



COPAS- COLORADO NEWS

March 2005
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March 8th Lunch Speaker & Tech Session

Jeff Fiske, Senior Counsel Kerr-McGee, will speak on surface-owner/producer issues.

The technical session prior to the meeting is sponsored by the Audit/JIB committee. Jeff Dyk with Production Access Systems will talk about the different services this software offers and how it can work in with a company's current oil & gas computer program. He can be reached at 281-759-2002.

Remember that registration starts at 11:30 and lunch starts at noon and ends at 1:30. The tech session starts at 10:30. To attend any of these events, please RSVP no later than Wednesday, March 2nd at www.copascalorodo.org/meetingregistration.html. If your plans change, send an e-mail to Jane Richards at jrichards@tipperarycorp.com.

Read to Win!

Congratulations to **Jim Rohead** from St. Mary who won the drawing for the gift certificate at the February luncheon. Another opportunity to win has been planted in this newsletter. Find the questions and bring the answer written on a piece of paper to the registration desk for the next meeting and you will be given a ticket for a drawing for a \$25 gift certificate.

I invite your suggestions and comments on the newsletter. Please email tbarnett@enercominc.com if you have a COPAS related announcement, a tasteful joke, a riddle, a good question for the drawing or something of interest you would like to share with your COPAS members.

President's Message

Congratulations to Scott Hillman for being selected as the new Executive Director of COPAS. I believe he is a fine choice and will serve with distinction for many years. Scott will be moving our national headquarters to Colorado in the next few months. I expect that Colorado's representation and involvement at the national level will be much more visible.

Thanks again to Jon Gear for his many fine years of service to our organization. It is my understanding there will be a recognition event at the meeting in Corpus Christi which starts on April 25th. I hope a good many of you will consider attending. The national website at www.copas.org has additional information about the meeting.

To those of you who showed up on February 8th to attend the technical session, I apologize. We had a mix-up in communications and it started with me. I suspect that those of you who heard me announce that I would be trying for CPE credit for the Colorado Getaways luncheon speaker topic as a technical session will understand why we had a communications faux pas. It is my understanding that everything is set for our March and April technical sessions.

Congratulations to Jim Rohead from St. Mary Land & Exploration Co who was the lucky winner of the President's Message drawing at the February 8th luncheon. Who will be next?

I'm going to continue to harp on luncheon RSVP's. After the February luncheon I counted over 45 name tags for people who RSVP'd but did not attend. This time, we only had 17 people who attended but did not RSVP. Kudos to Jane Richards for her efforts to estimate our meal counts for each luncheon. This is a most difficult job. Your Board will be considering possible options and financial solutions so that the society does not lose money from having too many tables reserved or so that we do not have fellow members who have to wait to be served.

The last opportunity to nominate a candidate or be nominated as a candidate for next year's Board will be March 11th at our next Board of Director's meeting. Anyone who is interested in serving should contact John Hultin or me.

We will be continuously looking for volunteers to help out with the Spring 2007 National meeting. I have helped out at previous National meetings hosted by COPAS – Colorado and found it very rewarding. As noted below, we have decided on Breckenridge as our location and are working on the contract with the hotel.

See you on March 8th.

Michael (Mike) Roach
2004-2005 COPAS-Colorado President

Spring 2007 National Meeting

Although April 2007 sounds like years away, it is never too early to start, especially when it will take every bit of two years to plan the spectacular event we hope for. The plan is to host the Spring National Meeting in beautiful Breckenridge, Colorado. We are already working on a contract to reserve the hotel.

Due to conflicts in schedules now that Scott Hillman is the COPAS National Executive Director, Sandy Launchbaugh has stepped forward to co-chair the event with me, Brenda Thompson. We have had several people express interest in chairing sub-committees, but have room for everyone who is willing to help!

If you are interested in being part of the fun please plan on attending an organizational meeting on Wednesday, March 9th. We will meet at the offices of MAK-J Energy, 370 17th Street, Suite 2710 – the Republic Plaza, at 11:45.

Co-chairs:

Brenda Thompson (303) 339-5874 bthompson@makjenergy.com
Sandy Launchbaugh sandy_launchbaugh@msn.com

COPAS MONTHLY MEETING SCHEDULE		
Meeting Date	Speaker	Tech Session @ 10:30 am
March 8, 2005	Jeff Fiske, Senior Counsel Kerr-McGee, surface-owner/producer issues	JIB
April 12, 2005	Doug Whitehead, Channel 4 - Colorado Getaways. Ideas for your summer.	Financial Reporting
May 17, 2005	Education Day	N/A

COPAS COMMITTEE MEETING SCHEDULES					
Committee	Date	Time	Location	Contact	
Audit/Joint Interest	March 15	11:00 am	Pioneer	Steve Gorham	303-308-0500
Education	March 17	11:45 am	Hein & Assoc.	Tracy Pharis	303-298-9600
Fin. Reporting	March 17	12:00 noon	Encana	Phil Doty	303-740-9400
Mid/Downstream	n/a			Scott Hillman	303-860-5372
Revenue	March 2	11:30 am	St. Mary	Tom Ferguson	303-863-4376
Small Oil & Gas		12:00 pm	Hein & Assoc.	Bryan Pratt	303-298-9600
Tax	March 4	7:30 am	Adams Mark	Gordy Stenger	303-389-3622

Change of Contact Info

If your contact info changes during the year, there is a change contact information link on the website that you can use to update your information.

Committee Reports

The Tax, Financial Reporting and Small Oil & Gas Companies committees strive to offer 1 hour of CPE at each of their meetings. For more information, contact the committee chairperson for details.

Audit/Joint Interest

Committee chairs: Steve Gorham- Rockport -Essex Co. 303-308-0500, Steve@rockportaudit.com
Dawn Smith dsmith@stmaryland.com, 303-863-4321
Dave Abel, dabel@stmaryland.com, 303-863-4388

The Joint Interest/Audit committee met on February 15, 2005 at the offices of St. Mary Land and Exploration. Nineteen folks were present representing five companies. We received a report from Brenda Thompson on the happenings at the National Winter meeting held in Irving, TX. We also did our mass mailing for the 2005 Employee Benefits Survey.

Our March meeting will be March 15th at the offices of Pioneer Natural Resources @ 11:00. The April meeting will be April 19th at the downtown offices of Kerr McGee.

Education

Committee chairs: Tracy Pharis (303) 298-9600, tpharis@heincpa.com
Board Liaison: Brenda Thompson (303) 339-5874, bthompson@makjenergy.com

Start Reserving the Date: Tuesday May 17th will be Education Day "More Practical Answers".

The Education Committee has made strong progress with obtaining topics and speakers for this year's Education Day. Some of the topics to be covered will be; COPAS Documents (including the new JOA), New Drilling Techniques, a Tax update (including a discussion on the new manufacturing tax deduction), a Financial Reporting update (which will include expensing of options) and Tips and Tricks of software conversion. Keep watching for announcements of all topics and speakers in Next month's letter!

We will also have an "Emerging Issues" forum, which will focus on an open discussion of issues people may have or questions of 'how others account for...'. This allows you, the audience, to participate in the discussion and provides a forum to bring up topics of interest. We are requesting that the members of COPAS send us various questions they would like to have discussed in this Forum. These questions can range from a specific accounting treatment (Can I charge the cost of corporate T Shirts to all field employees as overhead) to general discussions items. The topics all depend on the response we receive, and also the amount we receive. If you are interested in this forum and have a questions, please send it to Tracy Pharis; tpharis@heincpa.com. We will be taking topic suggestions and questions until April 30, only.

Who replaced Spencer Abraham as the 11th Secretary of Energy on January 31, 2005? Bring the answer to the registration desk in March to be entered for the \$25 gift certificate.

The next meeting is set for March 17th at 11:45am at the office of Hein & Associates, LLP for anyone who is interested in attending. For information or questions, please don't hesitate to contact the committee.

Just a reminder to committee chairs, please submit your CPE documentation to Paul Bohrer within 30 days of the meeting. CPE certificates will only be issued upon receipt of all documentation.

Financial Reporting

Committee chairs: Philip E. Doty, CPA, Pdoty@eksh.com (303) 740-9400
Deanna Duell, CPA deanna.duell@thebaileyco.com (303) 384-1512

March 17th - "The Impact of Proposed Changes in Accounting for Stock Options" - Location: Encana

April 12th - COPAS Technical Session: "Sarbanes-Oxley Rule 404 - What Have We Learned to Date about Reporting on Internal Controls"

April 21st - NO MEETING

www.copascalorado.org

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Midstream/Downstream

The midstream/downstream committee is looking for a chairman. If you are interested in this committee, please contact COPAS Colorado President, Mike Roach at mroach@stmaryland.com.

Revenue

Committee Chair – Tom Ferguson (tferguson@stmaryland.com or 303-863-4376)

There was no Revenue Committee meeting held in February due to time conflicts with year-end accounting responsibilities.

The March Committee meeting will be held on Wednesday, March 2nd at the offices of St. Mary Land & Exploration starting at 11:30am. The meeting will be held in the upper lobby conference room at the top of the escalators of the building in which St. Mary's offices are located at 1776 Lincoln Street, Denver. The meeting will be dedicated to addressing a list of Revenue Accounting related questions that were originally presented to our committee by a member last year. They should make for a very interesting discussion in terms of how consistent our various companies are in their accounting policy and philosophy.

Please RSVP to Tom Ferguson if you plan on attending so an accurate count for lunch can be obtained.

The discussion questions are as follows:

Questions for COPAS Revenue Committee

Revenue Processing:

When processing revenue, do you record tailgate sales volumes allocated by well? If POP contract, do you record sales net of POP%?

When processing revenue, do you record wellhead sales?

When processing revenue, do you record wellhead sales net of fuel?

When processing revenue, do you record allocated sales into pipelines? For instance, if gas isn't processed, do you allocate receipt volumes into pipelines as wellhead sales volumes?

Are your financial statements indicative of how revenue is processed? For instance, if revenue processes wellhead volumes as sales volume, is this what is reported financially?

If wellhead sales contracts, how is fuel or gain/loss on pipelines from wellhead to sales point accounted for? As a reduction in volume or is the value received reduced?

Production Reporting:

Do you report wellhead sales less on lease fuel to the States and MMS?

Do you report tailgate volumes allocated by well to the States and MMS?

Do you report pipeline fuel usage to the State and MMS?

If mixture, what is deciding criteria?

Company Owned Pipelines:

Do you report pipeline drip as condensate as E&P or do you report pipeline drip as gathering income, free of royalty deducts?

Are there exceptions? For instance, if you have 3rd party contracts moving gas on the system, is the drip a part of doing business for your E&P production and the Gathering Services group reports the drip as income to their business unit?

Note: All Responses Will Be Kept Confidential Within the Revenue Committee

Small Oil & Gas Companies

Committee Chair: Bryan Pratt, Hein & Associates LLP, 303-298-9600 x234, bpratt@heincpa.com

Please call Bryan Pratt at 303-298-9600 or email to bpratt@heincpa.com for information about this committee.

Tax

Committee chairs: Gordy Stenger of Patina Oil & Gas Corporation, 303-389-3622, gstenger@patinaoil.com
John Tripp of the University of Denver, 303-871-2029, jtripp@du.edu.

The Tax Committee holds breakfast meetings on the first Friday of each month at the Adams Mark Hotel at 7:30 AM. Please contact one of the committee chairs to confirm the date, time and location of this months meeting.

Educational Opportunities

In addition to the regular monthly COPAS meetings, periodic technical sessions and annual Education Day, COPAS members are invited to participate in the following programs:

IPAMS has instituted a new series of seminars called the "**Lunch & Learn**" Program. The series is designed to (1) educate industry employees at all levels about the industry in general and our issues in particular, and (2) to develop a grassroots network of industry volunteers who can respond to requests for comments on EISs/EAs, land management plans, bills, regulations, negative press, etc., and/or serve on a Speakers Bureau; hence, making better industry "Ambassadors" of all of us. Upcoming programs are as follows:

Tuesday, March 15, 2005

ESA Reform

– Jim Sims, Executive Director, Western Business Roundtable and head of Partnership for the West

Jim will discuss what the underlying problems with the Endangered Species Act of 1973 are; why species aren't being recovered; how the U.S. Fish & Wildlife Service has become paralyzed; what can be done; and how Congress is addressing the issue. Jim recently led a regionwide, multi-level, multi-industry response to the proposed listing of the sage grouse as an endangered species that resulted in a decision by the Service to deny the petition. He is well-versed in the foibles that plague the Endangered Species Act today.

The series is free and open to anyone who wants to learn more about the industry and help make a difference that benefits our industry and, ultimately, ourselves. All presentations will be held in the Herschner Room in the Wells Fargo Bank Building, 1700 Lincoln Street. **Reserve your spot by registering online at www.jpams.org. For more information contact Carla Wilson, 303-623-0987 or cwilson@jpams.org.**