What is Production Accounting?
What is Production Accounting?

- A career in Production Accounting is a unique blend of accounting, regulatory, data analysis and reporting of revenues and royalties.

- Production accountants receive information from the field, land administrators, joint venture analysts, marketing and financial departments in order to perform monthly requirements of their role.
What is Production Accounting?

- Production Accountants work with volumes of oil, gas and water produced from the wells, inventory at facilities and distribution from the facility including revenue, division of ownership and royalties.

- The information that the Production Accountant produces is critical to company operations, management and financial reporting. It is the juncture where operational data is translated into financial bookings.
What is Production Accounting?

- We strongly rely on the other asset management disciplines and the field to effectively perform our duties.
- Data used in our day-to-day job functions is relayed to us through Landmen and administrators and joint venture and financial accountants.
- We are all interdependent upon each other to successfully achieve positive corporate results.
- Well and Facility Ownership
- Royalty Agreement details
- Acquisition and Divestitures
Engineering

- Facility Flow and Process
- Capital and Op Cost Allocation
- Regulatory Compliance
- Forward planning

Production Accounting
- Well Tests and Inventories
- Product Deliveries
- Monthly Throughput / Production Data
- Well and facility status
• Sales Delivery Points
• Product Pricing
• Purchaser Statements
• Transportation Charges
- Income Statement
- Dollars AND Volumes
- Revenue/Royalty Analysis
- Cost Center sensitivity
- Financial Audits – Internal and External
- GAAP/CSOX Compliance
The Time Paradigm

Production Accounting
Field
Engineering

PAST
PRESENT
FUTURE
WHO ARE PRODUCTION ACCOUNTANTS?
Production Accountant Qualities & Skills

- Proficient With **Numbers – Dollars & Volumes**
- **Deadline** Driven
- **Organized**
- Good **Communicator – Written & Verbal**
- **Computer Savvy**
- **Ability To Learn Quickly**
- **Adaptable To Change And Surprises**
Education route to Production Accounting

- High School Diploma
- English comprehension of a minimum of Level 8 of the Canadian Language Benchmark
- Excel training/experience
- Financial Accounting prerequisite prior to entry into Level 4
Education route to Production Accounting

- 5 Courses - available day, evening, distance or online
- Completion of Petrinex modules (government web-based reporting system) in each of Levels 2, 3, 4 & 5
2015 Member Survey – Projected Retirement
Production Accounting – Continuing Education opportunities

- Ongoing Continuing Professional Development (CPD) Seminars
- Post Secondary Degree (ACCT, ECON, FNCE)
- Accounting Designation (new CPA, legacy CA, CMA, CGA)
# Monthly & Yearly Deadlines

## Alberta Reporting Calendar

### June

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**2014**

Updated January 2014
Monthly desk at a glance

- Week one – Gather, analyze and enter production data
- Week two – Allocate and report pipeline “splits”
- Week three – Governmental volume and allocation reporting
- Week four – Booking revenue, royalties and custom fees
Yearly tasks

- Gas Cost Allowance
- Asset Reviews
- Audits
- Equalizations/13th Month Adjustments
Yearly tasks

Gas Cost Allowance

- Crown royalty reduction program to shoulder share of natural gas and liquid sales, i.e. royalties
- Captures capital, operating costs and custom fees
- Depreciation, return on equity
- Prior Year actuals - tracked and reported on by April 30th
Yearly tasks

Asset Reviews

- Ensure accurate reporting
- Mitigate lost revenue or overpayment
- From wellhead to plant sales gate
  - Ownership %
  - Royalty Calculations
  - Facility charges
  - 3rd party custom fee charges
Yearly tasks

Audits

- Internal for financial reporting
- Crown volumetric and GCA to ensure compliance
- Partner JV audits to ensure proper allocation
- Regulatory for volumetric measurement and allocation compliance – Enhanced Production Audit Program
- Field, Operations and Production Accounting focus
Yearly tasks

Equalizations / 13th Month Adjustments

- As outlined in Construction Ownership & Operation (CO&O) Agreements
- Reallocates facility revenue and expenses according to actual throughput
- Can include third party volume and charges
Production Accounting tools

- Field Data Capture software
- Schematics and Diagrams
- Internal PA Software and MS Office
- Government Reporting, eg. Petrinex
- Royalty Tracking Software
- Internal Financial Software
- EMAIL, PHONE, FACE to FACE
- Salary Range - $55 - $110+
- Dynamic Industry Career
- Opportunity to work with great people
- Multi-vocational opportunities
- Team focused and Professional
- Close to the action – start to finish
For more information and how to enroll

www.cappa.org
403.265.1533