a report on the happenings at the national meeting held in October. Karen was also the committee's voting representative for the national meeting.

The committee worked on the thank you letter for last year's benefits survey respondents and reviewed the first part of the accounting procedure in preparation for the upcoming project to create a new accounting procedure document.

The Joint Interest/Audit Committee will not meet in December. The next meeting will be January 21st at the office of McElvain Oil & Gas. Happy Holidays!

For further details on the committee, please contact any of the committee chairs.

Co-chairs: Steve Gorham (303-308-0500) steve@rockportaudit.com, Deanna Duell (303-384-1512) deanna.duell@thebaileyco.com, and Dave Abel, dabel@stmaryland.com

Board Liaison: Bob Virgin (303) 568-1840

Revenue Committee

The Revenue Committee met at the offices of St. Mary Land & Exploration on November 6th. The agenda included presentations on the Fall COPAS National Meeting held in Las Vegas, and an update on the latest tools for providing direct deposit and check detail over the internet to owners. Continuing a trend started with the October meeting, the member turnout was very strong with 35 people in attendance.

The next meeting of the Revenue Committee is scheduled for noon, December 4th at the offices of Tom Brown, Inc. The agenda will include a review of November's National Oil & Gas Royalty Conference held in Houston and a discussion of Index Price Development. Lunch will be provided. Please RSVP to Tom Ferguson at 303-863-4376 or tferguson@stmaryland

For further information, please contact co-chairs John Hultin or Tom Ferguson.

Committee co-chairs:
John Hultin 303-308-0500
john@rockportaudit.com and
Tom Ferguson 303-863-4376
tferguson@stmaryland.com

Board Liaison: John Hultin 303-308-0500

Tax Committee

The Tax Committee will hold its regular monthly breakfast meeting on Friday, December 6 at 7:30 a.m. at the Pinnacle Club. The cost is \$14, and all COPAS members are welcome. Please RSVP to Wendy McPhillips at (303) 382-7864 by Wednesday noon prior to the meeting. The tax committee meets on the first Friday of each month.

In addition to covering current developments in oil and gas taxation, we will be discussing the updating of the Form 1099 Guide.

Please remember that the Pinnacle Club has a dress code. Items forbidden include blue jeans, tennis shoes and t-shirts.

For further details on the committee, please contact co-chairs Gordon Stenger or John Tripp.

Committee co-chairs:
Gordon Stenger
gstenger@patinaoil.com and
John Tripp
jtripp@du.edu

Board Liaison: Marlin Miles (303) 694-1632

Small Oil & Gas Companies Committee

You won't want to miss the **tech session** the Small Oil & Gas Committee is sponsoring January 7th at the Marriott before the COPAS luncheon. The tech session will start at 10:00 a.m.

The topic is "Keeping a Watchful Eye on Potential Fraud in Your Company".

The speaker is Sheri Betzer who founded the forensic accounting practice of Betzer, Critchfield, & Co. in 1989. Prior to starting her own firm, she worked for the IRS as a fraud case reviewer.

She will cover the following:

- 1). Overview of what fraud is vs. abuses.
- 2). Description of types of schemes, including examples such as stealing customer receipts, paying phony vendors, vendor kickbacks, phantom employees, etc.
- 3). Suggest ways to use internal controls to stop the schemes from taking place.
- 4). Questions and answers.

This presentation is very timely and has the potential to save your companies thousands of dollars. Don't forget to save

the date on your calendar!

The SOGC committee met on November 19th at Hein & Associates office and enjoyed an outstanding lunch during the meeting. There were 13 members present to hear some excellent discussions on cost savings areas experienced by some members. A roundtable discussion on payouts and gas balancing topics was also covered. Carolyn Buss reported on the Fall National Meeting in Las Vegas and she presented some ideas from that meeting for future topics we might pursue in our meetings or tech sessions.

The next meeting of the SOGC committee will be on January 28, 2003 at noon at Hein & Associates offices. The program will be presented by Oasis Outsourcing on services provided to small companies by PEO's, Professional Employer Organizations, in the areas of human resources functions, payroll, benefits reporting, worker's comp and staffing issues.

Happy Holidays everyone!

For further information please contact either Carolyn Buss or Dan Reichel.

Co-chairs: Dan Reichel at 303-880-7335 or dreichel@msn.com and Carolyn Buss, Carbon Energy 303-785-2622 or cbuss@carbonenergy.com

Board Liaison: Brenda Thompson 303-863-1555

COPAS Job Posting

Please check the Web site under "Employment" for a listing of current employment opportunities.

The *Job Postings* is limited to a short free listing of an available position including a basic descriptive position title, years of experience required, and the representative contact name, company name, and telephone number to Scott Hillman at 303-860-5372. E-mail to: shillman@transmontaigne.com

2002 - 2003 Officers and Board of Directors

President - Doug Izmirian

TransZap, Inc.

303-863-8600 ext. 102

dizmirian@transzap.com

Vice-President – Brenda Thompson

Carbon Energy Corporation

303-785-2625

bthompson@carbonenergy.com

Treasurer - Mike Roach

St. Mary Land & Exploration

303-861-8140

mroach@stmaryland.com

Secretary – Scott Hillman

TransMontaigne Product Services, Inc.

303-860-5372

shillman@transmontaigne.com

Asst. Secretary – Bob Virgin

303-568-1840

robertvirgin@hotmail.com

Membership Chair – John Hultin

303-308-0500

john@rockportaudit.com

Meeting Coordinator – Jim Garrett

Cimarex

303-285-4905

jgarrett@cimarex.com

COPAS Reporter – Marlin Miles

Marlin Miles & Co. PC

303-694-1632

marlinmiles@qwest.net

Website Coordinator – Jane Richards

Consultant

303-606-4354

jm.richards@attbi.com

Please feel free to contact any of the above board members with questions or COPAS-Colorado

Web Site

Misplaced your meeting notice and can not remember the luncheon date - check out the COPAS – Colorado Web Site at www.copascolorado.org.

Newsletters, Luncheon dates, Board Member and Committee Chair information can all be found there.

COPAS-Colorado Webmaster - Art

Pennington Paradigm Technologies

303-292-0990

artp@paradigmtech.com

FY02-03 Editor:

Scott Hillman 303-860-5372

I invite your suggestions and comments on the newsletter. Please let me know if you are unable to print the current format of the newsletter. Please contact us if you have a COPAS related announcement

Address Change Notice			
If your address has changed or is going to change, please send this address change form, or the information contained in this form, so you may be assured of receiving your COPAS-Colorado meeting notices, local and national COPAS newsletters, and other COPAS-related correspondence.			
Effective	Date	of	Change

Name	_____		
Company	_____		
Address	_____		
City	_____		
State	_____		
Zip code	_____		
Telephone	_____		
Fax	_____		
E-mail	_____		Address

Please send the above to: John Hultin, Rockport-Essex 303-308-0500 john@rockportaudit.com

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