



FUNDAMENTALS OF ONSHORE FEDERAL LEASING

Because of the tremendous extent of federal land ownership in the western U.S., oil & gas exploration and production activities on the public domain requires individuals that seek to conduct oil & gas operations be properly equipped to navigate the federal oil & gas leasing system. Students will develop a basic understanding of the federal oil & gas leasing system, regularly encountered issues involving federal oil & gas leases, and practical “nuts and bolts” solutions to avoiding or resolving those issues. Specific topics include: Basic Oil & Gas Leasing Legislation, Federal Oil & Gas Royalty Management, Lessee and Transferee Qualifications, Assignments and Transfers of Interest, Options and Rights to Acquire, Unitization and Communitization Exploration, Drilling, Producing, and Operating Regulations and Procedures, Surface Management Requirements, Emerging Environmental Issues, Limitations on Lessee’s Right to Develop, Extension, Suspension, Renewal, and Termination of Leases. Students will learn the vocabulary and concepts and be able to demonstrate needed competencies through workshop exercises. Lectures and videos will also be used.

COPAS AND OIL & GAS ACCOUNTING

Because of the unique nature of oil & gas operations, accounting methods used by oil & gas exploration and production companies are different from the methods used in other industries and these will be briefly reviewed. A JOA, if used, will define the relative duties and obligations of the operator and the non-operators in connection with the unit. The exhibit addressing the accounting procedure is typically attached as Exhibit "C," and a common form for this exhibit is one of the Council of Petroleum Accountants Societies, Inc. (COPAS) Model Form Accounting Procedures (COPAS Accounting Procedures). Students will come to understand how to properly understand the JOA and Exhibit C and how despite good drafting and careful interpretation there can still be uncertainties regarding the operators accounting responsibilities. Students will examine common areas that often are the subject of dispute and how best to resolve such problem areas including: Accounting Duties as Described by the JOA, Accounting Duties as Described by the COPAS 2005 Accounting Procedure, Direct Charges, Overhead, Pricing of Joint Account Material Purchases, Transfers, and Dispositions, Inventories and Accounting Duties as Described by Pooling Statutes. Students will learn the vocabulary and concepts and be able to demonstrate needed competencies through workshop exercises. Lectures and videos will also be used.

INTRODUCTION TO OIL COMPANY FINANCIAL ANALYSIS

Oil and gas companies often have volatile stock prices and challenging amounts of debt, especially in the economic downturns that seem to come along all too often. This class was created for non-financial shareholders, managers, lenders, financial advisors and oil company employees interested in the forces that influence stock values. The bottom line in any company is expressed in the language of finance. Students will examine financial concepts in a non-technical, practical way so that non-financial professionals and others may understand and appreciate this aspect of the business. Students will learn about the following topics: factors impacting oil and gas prices; fundamentals of valuation (including asset vs. income-based techniques; accounting value vs. economic value; future and present value theory; internal rate of return and other methods), accounting systems for oil and gas (including reserve recognition accounting, cost depletion and percentage depletion), financial statement analysis (including common and industry specific energy ratios), valuation of common stock (including guidelines for estimating value, IRS and SEC guidelines) as well as competitive comparisons, segment valuation including proved reserves, acreage, transportation, pipelines, tankers, refineries, industry structure, financial analysis and evaluation of refineries, value of reserves-in-the-ground, corporate restructuring, legal and tax concerns for mergers and valuation of bonds and preferred stock.

CLASS TIMES:

Saturday & Sunday: 8:30am to 4:30pm (1 hour lunch + breaks)

All times are Mountain Time

For more program info or to register for other classes, visit our webpage at: www.daniels.du.edu/elm

Contact Debra Ortlip @ 303.871.3997 or Debra.Ortlip@du.edu for additional information.



ACQUISITION & DIVESTITURE OF PETROLEUM PROPERTY

Many mistakes made in the buying and selling of petroleum properties can be very expensive. Trial and error is not the way to learn. Students will learn what buyers and sellers need to know to understand the entire process related to the acquisition and divestiture of individual producing or discovered non-producing assets. Important topics include: motivated vs. non-motivated sellers, seller evaluations, marketing options, the divestment process, the acquisition process, unique lifecycle risks and valuation methodologies. Also included are determining the price, like-kind exchanges, new field discoveries, constructing the offers, preferential rights, bonding protection, negotiating the contract, due diligence, industry activity and company mergers. Due diligence tips, the impact of lower oil and gas prices, troubled operators, financial statement analysis, banker and investor attitudes and the growing number of bankruptcy filings are included. Case histories and lectures will be used.

BANKRUPTCY ISSUES FOR TROUBLED OIL VENTURES AND MINERAL OWNERS

Oil prices are recovering too late to save many drillers drowning in debt. Both SandRidge Energy and Linn Energy recently filed for Chapter 11 with billions in debt. There have already been at least 29 U.S. oil and gas bankruptcies this year alone. The default rate among exploration and production junk bonds has soared to a record 27% over the past 12 months. SandRidge stock was trading at \$80 per share back in 2008, but recently it was worth just two cents. In this new and timely course students will examine the impact of potential and already filed bankruptcy cases and learn about effective methods for dealing with troubled oil ventures. They will learn about successful strategies for operators, non-operators, and service companies. Special attention will be paid to the concerns of mineral and royalty interests as they are often creditors too. Related topics covered include: notices, the right to reject certain contracts and leases, royalty creditors' secured status and relevant differences in state laws. Unique E&P Issues occurring when first filing the case include: financing an entity during the case, mineral lien claimants, royalty and other payments, critical vendors and suppliers. Issues unique to oil and gas bankruptcies to be covered include: title issues, lien avoidance, whether or not an oil and gas lease is subject to §365 and treatment of JOAs and farmouts. Selected issues Related to §363 sales include: sale of a co-owners' interest, data rooms and confidentiality agreements. Lectures and cases will be used.

MASTER THE ART OF NEGOTIATING OIL & GAS CONTRACTS

Mastering the art of negotiation is about understanding how to lead or navigate the negotiation process, uncover positions, know your priorities and use communication techniques that allow you to influence the negotiation. Negotiation is an everyday event and a critical business skill. Through practical exercises, students will learn how to recognize and capitalize on communication preferences and negotiation styles, and how to use practical tools that will help prepare for negotiations. Part of negotiating effectively is about recognizing your own style and triggers, and working to develop a level of awareness that will increase your confidence and focus. This course offers a unique opportunity to develop and practice your skills in a relaxed, supportive and confidential setting and students will better understand and be able to demonstrate key questioning and listening techniques, know when they are being "played" by the opposition, how to determine key motivators for the other side, how to best prepare for negotiations and how to know when an alternative style and approach should be used. Students will negotiate an oil & gas lease, a farmout agreement, surface damages and parts of a joint operating agreement as they grow in confidence and skill. Students will learn the vocabulary and concepts and be able to demonstrate needed competencies through workshop exercises. Lectures and videos will also be used.

INTRODUCTION TO THE GLOBAL OIL & GAS BUSINESS AND PETROLEUM ECONOMICS

In this course, students will examine the extraordinary changes in how the industry engages in its four primary sectors of activity; finding and producing crude oil, transportation, refining, and marketing. They will better understand the future of the oil and gas industry which includes an ever increasing use of alternative energy sources worldwide. Land personnel, attorneys, investors, lenders, financial advisors, management and anyone wanting to better understand the energy business, will find this to be an invaluable course. In addition to a summary of how the industry has developed and a look at likely future changes, students will learn more about the following topics and be able to use these concepts and methods for enhanced understanding and decision making: the supply, demand and pricing of oil and gas, energy commodity markets, the new industry structure, energy security, organizing principals of the oil and alternative energy industries, international petroleum economics, capital budgeting techniques and investment selection decision making. Students will learn the economic factors that directly affect petroleum production from its initial geological perception to its eventual sale to the refiner or the crude oil trader. The effects of economic factors are all discussed including risk and uncertainty, management decisions, financing and the importance of debt/equity and other ratios, finding costs, depreciation, inflation and taxation. Students will understand important contractual relationships