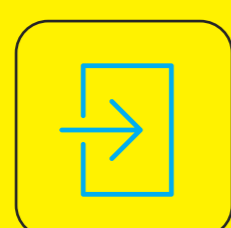


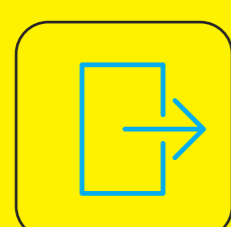
Building Out Your Oil & Gas Accounting Function

1 Decide Your Strategy



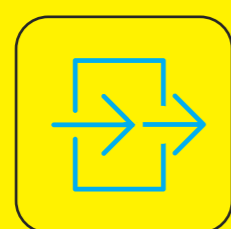
In-house

Striving for **long-term growth** or to go public? Hire in-house.



Outsource

Looking for a **quick exit/sale**? Look to outsource.



Or somewhere in between?

Need help getting **set up** or **staying afloat**? Experienced consultants can help.

Ensure your processes are scalable!

2 Picking A System

UPSTREAM, MIDSTREAM, OR DOWNSTREAM:

Find a system designed for your unique needs.

System should be size-appropriate »



Remote users? Cloud-based is the way to go.



Plans to grow? Consider potential future 3rd-party integrations



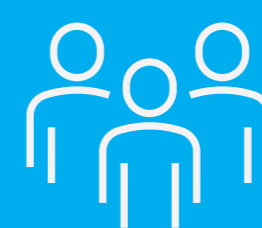
SMALL GROUP?

Think QuickBooks suite



SMALL TO MIDSIZED?

Think OGsys or WolfePak



LARGE?

Think P2 Energy Systems or configurable ERPs like SAP or Microsoft Dynamics

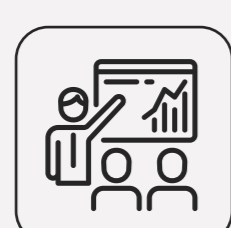
HIRE:



Outside experts to execute.



Someone in-house to execute.



Experts to train your staff on how to execute.

Note: after implementing system, determine the need for additional staffing and configuration.

3 Implement the System



Severance Tax Reporting

- Sales tax and property tax on O&G extracted.
- Every state has different requirements, so ensure accounting system is set up for proper reporting.



Financial Reporting

- Reporting requirements for internal and external purposes.
- Difficult for accountants without O&G experience.
- After set up, always keep a pulse on what's working well and what's not.

4 Build Out the Accounting Processes



Accounts Payable

Important to get right initially to avoid future headaches.



Revenue Process

Can be very complicated given the nature of the industry. Once established, you're contractually obligated to this process.



Capital Expenditures & Budgeting

Be as forward-looking as possible as major projects are often on the horizon.

Build out processes
for your specific business:

MIDSTREAM
UPSTREAM
DOWNSTREAM

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