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COURSE BROCHURE

# Upstream Accounting Essentials for Non-Accountants Training Course

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# Upstream Accounting Essentials for Non-Accountants Training Course

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Upstream Accounting Essentials for Non-Accountants is a 1-week training course for finance support staff, cost controllers, venture coordinators and technical colleagues who handle exploration and production numbers, and each participant prepares a joint venture cost statement. Partner billing, depletion charges and entitlement barrels now shape budgets and asset decisions far beyond the finance department. Jupiter Prime Training presents upstream accounting essentials in plain, practical terms.

## Why Upstream Accounting Essentials Matters Now

Three pressures shape the subject today. Partners in shared licences expect transparent cost sharing and prompt, well-supported billing. Host governments and national companies scrutinise recoverable costs and entitlement under production sharing arrangements. Asset teams increasingly ask non-financial colleagues to read cost reports, approve spending and explain variances. An organisation that grasps these basics settles partner queries quickly, books exploration spending consistently and protects its share of production revenue; one that does not invites disputes, write-offs and audit exceptions. The course rests on the accepted exploration cost methods, joint operating cost sharing and units-of-production depletion.

## Who Gains Most from Upstream Accounting Essentials

- Finance support staff who code invoices, accruals and time writing to licence cost centres.
- Cost controllers who track spending against approved budgets and expenditure authorisations.
- Venture coordinators who prepare partner reports and answer partner cost queries.
- Engineers and planners who approve field spending and explain its effect on asset results.
- Commercial and contracts staff who follow liftings, entitlement and revenue receipts.

A licence or asset team gains most when its finance, venture and technical members attend together and agree one shared vocabulary for cost and revenue.

## Upstream Accounting Essentials Capabilities

Participants leave able to follow an exploration dollar from field invoice to partner bill and to the depletion line of the income statement.

- Distinguish successful efforts from full cost treatment of a dry hole — informing how exploration results reach the accounts.
- Allocate shared operating costs by working interest — supporting fair partner billing.
- Calculate a units-of-production depletion charge from reserves and production — linking reservoir estimates to profit.
- Trace cost oil and profit oil splits under a production sharing contract — clarifying the contractor's entitlement.
- Prepare a joint venture cost statement with overhead and adjustments — serving partners and asset managers.
- Explain a cost variance to a non-financial colleague — improving spending decisions in the asset team.

## Key Upstream Accounting Essentials Terms

- Successful efforts — a method that capitalises only exploration spending linked to discoveries and expenses unsuccessful wells.
- Full cost — a method that capitalises all exploration spending within a cost centre, whether wells succeed or fail.
- Working interest — a partner's percentage share of a licence's costs and, normally, of its production.
- Cash call — a request from the operator asking partners to fund their share of forecast spending in advance.
- Units-of-production depletion — a charge spreading capitalised costs over reserves in proportion to the volumes produced each period.
- Cost oil — the share of production a contractor receives to recover approved costs under a production sharing contract.

## Upstream Accounting Essentials Day by Day

## Day 1: The Upstream Business Through a Finance Lens

- Licence Life Cycle Stages — Where Spending And Revenue Arise
- Exploration, Development And Production Cost Categories — Coding Field Invoices Correctly
- Chart Of Accounts And Licence Cost Centres — Tracing Each Asset's Results
- Expenditure Authorisation Documents — Linking Approvals To Recorded Costs
- Reading An Upstream Income Statement — Questions Non-Accountants Should Ask

## Day 2: Exploration Cost Methods

- Successful Efforts Method — Treatment Of Dry Holes And Discoveries
- Full Cost Method — Pooling Spending Within A Cost Centre
- Geological And Geophysical Costs — Expense Or Capitalise Decision
- Suspended Well Costs — Holding Results Pending Appraisal
- Method Comparison Worked Case — Effect On Reported Profit

## Day 3: Joint Venture Cost Sharing

- Joint Operating Agreement Accounting Clauses — Partner Rights And Billing Rules
- Working Interest Allocation — Splitting Shared Invoices Between Partners
- Cash Calls And Advances — Funding Forecast Operator Spending
- Operator Overhead Charges — Reasonable Recovery Of Indirect Costs
- Partner Queries And Audit Rights — Settling Billing Disagreements

## Day 4: Reserves, Depletion and Entitlement

- Proved Reserve Categories — Inputs Finance Takes From Reservoir Teams
- Units-Of-Production Calculation — Period Depletion From Volumes Produced
- Reserve Revisions — Effect On Future Depletion Charges
- Production Sharing Contract Splits — Cost Oil And Profit Oil Entitlement
- Liftings And Over Or Under Lift Positions — Recognising Revenue Correctly

## Day 5: Practising the Venture Cost Statement

- Monthly Cost Data Collection — Assembling Invoices, Accruals And Time Writing
- Working Interest Split Of A Quarter's Costs — Applying Day Three Rules
- Overhead And Prior Period Adjustments — Completing Partner Charges
- Depletion And Entitlement Notes — Applying Day Four Calculations
- Joint Venture Cost Statement Assembly — Final Partner-Ready Document

## Applying Upstream Accounting Essentials After the Course

- Review one month of licence cost coding with the venture team and correct misallocated invoices before the next partner bill.
- Walk asset engineers through the current depletion charge, showing how their latest reserve revision changes next quarter's figure.

## Upstream Accounting Essentials Questions FAQ

### What are upstream accounting essentials and why do they matter now?

Upstream accounting essentials are the basic rules for recording exploration spending, sharing licence costs, charging depletion and recognising entitlement revenue. They matter because partners, host governments and asset teams all rely on these figures to approve spending and settle shares fairly.

### Who gains most from upstream accounting essentials for non-accountants?

Finance support staff, cost controllers, venture coordinators and engineers gain most. Each handles upstream cost or revenue figures daily without formal accounting training and needs a clear, shared vocabulary to code, check and explain them.

## How does upstream accounting essentials differ from an advanced upstream accounting course?

This foundation course explains concepts through worked cases for non-specialists. An advanced course goes deeper into cost recovery audits, impairment testing and decommissioning provisions for experienced accountants over a longer schedule.

## What do you bring back from upstream accounting essentials training?

You bring back a completed joint venture cost statement for a sample licence, with working interest splits, overhead, adjustments and depletion notes, ready to use as a reference when preparing or checking real partner reports.

## Upstream Accounting Essentials: The Way Forward

The joint venture cost statement first informs whether the next partner bill is accurate and defensible. Venture coordinators, cost controllers and asset managers use it to answer partner queries and track spending. After its first use, revisit how overhead and reserve revisions flow through, since these two items most often change partner balances and reported asset profit.