



COPAS- COLORADO NEWS

March 2007

Vol. 2006-2007 No. 7

Monthly Meeting – March 15, 2007

Join us on Thursday March 15th to hear about the topic “Valuations of Oil & Gas Properties Under Sarbanes Oxley and USPAP.” The luncheon speaker will be John B. Gustavson, President-International Petroleum Consultant. He instructs nationally and internationally for the University of Tulsa on **Appraisal of Oil and Gas Properties** and **International Petroleum Agreements**. He provides in-house workshops for major oil companies, including Texaco and Chevron. He has served as Expert Witness for numerous oil companies as well as governmental agencies including the U.S. Army Corps of Engineers, the U.S. Department of Justice, the Department of Interior and the Internal Revenue Service.

Remember that registration starts at 11:45 and lunch starts at noon. To attend, please register no later than Friday, March 9th at www.copascalcolorado.org/meetingregistration.html. Reservations cannot be added after Tuesday, March 13th. If your plans change, send an e-mail to Jim Allison at jallison@oildex.com

Technical Session – March 15th at 10:30 AM

The Revenue Committee and the Small Oil and Gas Companies Committee are co-sponsoring a Technical Session at 10:30 am prior to the March 15th regular luncheon meeting at the Marriott City Center featuring Mr. Barry L. Wertz of McGinnis, Lochridge, & Kilgore, L.L.P. Mr. Wertz will provide his entertaining insights into the recently decided Tawney vs. Columbia Natural Resources cost deduction case in determining royalties and explain why his first year Contracts 101 professor would have dissented from the opinion of the West Virginia Supreme Court. We expect that all attendees will come away from this session with a new appreciation for the legal mind's interpretation of “meaningless words” in royalty clauses as presented by Mr. Wertz and his “mentor”, Justice I.M. Bubba.

President's Message

Time is getting short to register for the COPAS National Meeting in Breckenridge. The meeting is not until April, but registration is due March 15, and the hotel registration must be made by March 16. (You can sign up or reserve a room after that, but you'll pay more). So make it your goal to be signed up before our March luncheon. If you haven't already done so, check out the link at www.copascalcolorado.org.

Brenda Thompson and Sandy Launchbaugh and several others on their committee have been working hard to plan a fantastic meeting, but they'll need help. Please contact them to volunteer some of your time to help – and meet people. After all, that's what national meetings are all about.

On another note, Education Committee Chair Dave Abel and I visited Metro State last week to talk to their Accounting Students' Organization. It's been a while since I have participated in any college activities (aside from writing checks for my daughters' tuitions). It was part of Metro's Industry Series in which we provided some information about potential careers in oil and gas. It's fun to see that there's some enthusiasm for the industry among the students. After all, somebody has to replace us dinosaurs in a few years.

We also provided information to them about our new scholarship program – COPAS-Colorado will award three scholarships in amounts ranging from \$1,000 to \$2,000 to accounting students at various campuses in the front-range area. This program has been put together with the hard work of Ken Nollsch of Hein and Associates and Kristen Lilly of Fortress Staffing. We thank them and the entire Education Committee for their efforts. If you know of any students who will be juniors or seniors next fall who may qualify, contact Dave, Ken or Kristen.

See you at the March luncheon (after you've registered for Breckenridge, of course).

COPAS Colorado Board of Directors

Board meetings are typically held on the Thursday following each monthly luncheon, at 3:30 p.m., and will be announced at the meeting and posted on the website. The next board meeting, however, will be held on March 15th after the luncheon at the Marriott City Center. Check the website for last minute changes.

For Committee Chairs and other monthly newsletter contributors, COPAS-Colorado Newsletter content contribution due dates for the remainder of the year are March 27th and May 9th.

COPAS MONTHLY MEETING SCHEDULE		
Meeting Date	Speaker	
March 15, 2007	John B. Gustavson, "Valuations of Oil & Gas Properties"	Tech Session @ 10:30 am Revenue Committee, Small Oil and Gas Cos. Comm.
April 10, 2007	To Be Announced	Audit/Joint Interest
May 23, 2007	Education Day	None

COPAS COMMITTEE MEETING SCHEDULE					
Committee	Date	Time	Location	Contact	
Audit/Joint Interest	TBA	TBA	TBA	Dawn Smith	303-312-8565
Education	March 16 th	12:00	St. Mary Land	Dave Abel	303-863-4388
Fin. Reporting	March 22 nd	12:00	Encana	Diane Kirk	303-740-9400
Mid/Downstream	March 28 th	12:00	EKS&H	Cathy Anderson	303-220-6924
Revenue	TBA		TBA	Tom Ferguson	303-863-4376
Small Oil & Gas	April 24th	11:30	Hein & Associates	Tristan Farel	303-298-9600
Tax	April 6 th	7:30 am	Marriott	Gordy Stenger	303-846-1255

Membership Application -- Change of Contact Info

In order to communicate effectively with all members, it is important for those members to let us know if there is a change in their contact information. If you have recently had a change, please complete the 'Change Contact Information' link on the COPAS Colorado website.

Membership application and renewal forms are still available on www.copascaloradolorg.org.

Please note the following:

- Membership fees are paid for the fiscal year running from July 1 until June 30.
- Membership is granted to the individual and not to the company and is non-transferable.
- Luncheons begin at 12:00 noon, with registration from 11:45 until noon.

Educational Opportunities

PDI Energy Classes

On March 21 and 22, PDI is offering "Joint Interest Accounting and Billing" at the offices of St Mary Land and Exploration in Denver.

When: 8:30 a.m. - 4:30 p.m.

CPE Credit: 16 hours

Cost: \$535 per person including all materials To Register:

- 1) Send an e-mail to Linda Meux at PDI: imeux@pdi.org
- 2) Call Linda Meux at 940-565-3354

For additional detailed course information, please call Jim Hoffman at 214-763-9644.

Go to www.copascolorado.org to see the list of PDI classes offered in our area.

Spring 2007 National Meeting "Mining for Knowledge".

We are down to less than two months until the Breckenridge meeting and things are moving fairly quickly. As of the last count we have 40 official registrants for the meeting, but at least 140 rooms have been reserved at Beaver Run. The deadline for registration is March 15th, so don't wait too long to send in your forms. The Leadville Tour and the Fly Fishing Trips are filling up fast!

With only 6 weeks to go, we are meeting every other week and covering specific topics. Please watch for your notification e-mails. We still have plenty of room for volunteers, especially at the registration desk and the hospitality suite. We will have time sign ups available at the March luncheon. If you aren't on our e-mail list, please let me know as soon as possible.

Committee Chairs: Brenda Thompson – bthompson@makjenergy.com 303 339-5874
Sandy Launchbaugh -- sandy_launchbaugh@msn.com 303 660-4830

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: Dawn Smith dsmith@billbarrettcorp.com, 303-293-9100
Al Kravitz al.kravitz@whiting.com, 303-390-4968

Look for an email regarding our next meeting.

Board Liaison: Jim Allison (303) 222-6111, jallison@oildex.com

Education

Committee chairs: Dave Abel 303-863-4388, dabel@stmaryland.com
Ken Nollsch 720-939-3906, knollsch@heincpa.com
Tracy Woodmore-Udom, 303-575-0310, tudom@deltapetro.com

After March 31st, we will stop accepting applications for the 2007 COPAS Scholarship. Committee members will then begin to read the applications and choose the recipients of the award. Also, we are continuing to plan our spring education day to be held on Wednesday, May 23rd. If you have any ideas about speakers or topics, please give one of our Education Committee chairs a call.

We have changed our meeting date to the day after the COPAS Colorado luncheon. Therefore, our next meeting is on Friday, March 16th at St. Mary Land & Exploration, 1776 Lincoln, Ste 700, 6th Floor. Please RSVP to Dave Abel at 303.863.4388 or email dabel@stmaryland.com.

Board Liaisons: Brenda Thompson 303-339-5874, bthompson@makjenergy.com
Mike Roach 303-861-8140, mroach@stmaryland.com

Financial Reporting

Committee chairs: Diane Kirk, CPA, dkirk@eksh.com 303-740-9400
Tammy Miller-Davison, Tammy.Miller-Davison@encana.com 720-876-3566

The Financial Reporting Committee will have its next meeting at 12 p.m. on Thursday, March 22nd in the offices of Encana with lunch provided. Please note the change in location. Jake Vossen, a partner with Hein & Associates, will discuss current issues in derivative accounting including SEC concerns in hedge documentation and embedded derivatives. The discussion will not address the basic accounting under SFAS 133 but will address current issues and concerns.

Encana is located at 370 17th Street (Republic Plaza) located between Tremont and Court Streets and 16th and 17th Streets. Take the lobby level elevators (odd floors) to the 17th Floor.

Please RSVP by Monday, March 19th if you will be able to attend so we can get an accurate lunch count. RSVP to: Robin Lucas at rucas@eksh.com.

If you have any questions regarding the committee, please contact Diane Kirk at (303) 740-9400, dkirk@eksh.com or Tammy Miller-Davison at (720) 876-3566, Tammy.Miller-Davison@encana.com.

Board Liaison: Deanna Duell 303-308-1330 x104, dduell@prbenergy.com

Midstream/Downstream

Committee Chair – Cathy Anderson, EKS&H, canderson@eksh.com, 303-220-6924

The Midstream Committee met on February 28 for a discussion of gas plant accounting led by Andy Wolfe of Exigent Systems. Our next meeting will be on Wednesday March 28 at noon at the downtown office of EKS&H. The planned topic is gas control. An e-mail will go out prior to the meeting with additional details. If you are not on the Midstream Committee list and would like to be added, please contact Cathy Anderson at canderson@eksh.com

Board Liaison: Jim Garrett 303-225-5285, jgarrett@aspectenergy.com.

Revenue

Committee Chair – Tom Ferguson, St. Mary Land, tferguson@stmaryland.com, 303-863-4376

The COPAS Colorado Revenue Committee met Wednesday, February 14th at the offices of St. Mary Land & Exploration for an update on the new year's legislative initiatives and a very enlightening presentation on payer/agency compliance issues and activities by Mr. Robert Prael, Chief of Financial Management for the Minerals Management Service. Of the 40 members in attendance, nearly all were in agreement that this was the most interesting MMS presentation that they had ever seen. Attendees included employees of St. Mary, Encana Corporation, Anadarko Petroleum, Ultra Petroleum, P2 Energy Solutions, Petro-Canada, Bill Barrett Corp., Enerplus Resources, and Storm Cat Energy.

For March, we are co-sponsoring a Technical Session with the Small Oil & Gas Committee at 10:30 am prior to the March 15th regular luncheon meeting at the Marriott City Center featuring Mr. Barry L. Wertz of McGinnis, Lochridge, & Kilgore, L.L.P. Mr. Wertz will provide his entertaining insights into the recently decided Tawney vs. Columbia Natural Resources cost deduction case in determining royalties and explain why his first year Contracts 101 professor would have dissented from the opinion of the West Virginia Supreme Court. We expect that all attendees will come away from this session with a new appreciation for the legal mind's interpretation of "meaningless words" in royalty clauses as presented by Mr. Wertz and his "mentor", Justice I.M. Bubba.

Also, we are making progress toward arranging a spring 2007 field trip to production facilities north of Denver for the general COPAS Colorado membership. More information on this will be provided as we get closer to the trip date.

Board Liaison: Bob Virgin 303-645-9808, rvirgin@ultrapetroleum.com

Small Oil & Gas Companies

Committee Chair: Tristan Farel, Hein & Associates LLP, 303-298-9600 x234, tfarel@heincpa.com

The Small Oil & Gas Companies Committee held a meeting on February 27, 2007. The topic covered was well fracturing; FRAC: 101 – "Why DO We Need to Hydraulically Fracture a Well, and How Is It Done!" Presenting this topic was one of Halliburton's top Petroleum Engineer's, Mike Eberhard. This was a very informative presentation and Mike did an outstanding job teaching the "bean counters" about fracturing a well and most importantly, how much it costs!

Moral of the presentation: "Drilling a well is a cost, but fracturing a well is an investment."
- Mike Eberhard, Halliburton

Thanks again Mike and Great Job!

The Small Oil & Gas Companies Committee will Co-Host the March Tech Session with the Revenue Committee. The topic of this tech session will cover Royalties - Tawney vs. Columbia Natural Resources.

Date	Topic	Location	Speaker
March Tech Session	Royalties - Tawney vs. Columbia Natural Resources (co-sponsored with the Revenue Committee – Thanks Tom!)	Marriott	Barry L. Wertz
April 24, 2007	Integrating a custom HR foundation into your organization	H&A Offices	Mary Horan
May 2007	Education Day – No Meeting	Marriott	TBD

Additional information will be distributed to those members that have shown interest in this committee. If you have not received an email about this committee and would like to receive information, please contact me at tfarel@heincpa.com with your contact information and I will see that your name makes it into our distribution list. I hope to see you at the next meeting and Thank You for your support!

Next Meeting Date: March Tech Session
Meeting Time: 10:30
Location: Marriott – Denver

Board Liaison: Dan Reichel 303-308-1330 x103, dreichel@prbenergy.com

Tax

Committee chairs: Gordy Stenger, EKS&H, 303-846-1255, gstenger@eksh.com
John Tripp, University of Denver, 303-871-2029, jtripp@du.edu.

The next regular committee meeting will be held at the Marriott at 7:30 AM on Friday, April 6th.

Board Liaison: Rob Fowler 303-295-1770, rfowler@kinneyoil.com

Employment Postings

Check out the employment posting on the COPAS Colorado website at www.copascaloradolorado.org.