

COPAS- COLORADO NEWS

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President's Message

COPAS-Colorado got 2003 off to a good start with the January 7 technical session and luncheon. About 40 members heard Sheri Betzer, founder of the forensic accounting firm Betzer, Critchfield & Co., present "Discovering Fraud in Your Company." Sheri presented some interesting statistics regarding the occurrence of fraud on the national level, the associated costs, and ways in which Colorado cases differ from the national averages. After discussing the most common ways that fraud is detected she provided a variety of case histories. The good news is that none of them involved our industry; the bad news is that three of the examples occurred in school districts. Thanks to the Small Oil & Gas Companies committee for hosting this session.

After the technical session we moved on to the luncheon, where our speaker was Jim Higgins who heads up the Office of Emergency Preparedness, Security, and Fire Safety in the Colorado Department of Public Safety. Unfortunately Jim had his Power Point presentation on a floppy disk that his laptop computer could not read. (The floppy disk must have gone through one too many X-ray machines.) Fortunately Jim was a dynamic speaker who overcame the audio/visual mishap and provided us with a clear picture of the process and plans for efforts at the state level to perform the functions assigned to the new national Cabinet level Department of Homeland Security.

On the national level for COPAS activities the next event is the winter meeting of the Audit and Joint Interest committees in Dallas on January 30-31. At least one member from COPAS-Colorado will attend these meetings to represent our society. Preparations are also underway for the Spring National Meeting in April. This meeting is misnamed since this year it will be held at the Fairmont Banff Springs Hotel in Alberta. We expect that the Colorado society will be well represented at this meeting.

Meanwhile, at the local level it is time to begin thinking about new board members for next year. Anyone who is interested in serving on the Nominating Committee (or on the Board itself) should contact Brenda Thompson or me, by phone or e-mail.

Our February luncheon will feature a speaker on Investor Relations, an area that has changed a great deal recently as a result of responses to the accounting scandals that have been featured so prominently in the national news. Before the luncheon, the Revenue Committee will sponsor a Technical Session on royalty statements, presented by our very own local experts, John Hultin and Steve Gorham. I hope you will take advantage of these opportunities and bring plenty of great questions.

See you there.

Doug Izmirian
2002-2003 COPAS-Colorado President

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2002 - 2003 Luncheons

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

February 4, 2003 – Revenue Tech Session

March 11, 2003 – JIB Tech Session

April 1, 2003 – Financial Reporting Tech Session

May 8, 2003 – Education Day

This Month's Speaker –

The February speaker will be Tommy Barnett of Enercom. She will be giving a presentation on Investor Relations

Please see below for information on the February Tech Session.

The March speaker will be Jim Proud of the Colorado School of Mines. He will be giving a presentation on the Denver Earth Science Project.

The April speaker will be Ron Bookman of Carbon Energy giving a presentation on Acquisitions/Divestitures from a Land Perspective.

The Education Day speaker in May will be noted local economist Dr. Tucker Hart Adams.

Meeting Dates & Times

Education – February 6, 2003

Financial Reporting – TBD

Joint Interest – February 17, 2003

Midstream\Downstream - TBD

Revenue – TBD

Tax – February 07, 2003, 7:30 a.m.

Small Oil & Gas – January 28, 2003

Tech Session

You won't want to miss the **tech session** the Revenue Committee is sponsoring February 4th at the Marriott before the COPAS luncheon. The tech session will start at 10:00 a.m.

The topic is "Valuation of Private Royalties, and Calculation of Deductions".

Royalty valuation and deductions include some of the most controversial and hotly litigated issues in oil and gas today. The Revenue Committee is sponsoring the February Tech Session in an effort to clear up all those issues, or short of that, confuse the issues even further.

Some of the questions to be addressed:

Are royalties based on proceeds or market value?

Are royalties due on extracted products?

What is deductible? ...Or...where do I find the friendliest judges?

How do you calculate deductions for producer-owned facilities?

What are some of the hot topics being litigated currently?

This will be presented by John Hultin, Colorado Society Board Member and Co-Chair of the Revenue Committee. John and his partner Steve Gorham, as the Rockport-Essex Company, have been auditing oil and gas revenues and royalties for over 15 years, and both have testified in a number of court cases involving the above questions.

However, rumor has it that John doesn't know everything, and some say he's biased towards royalty owners. So be prepared to bring your own thoughts, knowledge and opinions to share with everyone.

Committee News

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

Education Committee

The Education Committee met on Monday, January 6th in the offices of

Transzap. We are working diligently on the upcoming Education Day scheduled for Thursday, May 8, 2003. This year's theme is "Natural Gas: how do we get it from there to here?" Watch for further details.

Roxane Hunter has done quite a bit of research on the APA study guides and information requirements. We hope to have these posted on the COPAS-Colorado web site in the near future. Please complete the APA interest survey so we can proceed with scheduling exams and possibly helping to coordinate study groups.

Paul Bohrer, our CPE coordinator informed the group that the Colorado State Board has changed the CPE requirements effective January 2004. We will be working to ensure our CPE opportunities will be in compliance well before the new rules go into effect.

Our next meeting is scheduled for 11:45 a.m. on February 6, at the offices of Cimarex.

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 met on Wednesday, January 15th at the offices of Cimarex. The committee held a roundtable discussion on year-end reporting issues and awarded one hour of CPE to attendees. There were 15 people in attendance.

The committee has not yet scheduled their next meeting. They are currently working on the topic and speaker for the April tech session that they are sponsoring.

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

Financial Reporting Committee 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 at Carbon Energy on Tuesday January 21st. Nineteen committee members attended representing eight companies. Plans were made for the 2003 Employee Benefits Survey and we started reviewing initial drafts of the new Accounting Procedure.

The February meeting will be at McElvain Oil and Gas on February 17th at 11:00 a.m.

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

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

Revenue Committee

The Revenue Committee met on January 8th at the offices of the Independent Petroleum Association of Mountain States (IPAMS). Lunch was provided by Rockport-Essex. The meeting had twenty-four people attending.

A presentation was made by Carol Moreno of St. Mary Land & Exploration discussing various escheat laws in the different states, and how those relate to oil companies. John Hultin and Paul Gregory also provided an update of the numerous class action suits and other litigation pending in Wyoming over royalty payments.

A meeting will not be held in February, as the committee will sponsor the tech session prior to the February 4th general luncheon meeting on royalty valuation and deductions.

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, February 7th 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.

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

The SOGC committee sponsored the tech session that was held on January 7th. Sheri Betzer from the forensic accounting firm of Betzer, Critchfield & Co. gave a very informative and thought provoking presentation on "Discovering Fraud in Your Company". The meeting was well attended with 35 attendees from 22 organizations.

The next SOGC meeting will be held on January 28th at 12:00 p.m. at Hein & Associates' office. The speaker will be Sandy Osborn of Oasis Outsourcing, a subsidiary of The Wackenhut Corporation. She will be presenting some overviews of the role of a professional employer organization in providing services in the human resources, employee benefits, risk management, employment practices and training, payroll administration and related compliance areas.

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

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- Membership Chair** – John Hultin
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john@rockportaudit.com
- Meeting Coordinator** – Jim Garrett
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- 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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