



COPAS- COLORADO NEWS

April 2004
Vol. 2003-2004 No. 8

April 13th Lunch Speaker

Thomas Williams with United Energy Trading will enlighten us about gas marketing with his presentation, "How Your Marketing Department Gets Next Month's Gas Prices."

Technical Session – Presented by the Midstream/Downstream Committee

Mr. John Harpole of Mercator Energy will speak on Rocky Mountain Natural Gas prices coupled with pipeline capacities\projects with a focus on Wyoming.

Biloxi Blues Anyone?

And the lucky winner is..... Shellene Khwajazade of Forest Oil. **Congratulations Shellene!**

President's Message

Pig tail Economics. Graphing inflation versus unemployment over time you get this strange looking graph that spirals ever outward and looks something like a pig's tail. At least that is what my college macro economics professor Dr. Schultz tried to explain.

Ok, now you all know I have lost my mind. First that I could remember my college economics professor, and second that I remember something as bizarre as 'pig tail economics'. But I'm not, insane that is, just convinced that we are all living in a huge circular cycle, that never really ends, spiraling ever outward.

I'm not talking about the economic cycle, although oil and gas has cycled up and down as our March speaker, David Tameron, noted and I expect it to cycle back down eventually. I'm talking about the paper (or paperless) cycle that is accounting.

Take, for example, the revenue cycle. Gas (or oil) is produced then sold. The operator books a receivable. The buyer remits a check. The operator books that check and within 60 days distributes that revenue. The non-operator records the revenue. Before the non-operator actually gets that check the gas is produced, then sold, etc.

Or even worse, look at the reporting cycle. First you get year end. Accounting closes the ledgers. Financial reporting plays, ok I can't use that term anymore, or summarizes the numbers. The auditors come in and examine the numbers. A wonderful report full of meaningful information is created and sent to the SEC. If you are lucky, you finish this process in early March, if not late March, just in time to start with quarter end, when the ledgers are closed. These guys are really my heroes, unsung heroes for the most part.

So we, as accountants, will continue the cycle. Ever striving to finish what we started. Always hoping to catch a breath before we start all over again.

Brenda Thompson
2003-2004 COPAS-Colorado President

2003-2004 Luncheon Schedule			
Meeting Date	Speaker	Technical Session	Tech Topic
April 13, 2004	Thomas Williams	Midstream/Downstream	Rocky Mtn Gas prices
May 18, 2004	Education Day	Education Day	Everything You Always....

COPAS COMMITTEE MEETING SCHEDULES				
Committee	Next Meeting	Location	Contact	
Audit/Joint Interest	04/20 11:00am	St. Mary	Deanna Duell	303-384-1512
Education	04/14 ?????	St. Mary	Tracy Pharis	303-298-9600
Financial Reporting	04/14 12:00	Cimarex	Mark Solomon	303-861-8140
Midstream/Downstream		Transmontaigne	Scott Hillman	303- 860-5372
Revenue	No April meeting		Tom Ferguson	303-863-4376
Small Oil & Gas Cos.	04/27 11:45am	Hein & Assoc.	Dan Reichel	303-880-7335
Tax	04/02 7:30am	Adams Mark	Melissa Prochazka	303-592-8617

COMMITTEE REPORTS

Audit/Joint Interest

The JI/Audit Committee met on Tuesday, March 16th at Tom Brown, Inc. who provided a terrific lunch from Chipotle. There were 17 people in attendance representing six companies. The attendees discussed the recent MFIs and MFMs for the overhead rates, the upcoming national meeting, and the 2004 Employee Benefits Survey.

The committee is working very hard to notify all companies that the 2004 Employee Benefits Survey is out there and we would appreciate responses by May 31, 2004 so that we may provide an accurate calculation for the Summer National Meeting. If your company has completed the Employee Benefits Survey in the past and has not received this year's survey please contact one of the co-chairs of the JI/Audit Committee.

The next meeting will be at St. Mary's on Tuesday, April 20th at 11:00 AM. An e-mail reminder will be sent to committee members closer to that date. We will be discussing the outcome of the Spring National Meeting, an update on where we are with the 2004 Employee Benefits Survey, and other business.

Please contact Deanna Duell at 303-384-1512 or deanna.duell@thebaileyco.com if you plan to attend. Co-Chairs: Steve Gorham 303-308-0500, Deanna Duell 303-384-1512, Dave Abel 303-863-4388

Board Liaison: Bob Virgin 303-568-1840

Education

The education committee met in the offices of P2 Energy Solutions on March 10. We are happy to report progress on the May 18th Education Day, 'Practical Answers for Difficult Questions'. Topics to be covered include payouts, division of interest, and escheating, to name a few.

We welcome any others who would like to be a part of this active and involved group. Our next meeting will be April 14, in the offices of St Mary Operating Company.

Co-Chairman: Dawn Meek (303) 298-8100 x-1360 DawnM@EvergreenGas.com

Co-Chairman: Tracy Pharis (303) 298-9600 tpharis@heincpa.com

Co-Chairman and Board Liaison: Brenda Thompson bthompson@makjenergy.com

Financial Reporting

The Financial Reporting Committee will meet at Noon on Wednesday, April 14 at the offices of Cimarex. We will re-visit Asset Retirement Obligations (SFAS No. 143) now that we have a year under our belts. Lunch will be

provided, and one hour of CPE will be offered. Please RSVP to Mark Solomon (msolomon@stmaryland.com) if you plan to attend so we can plan for space and lunches

April 14, 2004 Abandonment liability accounting (SFAS No. 143)
May 19, 2004 topic TBA

Financial Reporting Committee co-chairs:
Mark Solomon msolomon@stmaryland.com or 303-861-8140
Phil Doty pdoty@eksh.com or 303-740-9400

Midstream/Downstream

No report

Scott Hillman 303-860-5372 or shillman@transmontaigne.com or Raymond Yee 720-946-3649 or raymond.yee@nborder.com

Revenue

The Revenue Committee met on Wednesday, March 3rd at the offices of Westport Oil and Gas, 1670 Broadway, Suite 2800. The meeting featured a review of the Federal & Indian Oil and Gas Royalty Valuation and Management Institute presented by the Rocky Mountain Law Foundation in Houston in February. Royalty valuation, post production cost deductibility, and MMS Partnering Initiatives were the primary topics discussed. There were 23 attendees representing St. Mary Land & Exploration, Forest Oil, Westport, PACCS, LLC, Oildex, Tom Brown Inc., and Encana Corporation.

There will not be a Revenue Committee meeting in April, but a May meeting will likely be held to review Revenue Issues that will be discussed at the Spring National COPAS Meeting in Biloxi, MS. If anyone would like to volunteer to represent the Revenue Committee at the Spring Meeting, please contact the Committee Co-chairs.

Co-chairs: Tom Ferguson 303-863-4376 and John Hultin 303-308-0500. Board Liaison: John Hultin

Small Oil & Gas Companies

The SOGC committee met on **March 23rd at 11:45 a.m. at Hein + Associates' offices at 717 17th Street, Suite 1600.** There were 8 members present. **Steve Gorham with Rockport-Essex provided the topic on "Joint Interest Audit Cases and Examples"**, including a Q&A period. He also provided copies of the proposed modifications to the Joint Operating Agreement standard form that the COPAS Joint Interest Committee is sponsoring.

The committee co-hosted the March 9, 2004 technical session and had an excellent attendance for the Halliburton presentation.

The committee will meet next on April 27th, with a presentation to be announced at a later date. This will be our final regularly scheduled meeting for this 2003-2004 year.

However, the committee is also planning to co-sponsor a mid-summer meeting in July with the Society of Petroleum Engineers Evaluators. More information and announcements to the general COPAS membership is planned as the date is firmed up.

Dan Reichel will be retiring as co-chairman of the committee in June after serving the past three years, and passing the chair to his excellent co-chair, Bryan Pratt. Special thank you's go to the present and past co-chairs, the Board and all COPAS members and guest speakers who have supported the committee.

For further information, please contact:

Co-chairs: Dan Reichel, 303-880-7335, or dreichel@factsconsulting.com, or Bryan Pratt, 303-298-9600, or bpratt@heinpcpa.com

Board Liaison: Rob Fowler at 303-295-1770, or jrobf1@aol.com

Tax

The next meeting of the Tax Committee will be Friday, April 2, at the Adams Mark Hotel. Please RSVP to Melissa Prochazka at (303) 592-8617 or mprochazka@patinaoil.com by Wednesday, March 3.

Committee Chairs: John Tripp, University of Denver, and Gordy Stenger (303) 389-3622, Patina Oil & Gas.

Board Liaison: Doug Izmirian 303-863-8600 x102

Newsletter Editor:

Tommye Barnett

303-296-8834 or email tbarnett@enercominc.com

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 email if you have a COPAS related announcement.