

HRODC Postgraduate Training Institute



A Postgraduate - Only Institution



#204

**Authorisation for Expenditure (AFE) in the
Upstream International Petroleum – Oil and
/gas – Production, Accounting, Joint Venture,
Lease and Sales Contracts**

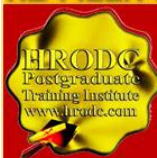
Programme

Leading To:

POSTGRADUATE DIPLOMA IN

**Authorisation for Expenditure (AFE) in the
Upstream International Petroleum – Oil and
/gas – Production, Accounting, Joint Venture,
Lease and Sales Contracts**

HRODC Postgraduate Training Institute
HQ : 122A Bhylls Lane, Castlecroft, Wolverhampton, West Midlands WV3 8DZ, UK



Prof. Dr. Ronald B. Crawford - Director

PhD (Uni London); M. Ed. M (Bristol); PGCIS (UWL); Adv. Dip. Sc. Ed (Bristol); Dip. Doc.
Res. (Uni Wlv); F.I.M.S.; HR. S. (I.M.S.); Exec. M. AOM; M.I.S.G.S.; M.S.C.O.S.;
M. RG. C.



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HRODC Postgraduate Training Institute, A Postgraduate-Only Institution

Our UK Government's Verification and Registration

Our Institute is Verified by, and Registered with, the United Kingdom (UK) Register of Learning Providers (UKRLP), of the Department for Education (DfE). Its UK Provider Reference Number (UKPRN) is: 10019585 and might be located at: <https://www.ukrlp.co.uk/>.

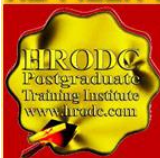
Programme Coordinator:

Prof. Dr. R. B. Crawford is the Director of HRODC Postgraduate Training Institute, A Postgraduate-Only Institution. He has the following Qualifications and Affiliations:

- Doctor of Philosophy {(PhD) {University College London (UCL) - University of London}};
- MEd Management (University of Bath);
- Postgraduate (Advanced) Diploma Science Teacher Ed. (University of Bristol);
- Postgraduate Certificate in Information Systems (University of West London, formerly Thames Valley University);
- Diploma in Doctoral Research Supervision, (University of Wolverhampton);
- Teaching Certificate;
- Fellow of the Institute of Management Specialists;

[Authorisation for Expenditure \(AFE\) in Upstream International Petroleum – Oil and Gas – Production - Page 2 of 32](#)

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- Human Resources Specialist, of the Institute of Management Specialists;
- Member of the Asian Academy of Management (MAAM);
- Member of the International Society of Gesture Studies (MISGS);
- Member of the Standing Council for Organisational Symbolism (MSCOS);
- Member of ResearchGate;
- Executive Member of Academy of Management (AOM). There, his contribution incorporates the judging of competitions, review of journal articles, and guiding the development of conference papers. He also contributes to the Disciplines of:
 - Human Resources;
 - Organization and Management Theory;
 - Organization Development and Change;
 - Research Methods;
 - Conflict Management;
 - Organizational Behavior;
 - Management Consulting;
 - Gender & Diversity in Organizations; and
 - Critical Management Studies.

Professor Dr. Crawford has been an Academic in the following UK Universities:

- University of London (Royal Holloway), as Research Tutor;
- University of Greenwich (Business School), as Senior Lecturer (Associate Professor), in Organisational Behaviour and Human Resource Management;
- University of Wolverhampton, (Wolverhampton Business School), as Senior Lecturer (Associate Professor), in Organisational Behaviour and Human Resource Management;
- London Southbank University (Business School), as Lecturer and Unit Leader.

His responsibilities in these roles included:

- Doctoral Research Supervisor;
- Admissions Tutor;
- Postgraduate and Undergraduate Dissertation Supervisor;
- Programme Leader;
- Personal Tutor

For Whom This Course is Designed

This Programme is Designed For:

- XXXXXXXXXXXX

Classroom-Based Duration and Cost:	
Classroom-Based Duration:	12 Weeks (5 Days per Week)
Classroom-Based Cost:	£45,000.00 Per Student
Online (Video-Enhanced) Duration and Cost	
Online Duration:	20 Weeks – 3 Hours Per Day, 6 Days Per Week
Online Cost:	£30,150.00 Per Student

Classroom-Based Programme Cost includes:

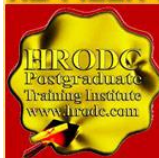
- Free Continuous snacks throughout the Event Days;
- Free Hot Lunch on Event Days;
- Free City Tour;
- Free Stationery;
- Free On-site Internet Access;
- Postgraduate Diploma/ Diploma – Postgraduate –or
- Certificate of Attendance and Participation – if unsuccessful on resit.

Students and Delegates will be given a Selection of our Complimentary Products, which include:

- Our Branded Leather Conference Folder;
- Our Branded Leather Conference Ring Binder/ Writing Pad;
- Our Branded Key Ring/ Chain;
- Our Branded Leather Conference (Computer – Phone) Bag – Black or Brown;
- Our Branded 8-16 GB USB Flash Memory Drive, with Course Material;
- Our Branded Metal Pen;
- Our Branded Polo Shirt.;
- Our Branded Carrier Bag.

Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production - Page 4 of 32

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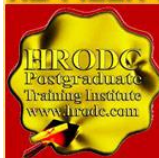
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Daily Schedule: 9:30 to 4:30 pm.

Delivery Locations:

1. Central London, UK;
2. Dubai, UAE;
3. Kuala Lumpur, Malaysia;
4. Amsterdam, The Netherlands;
5. Brussels, Belgium;
6. Paris, France; and
7. Durban, South Africa;
8. Other International Locations, on request.

Course Programme for Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts			
Leading to Postgraduate Diploma in Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts			
Module Number	Pre-existing Course #	Module Title	Credit Value
204.M1	036	<ul style="list-style-type: none"> ▪ Upstream Oil and Gas Accounting and Contracts: Oil and Gas Operation, Mineral Rights, Leases and Successful Efforts Accounting 	Single Credit
204.M2	046	Advances Oil and Gas Accounting; International Petroleum Accounting (1)	Single Credit
204.M3	205	International Petroleum – Oil and Gas – Operation Joint Venture Accounting	Double
204.M4	107	SAP and Joint Venture Accounting	Double
204.M5	206	Petroleum – Oil and Gas – Production Contracts	Double

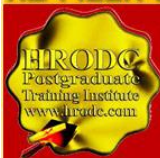


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Leading to Postgraduate Diploma in Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts

204.M6	207	Authorisation for Expenditure (AFE) Concepts, Contexts and Application – Exploration and Acquisition, Drilling Contract, Tangible Drilling, Production Costs and Drilling Operational Problems – in joint Operation Upstream International Petroleum – Oil and Gas - Accounting	Double
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Course Programme for Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts, Programme

Leading to Postgraduate a Postgraduate Diploma in Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts

Programme Contents, Concepts and Issues

Upstream Oil and Gas Accounting and Contracts: Oil and Gas Operation, Mineral Rights, Leases and Successful efforts Accounting Module 1 (Single Credit)

Upstream Oil and Gas Operations

- Introducing the Oil and Gas Industry
- Brief History of the U.S. Oil and Gas Industry
- Origin of Petroleum
- Anticline
- Exploration Methods and Procedures
- 3-D Seismic
- 4-D Seismic
- Acquisition of Mineral Interests in Property
 - Mineral Rights
 - Mineral Interests
 - Fee Interests
 - Overriding Royalty Interests (ORI)
 - Retained ORI Production Payment Interest (PPI)
 - Dutch Carved-Out Production Payment
 - Carved-Out Net Profits Interest Created from Working Interest
 - Net Profits Interest Created from Mineral Interest
- Oil, Gas and Mineral Lease Provisions

Classification of Oil and Gas Operation

- Upstream: Exploration and Production Sector
 - Finding of Oil and Gas
 - Securing Leases
 - Drilling for Oil and Gas
 - Evaluating, Well Logging and Coring
 - Completing the Well
 - Cementing and Perforating
 - Acidizing and Fracturing
 - Artificial Lifts and Injection Wells
 - Oil Production and Secondary Recovery
 - Operation and Sale of Oil
- Midstream: Trading and Transportation
- Downstream Activities: Oil Refining and Marketing Including
 - Refining Oil into Fuels and Lubricants
 - Producing Petrochemicals
 - Developing Bio Fuels
 - Trading
 - Retail Sales
 - Managing CO2 Emissions
 - Supply and Distribution
 - Business-To-Business Sales

Introduction to Oil and Gas Accounting (1)

- Oil and Gas Drilling Operations
- BOP (blowout preventer)
- Bottom-hole pressure
- Bottom-hole pump
- Drill string
- Rat hole
- Mouse hole
- Drilling platform
- Drilling rig
- Proved area
- Drill stem test
- Derek and Derek Hands
- Cracking
- Field

- Christmas tree
- Sedimentary rock
- Seismic exploration
- Development well Flowing well
- Injection well
- Offset well
- Stratigraphic Well

Introduction to Oil and Gas Accounting (2)

- Stratigraphic Test Well or Exploratory well
- Service well
- Dry hole
- Dual completion
- Dry natural gas
- natural and artificial lifts
- Oil and Gas production and Sales
- Some State and US Federal Oil and Gas Drilling Regulation
- Maximum Efficiency Drilling Rate (MER)
- The Concept of Peak Oil
- Historical cost accounting methods
- Historical Development of accounting methods and current status
- Introduction to successful efforts accounting
- Chart accounts for successful efforts company
- Oil and Gas subsectors – Upstream, Mid-Stream and Downstream
- Horizontal, Vertical and Full Integration within the Oil and Gas Industry
- Addressing Problems associated with Oil and Gas Accounting

Acquisition Costs of Unproved Property – Successful Efforts

- Carrying and retaining costs
 - Delayed Rental Property Taxes
 - Legal cost for title defence
 - Clerical and record-keeping costs
- Test – well contributions
 - Dry hole contribution
 - Bottom-hole contribution
- Support equipment and facilities
- Problems

- Offshore and International operations
- Purchase in fee (Fee Purchase)
- Internal costs
- Options to lease
- Delinquent taxes and mortgage payment

Acquisition Costs of Unproved Property – Successful Efforts

- Successful Efforts Acquisition Costs
- Internal Costs
- Options to lease
- Delinquent tax and Mortgage Payments
- Top Leasing
- Amortization
- Amortization of exploration and development costs of proved developed reserves
- Impairment
- Disposition of capitalized costs – impairment of unproved properties
- Disposition of capitalized costs – surrender or abandonment of property
- Post balance sheet events
- Disposition of capitalized costs – reclassification of an unproved property
- Land department
- Addressing Issues and Problems in unproved property acquisition costs

Advanced Oil and Gas Accounting: International Petroleum Accounting (1) Module 2 (Single Credit)

Accounting Concepts

- The Money Measurement Concept
- The Entity Concept
- The Going Concern Concept
- The Dual Aspect Concept
- The Accounting Period Concept
- Materiality (Proportionality) Concept
- The Conservatism Concept

- Consistency Concept
- The Realization Concept
- The Matching Concept
- The Cost Concept

Financial Governance and Standardization Institutions

- Income tax accounting for drilling costs
- IDC vs. Equipment
- Intangible Drilling Costs (IDC)

(1) Up to and including the installation of Christmas Tree

- Prior to Drilling
- G & G
- Preparation of Site
- During Drilling
- Drilling contractor's charges
- Drilling mud, chemicals, cement, supplies
- Fuel
- Wages
- Well testing
- At Target depth and during completion
- Well testing
- Perforating and cementing
- Swabbing, acidizing and fracturing
- Labour related to the installation of subsurface equipment
- Plugging and abandoning cost – for dry wells

(2) After Christmas tree – following completion

- Removal of Drilling Rig
- Restoration of land and damages paid to surface owner

(3) Wells other than Exploration and development Wells

- Intangible costs for extending well (see lists 1 & 2, above)
- Intangible costs incurred in drilling water supply and injection wells
- Intangible costs incurred in drilling water and injection – where water well is being used to for exploration and development well or for injection.
- Financial accounting for drilling and development costs
- Well classification
- Exploratory well
- Service well
- Stratigraphic test well
- Proved developed oil and gas reserves
- Proved undeveloped reserves
- Successful Efforts, exploration costs
- Exploratory drilling costs
- Development drilling costs

- Stratigraphic test wells
- AFE's and drilling contracts
- Special drilling operations and problems
 1. Workovers
 2. Damaged or lost equipment and materials
 3. Fishing and side tracking
 4. Abandonment of portions of wells

Additional development costs

(1) Development costs

- Costs of gaining access and preparing well location for drilling
- Costs of drill and equip development well, development-type Stratigraphic test well
- Cost of acquiring, constructing and installing production facilities, e.g. lease
- Support equipment and facilities
- Drilling and development seismic
- Post-balance sheet events
- Accounting for suspended well costs
- Interest capitalization
- Offshore and international operations
- Problems and Issues Associated with Successful Efforts Accounting for Drilling Development Cost

Proved Property Cost Disposition – Successful Efforts

- Costs of Property
- Cost of lease and well equipment
- Cost disposition through amortization
 - Reserves owned or entitled to
 - DD&A calculation
 - DD&A on a field-wide basis
 - DD&A when oil and gas reserve are produced jointly
 - Estimated future dismantlement, site restoration, and abandonment costs
 - Exclusion of costs or reserves
 - Depreciation of support equipment and facilities
 - Cost disposition – nonworking interests
 - Revision of DD&A rates
- Cost disposition through abandonment or retirement of proved property
- Successful efforts impairment
- Problems

Full Cost Accounting

- Principles of Full Cost Oil and Gas Accounting
- Disposition of capitalized costs
- Inclusion of estimated future development expenditures
- Inclusion of estimated future decommissioning costs
- Exclusions of costs
- Impairment of unproved properties costs
- Abandonment of properties
- Reclassification of properties
- Support equipment and facilities
- DDA&A under successful efforts versus full cost
- Reserves in place – purchase
- Interest capitalization
- Limitation on capitalized costs – a ceiling
- Asset retirement obligations
- Deferred taxes
- Income tax effects
- Assessment of the ceiling test
- SFAS No. 144 and Full Cost Ceiling Cost
- Post-balance sheet events and the ceiling test Problems and Issues associated with Full Cost Accounting

Accounting for Production Activities (1)

- Accounting treatment
 - Cost of production versus inventory
 - Recognition of inventories
 - Lower-of-cost-or-market valuation
- Accumulation and allocation of costs
- Individual production costs
 - Secondary and Tertiary recovery
 - Gathering systems Saltwater disposal systems
 - Tubular goods
 - Severance taxes

Accounting for Production Activities (2)

- Production cost statements
- Joint interest operations
- Decision to complete a well
- Project analysis and investment decision making
 - Payback method
 - Accounting rate of return
 - Net present value method
 - Internal rate of return
 - Profitability index
- Problems and Issues associated with Accounting For Production Activities

International Petroleum – Oil and Gas – Operation Joint Venture Accounting Module 3 (Quad Credit)

Issues Regarding Financial Accounting for International Petroleum – Oil and Gas – Joint Ventures and Joint Operations

- Principles of International Joint Venture
 - What is a Joint Venture?
 - General Characteristics of Joint Ventures
 - Functional Types of Joint Venture Relationships
 - Research and Development Joint Ventures
 - Manufacturing or Production Joint Ventures
 - Marketing and Distribution Joint Ventures
 - Hybrid Joint Venture Relationships
- Advantages and Disadvantages of Joint Ventures
- Joint Venture vs. Partnership
- Structural Components of a Typical Joint Venture
 - Formation and Organisation
 - Capital Contributions
 - Venture's Agreement
 - Ancillary Agreement
 - Termination Provisions

- Transaction Checklists for Forming a Joint Venture
- Alternatives to Joint Ventures for Entering Foreign Markets
 - Contractual Joint Ventures
 - Investment Relationships
 - Negotiated Acquisition
 - Formation of Wholly-Owned Foreign Entity
- Legal and Regulatory Aspects of Joint Venture Activities
- Enterprise Laws
- Commercial Laws
- Related Commercial Law Issues
- Property Rights
- Investment, Financial and Securities Laws
- Antitrust and Competition Laws
- Labour, Immigration, Health and Environmental Laws
- Consumer Protection Laws
- Dispute Resolution
- Tax Laws
- Contract Laws
- Sales of Goods Transactions
- Debtor-Creditor Laws
- Types of petroleum - Oil and Gas - Joint Ventures
- Jointly Controlled Operations
- Jointly Controlled Assets
- Jointly Controlled Entities

Contracts Governing International Petroleum – Oil and Gas – Joint Operations

- International Petroleum – Oil and Gas Joint Operating Agreements
- Salient Definitions in International Petroleum – Oil and Gas Joint Operating Agreements
- Exploratory Well
 - Exploration Well
 - Appraisal Well
- Joint Venture VS Partnership
- Operator VS Non-Operator
- Working Interest VS Non-Working Interest
- Operating Committee
 - Role of Operating Committee in International petroleum - Oil and Gas Joint Venture Operation

- Exploration Work Program and Budget Approval
- Exploratory Results Evaluation and Appraisal
- Appraisal Work Approval
- Commerciality of Oil and Gas Discoveries and Development Plans Approval
- Productions Operations and Budget Approval
- Single Items Expenditure Approval
- Budget Amendments Approval
- Contracts with Sub-Contractors Approval Operatorship
- Naming an Operator
- Defining the Role of the Operator Exclusive operations
- Articles found in JOAs
- Work Programs and Budgets Setting
- Remedies available in the Event that One or More of the Parties Fails to Pay its Share
- Disposition of Production
- Relationship of the Parties Regarding Taxes.

Accounting Procedure in International Petroleum – Oil and Gas – Joint Operations – Part 1

- Joint Account
- Joint Account Records and Currency Exchange
- Payments and Advances

Cash Calls or Advances

- Settlement and Cutback
- Joint Interest Billing and Cutback
- Billing and Payment
- Adjustments
- Audits
 - The non-operators may be satisfied, and the matter is dropped.
 - The operator agrees to adjust the charge.
 - The parties continue to negotiate until a mutually agreeable solution is reached
- Methods of Accounting
- Allocations
- Direct Charges
- Direct Costs
 - Indirect Costs
 - Operator's home office (out of country) administrative costs
 - Home office (out of country) human resources □ Home office (out of country) accounting services Home office (out of country) legal support
- Direct Versus Recoverable Costs
 - Licenses and Permits
 - Salaries, Wages and Related Costs

- Government levies for employee benefits imposed on the operator
- Holidays
- Vacations
- Disability Benefits
 - Housing Allowance
 - Sick Leave Travel
 - Medical Insurance
 - Retirement Plans
 - Bonuses
 - Other benefits that are customary and in accordance with the operator's benefit: policies

Accounting Procedure in International Petroleum – Oil and Gas – Joint Operations – Part 2

- Technical Service Charges
 - Geological studies and interpretation
 - Seismic data processing
 - Well log analysis, correlation, and interpretation
 - Laboratory services
 - Well site geology
 - Project engineering
 - Source rock analysis
 - Petro physical analysis
 - Geochemical analysis
 - Development evaluation
- Employee Relocation Cost
 - Situations Where Employee Relocation Charges May Be Direct
 - Situations Where Employee Relocation Charges May Not Be Direct:
- Offices, camps, and miscellaneous facilities
- Communications equipment
- Materials and supplies
- Exclusively owned equipment and facilities of the operator
- Ecological and environmental costs
- Technical training costs
- Damages and losses to the property
- Taxes and duties
 - Tax Gross Up
- Other charges. Accounting for material

- Pricing Procedures
- New material (Condition 1)
- Good used material (Condition 2)
- Used material (Condition 3)
- Other material
- Junk
- Disposal of material Inventories
- Major Types of Inventories
 - Wells and appropriations
 - Properties being acquired
 - Storehouse stock
 - Well and lease service equipment
 - Condition 3 asset

SAP and Joint Venture Accounting Module 4 (Double Credit)

Sales and Accounts Receivables

- How to raise a Sales Invoice
- Mapping correct accounts to Sales Invoice
- Component of Oil and Gas Sales
 - Price
 - Quantity
- Managing Accounts Receivable
- Customer Data Base Maintenance
- Aging Analysis
- Approval lines for Sales invoices
 - Issuer
 - Authorizer

Purchases and Accounts Payable

- Contract Set up in SAP
 - Including Contract Terms
 - Rates
 - Taxes
- Map Purchase orders to Contracts

- Purchase order approval process in SAP
- Map Purchase order to cost ledger accounts
- Set up payment terms in SAP
- System to prompt for payment run

Fixed Asset Accounting

- Set up Fixed Asset parameters for:
 - Exploration Wells
 - Appraisal Wells
 - Development Wells
 - Subsea Equipment's
 - Flowlines
 - Moveable Assets
- Determine Asset Classes
 - Sub – classes
 - Asset Description
- Set up Depreciation parameters
 - Straight-line
 - UOP
 - Reducing balance
- Run monthly depreciation testing

Project Accounting

- Cost Centre, Resource codes set up
- Map GL accounts to Cost Centre and Resource Codes
- GL accounts to roll up to correct cost headings
- Map Cost Centres and or Resource codes to Projects
- Identifying all Project costs via cost centres or resource codes
- Report generation along project lines
- Generate Profit and Loss account by Projects
- Set up Project Reports that can be understood by Project Managers

Joint Accounting

- Cut Back Process
- Partners share
- Billable and Recoverable
- Authorisation for Expenditure (AFE)
- Billable and Non-Recoverable
- Non-Billable and Non-Recoverable
- Exclusive
- Implementing Joint Venture accounting agreements within the SAP system
- Account Reconciliation
- Joint Venture Reports

Petroleum – Oil and Gas – Production Contracts Module 5 (Double Credit)

- Contracts with Contractors for Services
 - Production Platform and FPSO (Floating Production Storage and Offloading) Construction Agreements
 - Production Platform and FPSO Operating Agreements
 - Contracts for Producing Services
- Contracts with other Joint Ventures for Services
 - Indicative Tariff and Service Request Agreements
 - Oil and Gas Processing Agreements
 - Oil Transportation Agreements
 - Gas Transportation Agreements
 - Pipeline Tie-In Agreements
 - Pipeline Crossing Agreements
 - Proximity Agreements
 - Agreements for Use of Producing Facilities
 - Power Supply Agreements (Perhaps in Exchange For Production)
 - Power Export Agreements
 - Emissions Trading and CO₂ Injection Agreements
- Petroleum Sales Contracts
 - Oil Sales Contracts
 - Gas Sales Contracts
 - LNG and LPG Sales Contracts
 - Production Exchange Agreements

- Petroleum Transactions
 - Production Acreage Sale and Purchase and Exchange Agreements
 - Farm-In Agreements
 - Asset Exchange Agreements
 - Sale and Leaseback Agreements
 - Sale with Obligation to Take Back at End of Production

**Authorisation for Expenditure (AFE) Concepts, Contexts and Applications
– Exploration and Acquisition, Drilling Contract, Tangible Drilling,
Production costs and Drilling Operational Problems – in Joint Operation
Upstream International Petroleum – Oil and Gas – Accounting
Module 6 (Double Credit)**

Contextualising Authorisation for Expenditure (AFE) Process

Contextualising Authorisation for expenditure (AFE)

- AFE as Documentation for Joint Operators Approval for Expenditure
- Cost control as an Aspect of AFE
- Budgeting as an Aspect of AFE
- Monitoring as an Aspect of AFE

Authorisation for expenditure (AFE) As a Process

- AFE Process in Joint Operation Agreement
- AFE as Joint Venture Project Approval
- Authorisation for Expenditure (AFE) Conceptualisation
- Economical Evaluation in AFE
- AFE Coding
- Components of Authorisation for Expenditure (AFE)
- Preparation, Execution and Monitoring Process of Authorisation for Expenditure (AFE)
- AFE Process in Joint Operation Agreement
- Interest Partner Approval as AFE Execution
- AFE as Joint Venture Project Approval
- AFE in Production Sharing Contract (PSC);

- AFE for Risk Service Agreement (RSA) or Risk Service Contract (RSC);
- Non-Standard AFE
- Operationally Standardized AFE
- Minimalist AFE
- Addressing Failure to Obtain Approval from all working interest owners of an Authority for Expenditure: Result AFE as Reapproval for Budgeting Excess
- Consequences for Non-reapproval of Authorisation for Expenditure (AFE)
- AFEs as a Control Mechanism for Oil and Gas Accounting
- Accumulation of AFE Activities in the General Ledger
- Executing Authorisation for Expenditure (AFE)
- Reporting of AFE Activities at AFE Level

Authorisation for Expenditure (AFE) Application

Authorisation for expenditure (AFE) for Exploration and Acquisition

- AFE For Lease Contract;
- AFE For Exploration;
- AFE for Exploratory Wells;
- AFE for Test Wells;
- AFE for Estimated Intangible Drilling Cost (IDC), Equipment Cost and Completion Cost for Well Drilling

Authorisation for expenditure (AFE) for Drilling Contract

- AFE in Domestic Drilling Operations
- AFE in International Drilling Operations
- AFE for Day Rate Drilling Contract
- AFE for Footage Drilling Contract
- AFE for Turnkey Drilling Contract
- AFE For Well Completion
- AFE for Recompletion

Authorisation for expenditure (AFE) for Development Cost

- AFE as Completion Cost in SE
- AFE for Plugging and Abandonment Cost in Dry Wells
- AFE for Drilling as Production Costs
- AFE as Reapproval for Budgeting Excess
- AFE for Facility Construction

AFE for Tangible Drilling and Production Costs

- AFE For Service Wells
- AFE for Drilling as Production Costs

AFE for Drilling Operational Problems

- AFE for Workovers
- Rig Workover
- AFE for Drilling Operation
- Recompletion Operation
- AFE for Plugging and Abandonment Cost in Dry Wells
- AFE as Completion Cost in SE

Postgraduate Diploma, Postgraduate Certificate, and Diploma – Postgraduate - Short Course Regulation

Postgraduate Certificate, Postgraduate Diploma, and Diploma – Postgraduate: Their Distinction, Credit Value and Award Title

Postgraduate Short Courses of a minimum of five days' duration, are referred to as Diploma – Postgraduate. This means that they are postgraduate credits, towards a Postgraduate Certificate and Postgraduate Diploma. Postgraduate Certificate and Postgraduate Diploma represent Programmes of Study, leading to Awards bearing their title prefixes. While we, refer

to our short studies, of 5 days to five weeks, as 'Courses', those with duration of 6 weeks and more are labelled 'Programmes'. Nevertheless, in line with popular usage, we often refer to all study durations as 'Courses'. Another mark of distinction, in this regard, is that participants in a short course are referred to as 'Delegates', as opposed to the term 'Students', which is confined to those studying a Postgraduate Programme.

Courses are of varying Credit-Values; some being Single-Credit, Double-Credit, Triple-Credit, Quad-Credit, 5-Credit, etc. These short courses accumulate to Postgraduate Certificate, with a total of 180 Credit-Hours (= 6 X 5-Day Courses or 3 X 10-Day Courses), or Postgraduate Diploma, with a total of 360 Credit-Hours (= 12 X 5-Day Courses or 6 X 10-Day Courses).

Delegates studying courses of 5-7 days' duration, equivalent to 30-42 Credit-Hours (Direct Lecturer Contact), will, on successful assessment, receive the Diploma – Postgraduate Award. This represents a single credit at Postgraduate Level. While 6-day and 7-day courses also lead to a Diploma – Postgraduate, they accumulate 36 and 42 Credit Hours, respectively.

Postgraduate Certificate, Postgraduate Diploma, and Diploma – Postgraduate Assessment Requirement

Because of the intensive nature of our courses and programmes, assessment will largely be in-course, adopting differing formats. These assessment formats include, but not limited to, in-class tests, assignments, end of course examinations. Based on these assessments, successful candidates will receive the Diploma – Postgraduate, Postgraduate Certificate, or Postgraduate Diploma, as appropriate.

In the case of Diploma – Postgraduate, a minimum of 70% overall pass is expected. In order to receive the Awards of Postgraduate Certificate and Postgraduate Diploma, candidates must have accumulated at least the required minimum 'Credit-Hours', with a pass (of 70% and above) in at least 70% of the courses taken.

Delegates and students who fail to achieve the requirement for Postgraduate Certificate, Postgraduate Diploma, or Diploma - Postgraduate - will be given support for 2 re-submissions for each course. Those delegates who fail to achieve the assessment requirement for the

Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts Programme, Leading to Postgraduate Diploma in Authorisation for Expenditure (AFE) in Upstream International Petroleum – Oil and Gas – Production, Accounting, Joint Venture, Lease and Sales Contracts
Postgraduate Diploma or Diploma - Postgraduate - on 2 resubmissions, or those who elect not to receive them, will be awarded the Certificate of Attendance and Participation.

Diploma – Postgraduate, Postgraduate Certificate, and Postgraduate Diploma Application Requirements

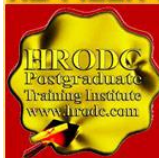
Applicants for Diploma – Postgraduate – Postgraduate Certificate, and Postgraduate Diploma are required to submit the following documents:

- Completed Postgraduate Application Form, including a passport sized picture affixed to the form;
- A copy of Issue and Photo (bio data) page of the applicant's current valid passport or copy of his or her Photo-embedded National Identity Card;
- Copies of credentials mentioned in the application form.

Admission and Enrolment Procedure

- On receipt of all the above documents we will assess applicants' suitability for the Course or Programme for which they have applied;
- If they are accepted on their chosen Course or Programme, they will be notified accordingly and sent Admission Letters and Invoices;
- One week after the receipt of an applicant's payment or official payment notification, the relevant Course or Programme Tutor will contact him or her, by e-mail or telephone, welcoming him or her to HRODC Postgraduate Training Institute;
- Those intending to study in a foreign country, and require a Visa, will be sent the necessary immigration documentation, to support their application;
- Applicants will be notified of the dates, location and venue of enrolment and orientation, where appropriate.

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Modes of Study and Duration of Postgraduate Certificate and Postgraduate Diploma Programmes

There are two delivery formats for Postgraduate Certificate and Postgraduate Diploma Programmes, as follows:

1. Intensive Full-time (Classroom-Based) Mode, lasting 3 months for Postgraduate Diploma, and 6 weeks for Postgraduate Certificate. These durations are based on six hours' lecturer-contact per day, five days (30 hours) per week, for Postgraduate Diploma.
2. Video-Enhanced On-Line Mode. This interactive online mode lasts twenty (20) weeks, for Postgraduate Diploma, and ten (10) weeks for Postgraduate Certificate. Our calculation is based on three hours per day, six days per week.

Whichever study mode is selected, the aggregate of 360 Credit Hours must be achieved.

Introducing Our Video-Enhanced Online Study Mode

In a move away from the traditional online courses and embracing recent developments in technology-mediated distance education, HRODC Postgraduate Training Institute has introduced a Video-Enhanced Online delivery. This Online mode of delivery is revolutionary and, at the time of writing, unique to HRODC Postgraduate Training Institute.

You are taught as individuals, on a one-to-one or one-to-small-group basis. You see the tutor face to-face, for the duration of your course. You will interact with the tutor, ask and address questions; sit examinations in the presence of the tutor. It is as real as any face-to-face lecture and seminar can be. Choose from a wide range of Diploma – Postgraduate Courses and an increasing number of Specialist Postgraduate Certificate and Postgraduate Diploma Programmes. You might also accumulate Postgraduate Short Courses, via this mode of study, over a 6-year period, towards a Postgraduate Certificate or Postgraduate Diploma.

Key Features of Our Online Study: Video-Enhanced Online Mode

- The tutor meets the group and presents the course, via Video, in a similar way to its classroom-based counterpart.
- All participants are able to see, and interact with, each other, and with the tutor;
- They watch and discuss the various video cases and demonstrations that form an integral part of our delivery methodology.
- Their assessment is structured in the same way as it is done in a classroom setting;
- The Video-Enhanced Online mode of training usually starts on the 1st of each month, with the cut-off date being the 20th of each month, for inclusion the following month;
- Its duration is twice as long as its classroom-based counterpart. For example, a 5-day (30 Credit Hours) classroom-based course will last 10 days, in Video-Enhanced Online mode. This calculation is based on 3 hours tuition per day, adhering to the Institute's required 30 Credit-Hours;
- The cost of the Video-Enhanced Online mode is 67% of similar classroom-based courses;
- For example, a 5-day classroom-based course, which costs Five Thousand Pounds, is only Three Thousand Three Hundred and Fifty Pounds (£3,350.00) in Video-Enhanced Online Mode.

10-Week Video-Enhanced Online Postgraduate Certificate and 20-Week Video-Enhanced Online Postgraduate Diploma

You might study an Online Postgraduate Certificate or Online Postgraduate Diploma, in 10 and 20 weeks, respectively, in the comfort of your office or homes, through HRODC Postgraduate Training Institute's Video-Enhanced Online Delivery. We will deliver the 180 Credit-Hours and 360 Credit-Hours, in line with our regulation, through 'Direct-Lecturer-Contact', within the stipulated timeframe. We aim to fit the tuition around your work, family commitment and leisure, thereby enhancing your maintenance of an effective 'work-study-life-style balance', at times convenient to you and your appointed tutor.

Cumulative Postgraduate Certificate and Postgraduate Diploma Courses

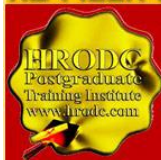
All short courses can accumulate to the required number of Credit-Hours, for the Postgraduate Certificate and Postgraduate Diploma, over a six-year period from first registration and applies to both general and specialist groupings. In this regard, it is important to note that short courses vary in length, the minimum being 5 days (Diploma – Postgraduate) – equivalent to 30 Credit Hours, representing one credit, as is tabulated below.

On this basis, the definitive calculation on the Award requirement is based on the number of hours studied (aggregate credit-value), rather than merely the number of credits achieved. This approach is particularly useful when a student or delegate studies a mixture of courses of different credit-values.

For those delegates choosing the accumulative route, it is advisable that at least one or two credits be attempted each year. This will ensure that the required 180 Credit-Hours and 360 Credit-Hours, for the Postgraduate Certificate and Postgraduate Diploma, respectively, are achieved, within the designated period. These Credit-Values, awards and their accumulation are exemplified below.

Examples of Postgraduate Course Credits: Their Value, Award Prefix & Suffix – Based on 5-Day Multiples		
Credit Value	Credit Hours	Award Title Prefix (& Suffix)
Single-Credit	30-54	Diploma - Postgraduate
Double-Credit	60-84	Diploma – Postgraduate (Double-Credit)
Triple-Credit	90-114	Diploma – Postgraduate (Triple-Credit)
Quad-Credit	120-144	Diploma – Postgraduate (Quad-Credit)
5-Credit	150-174	Diploma – Postgraduate (5-Credit)
6-Credit	180-204	Postgraduate Certificate
7-Credit	210-234	Postgraduate Certificate (+ 1 Credit)
8-Credit	240-264	Postgraduate Certificate (+2 Credits)

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Examples of Postgraduate Course Credits: Their Value, Award Prefix & Suffix – Based on 5-Day Multiples		
Credit Value	Credit Hours	Award Title Prefix (& Suffix)
9-Credit	270-294	Postgraduate Certificate (+3 Credits)
10-Credit	300-324	Postgraduate Certificate (+ 4 Credits)
11-Credit	330-354	Postgraduate Certificate (+5 Credits)
12-Credit	360	Postgraduate Diploma
360 Credit-Hours = Postgraduate Diploma		
12 X 5-Day Courses = 360 Credit-Hours = Postgraduate Diploma		
10 X 6-Day Courses = 360 Credit-Hours = Postgraduate Diploma		

Exemplification of Accumulated Postgraduate Certificate and Postgraduate Diploma Award Titles

All Specialist Postgraduate Certificate and Postgraduate Diploma Programmes have their predetermined Award Titles. Where delegates do not follow a Specialism, for accumulation to a Postgraduate Diploma, they will normally be Awarded a General Award, without any Specialist Award Title. However, a Specialist Award will be given, where a delegate studies at least seventy percent (70%) of his or her courses in a specialist grouping. These are exemplified below:

- 1. Postgraduate Diploma in Accounting and Finance;**
- 2. Postgraduate Certificate in Accounting and Finance;**
- 3. Postgraduate Certificate in Aviation Management;**
- 4. Postgraduate Diploma in Aviation Management;**
- 5. Postgraduate Certificate in Industrial Health and Safety Management, Incorporating Oil and Gas Safety;**
- 6. Postgraduate Diploma in Industrial Health and Safety Management, Incorporating Oil and Gas Safety;**
- 7. Postgraduate Certificate in Business Communication;**
- 8. Postgraduate Diploma in Business Communication;**

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- 9. Postgraduate Certificate in Corporate Governance;**
- 10. Postgraduate Diploma in Corporate Governance;**
- 11. Postgraduate Certificate in Costing and Budgeting;**
- 12. Postgraduate Diploma in Costing and Budgeting;**
- 13. Postgraduate Certificate in Client or Customer Relations;**
- 14. Postgraduate Diploma in Client or Customer Relations;**
- 15. Postgraduate Certificate in Engineering and Technical Skills;**
- 16. Postgraduate Diploma in Engineering and Technical Skills;**
- 17. Postgraduate Certificate in Events Management;**
- 18. Postgraduate Diploma in Events Management;**
- 19. Postgraduate Certificate in Health and Safety Management;**
- 20. Postgraduate Diploma in Health and Safety Management;**
- 21. Postgraduate Certificate in Health Care Management;**
- 22. Postgraduate Diploma in Health Care Management;**
- 23. Postgraduate Certificate in Human Resource Development;**
- 24. Postgraduate Diploma in Human Resource Development;**
- 25. Postgraduate Certificate in Human Resource Management;**
- 26. Postgraduate Diploma in Human Resource Management;**
- 27. Postgraduate Certificate in Information and Communications Technology (ICT);**
- 28. Postgraduate Diploma in Information and Communications Technology (ICT);**
- 29. Postgraduate Certificate in Leadership Skills;**
- 30. Postgraduate Diploma in Leadership Skills;**
- 31. Postgraduate Certificate in Law – International and National;**
- 32. Postgraduate Diploma in Law – International and National;**
- 33. Postgraduate Certificate in Logistics and Supply Chain Management;**
- 34. Postgraduate Diploma in Logistics and Supply Chain Management;**
- 35. Postgraduate Certificate in Management Skills;**
- 36. Postgraduate Diploma in Management Skills;**

- 37. Postgraduate Certificate in Maritime Studies;**
- 38. Postgraduate Diploma in Maritime Studies;**
- 39. Postgraduate Certificate in Oil and Gas Operation;**
- 40. Postgraduate Diploma in Oil and Gas Operation;**
- 41. Postgraduate Certificate in Oil and Gas Accounting;**
- 42. Postgraduate Diploma in Oil and Gas Accounting;**
- 43. Postgraduate Certificate in Politics and Economic Development;**
- 44. Postgraduate Diploma in Politics and Economic Development;**
- 45. Postgraduate Certificate in Procurement Management;**
- 46. Postgraduate Diploma in Procurement Management;**
- 47. Postgraduate Certificate in Project Management;**
- 48. Postgraduate Diploma in Project Management;**
- 49. Postgraduate Certificate in Public Administration;**
- 50. Postgraduate Diploma in Public Administration;**
- 51. Postgraduate Certificate in Quality Management;**
- 52. Postgraduate Diploma in Quality Management;**
- 53. Postgraduate Certificate in Real Estate Management;**
- 54. Postgraduate Diploma in Real Estate Management;**
- 55. Postgraduate Certificate in Research Methods;**
- 56. Postgraduate Diploma in Research Methods;**
- 57. Postgraduate Certificate in Risk Management;**
- 58. Postgraduate Diploma in Risk Management;**
- 59. Postgraduate Certificate in Sales and Marketing;**
- 60. Postgraduate Diploma in Sales and Marketing;**
- 61. Postgraduate Certificate in Travel, Tourism and International Relations;**
- 62. Postgraduate Diploma in Travel, Tourism and International Relations.**

The actual courses studied will be detailed in a student or delegate's Transcript.

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The submission of our application form or otherwise registration by of the submission of a course booking form or e-mail booking request is an attestation of the candidate's subscription to our Policy Terms and Conditions, which are legally binding.

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Director
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