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COURSE BROCHURE

Advanced Upstream Oil and Gas Accounting Training Course

23 November – 4 December 2026
Madrid

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Registered in the United Kingdom and Saudi Arabia

Advanced Upstream Oil and Gas Accounting Training Course

Ref: 951_36018 **Date:** 23 November – 4 December 2026 **Location:** Madrid **Fees:** 11100 GBP

Upstream Oil and Gas Accounting is a 2-week advanced training course for upstream accountants, joint venture auditors and finance controllers, ending with a Joint Venture Cost Recovery and Depletion Workbook for one licence. Partner scrutiny of joint account billing, host government audits of recoverable costs and growing decommissioning liabilities make exploration and production accounts a strategic exposure. The course is delivered by Jupiter Prime Training.

Why Upstream Oil and Gas Accounting Matters Now

Three groups shape upstream accounting today: non-operating partners who challenge every overhead charge on the joint account, host governments whose auditors test cost recovery claims under production sharing contracts, and investors who watch reserves-linked depletion and decommissioning provisions. An operator that bills cleanly and recovers costs promptly protects cash and partner trust, while weak cost allocation invites disputes, exceptions and write-offs. The course rests on the Petroleum Resources Management System PRMS for reserves classification, the joint operating agreement JOA accounting procedure and the production sharing contract PSC cost recovery mechanism.

Who Gains Most from Upstream Oil and Gas Accounting

- Those who record exploration, appraisal and development expenditure and choose its capitalisation
- Those who prepare joint interest billings and cash calls for partners
- Those who calculate cost oil, profit oil and entitlement under sharing contracts
- Those who audit operators on behalf of non-operating partners
- Those who estimate depletion, impairment and abandonment provisions for financial statements

An upstream finance function whose joint venture, reporting and audit specialists attend together gains most, because billing, cost recovery and depletion figures then reconcile from one set of assumptions.

Upstream Oil and Gas Accounting Capabilities

Participants trace every barrel and every cost from the field ledger to partner statements and government returns.

- Apply successful efforts and full cost methods to exploration outcomes — capitalisation and write-off decisions
- Design joint interest billing with overhead and allocation rules — partner acceptance of statements
- Calculate cost oil, profit oil and contractor entitlement — host government cost recovery claims
- Calculate unit-of-production depletion from proved reserves — reported earnings and asset values
- Test operator charges through a structured joint venture audit — non-operator exceptions and recoveries
- Specify decommissioning provisions and lifting imbalance entries — balance sheet credibility

Key Upstream Oil and Gas Accounting Terms

- Successful efforts — a method that capitalises only costs linked to discovering reserves and expenses dry hole costs.
- Full cost — a method that capitalises all exploration costs within a cost centre, whether successful or not.
- Joint interest billing — the operator's periodic statement charging each partner its share of joint account costs.
- Cost oil — the share of production a contractor takes to recover allowable costs under a sharing contract.
- Unit-of-production depletion — charging capitalised costs to expense in proportion to production over remaining reserves.
- Lifting imbalance — the difference between a partner's entitlement and the volumes it actually lifted and sold.

Upstream Oil and Gas Accounting Day by Day

Day 1: The Upstream Financial Landscape

- Exploration To Abandonment Life Cycle — Cost Categories By Phase
- Licences, Concessions And Sharing Contracts — Fiscal Terms That Drive Entries
- Operator And Non-Operator Roles — Who Books What
- Chart Of Accounts For Upstream — Cost Centres And Fields
- Petroleum Resources Management System Categories — Reserves Links To Finance

Day 2: Exploration and Evaluation Costs

- Successful Efforts Method — Treatment Of Dry Holes
- Full Cost Method — Cost Pools And Ceiling Tests
- Geological And Geophysical Expenditure — Expense Or Capitalise
- Suspended Well Costs — Criteria For Continued Capitalisation
- Method Choice And Comparability — Effect On Reported Results

Day 3: Development and Production Costs

- Development Well And Facility Capitalisation — Asset Recognition
- Lifting Costs And Operating Expense — Period Charges
- Workovers And Enhanced Oil Recovery Spending — Capital Or Expense
- Asset Retirement Obligations At Recognition — Initial Measurement
- Capital Project Cost Tracking — Authorisation For Expenditure Control

Day 4: Joint Operating Agreement Accounting

- JOA Accounting Procedure — Chargeable And Non-Chargeable Costs
- Overhead Recovery Rates — Fair Allocation To Partners
- Cash Calls And Advances — Partner Funding Discipline
- Material Transfers And Pricing — Inventory Charged To Joint Account
- Sole Risk And Non-Consent Operations — Penalty Recovery

Day 5: Joint Interest Billing

- Billing Statement Structure — Clarity For Partner Review
- Allocation Keys For Shared Facilities — Equitable Cost Splits
- Partner Queries And Exceptions — Timely Resolution
- Reconciliation Of Partner Ledgers — Agreed Balances
- Billing Controls And Segregation — Error Prevention

Day 6: Production Sharing Contract Cost Recovery

- Cost Recovery Limits And Carry Forward — Contractor Cash Flow
- Profit Oil Splits And R-Factors — Entitlement Calculations
- Recoverable Versus Non-Recoverable Costs — Claim Preparation
- Government Cost Audits — Supporting Documentation
- Entitlement Volumes And Reserves Booking — Reporting Consistency

Day 7: Depletion, Impairment and Reserves

- Unit-Of-Production Calculations — Proved Versus Proved Developed Bases
- Reserves Revisions And Prospective Changes — Earnings Volatility
- Impairment Triggers And Testing — Commodity Price Falls
- Cash-Generating Unit Definition — Field Or Hub Grouping
- Engineer And Accountant Coordination — Reserves Data Quality

Day 8: Revenue, Liftings and Imbalances

- Entitlement And Sales Methods — Revenue Recognition Choice
- Overlift And Underlift Entries — Partner Balances
- Crude Marketing And Pricing Points — Realised Price Tracking
- Royalties And Production Taxes — Accrual And Settlement
- Gas Balancing Arrangements — Long-Term Settlement Positions

Day 9: Joint Venture Audit and Decommissioning

- Joint Venture Audit Planning — Risk-Based Sampling Of Charges
- Audit Exceptions And Claims — Recovery From Operator
- Decommissioning Cost Estimates — Provision Measurement
- Discount Rates And Unwinding — Finance Cost Recognition
- Abandonment Funding Arrangements — Partner Security And Escrow

Day 10: Practising the Cost Recovery and Depletion Workbook

- Exploration Outcome Entries For A Licence — Applying Accounting Methods
- Joint Interest Billing For One Month — Applying Allocation Keys
- Cost Oil And Profit Oil Model — Applying Sharing Terms
- Depletion And Decommissioning Schedule — Applying Reserves Data
- Joint Venture Cost Recovery And Depletion Workbook — Controller Sign-Off

Applying Upstream Oil and Gas Accounting After the Course

- Reconcile one quarter of joint interest billings against the JOA accounting procedure and list overhead and allocation exceptions.
- Rebuild the unit-of-production depletion calculation for one field with the latest reserves and present differences to the controller.

Upstream Oil and Gas Accounting Questions FAQ

What is upstream oil and gas accounting and why does it matter now?

It is the recording and reporting of exploration, development and production costs, partner billings and government cost recovery. Partner challenges, government audits and rising decommissioning liabilities make accurate upstream accounts a direct driver of cash and credibility.

Which roles gain most from upstream oil and gas accounting?

Upstream accountants, joint venture accountants, partner auditors and finance controllers gain most. Each uses the methods to capitalise costs, bill partners, recover costs from sharing contracts and support depletion and provision figures.

How does upstream oil and gas accounting differ from a general oil and gas finance course?

It works at the level of ledger entries, billing statements and cost recovery claims. General finance courses focus on budgeting, valuation and financing decisions; this course focuses on the accounting mechanics specific to licences, joint ventures and sharing contracts.

What do you bring back from upstream oil and gas accounting training?

You bring back worked exploration entries, a month of partner billing, a cost oil and profit oil model and a depletion and decommissioning schedule for one licence, combined into a workbook your controller can review.

Upstream Oil and Gas Accounting: The Way Forward

The Joint Venture Cost Recovery and Depletion Workbook first informs the next cost recovery claim and partner billing cycle. Joint venture accountants, controllers and partner auditors use it to agree balances and support reported depletion. After its first use, revisit the overhead rates and allocation keys, since partner exceptions usually reveal where the accounting procedure is read differently by each party.