

# Gas Plant Accounting

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Gas Plant ownership can be complex and each gas plant, while having some similarities, has its own peculiar characteristics. This one-day program will cover the basics and also gives participants a chance to discuss those oddities with the instructor.

## Who Should Attend:

- New or experienced employees
- Who work for or service producers involved in the production of natural gas
- Who work in gas plant operations
- Who need to account for gas plant operations
- Who financially evaluate gas plants for acquisition or divestiture
- Who are involved with the sale of natural gas and plant products

**Delivery Method:** Group-Live

**Program Level:** Basic

**Recommended CPE Credits:** 8

**Advance Preparation:** None

**Prerequisites:** Revenue Accounting, Natural Gas from Prospect to Burner Tip or equivalent experience in natural gas operations

**Field of Study:** Accounting

## Upon completion of the program, participants will be able to:

- Trace the flow of natural gas through a plant
- Calculate netback pricing for each product in a gas plant
- Account for the money generated by the products in a gas plant
- Calculate the ownership interest of the various products going through a gas plant
- Relate gas plant expenses to revenue
- Understand and describe the physical operation of a gas plant

## Major Topics to be Covered:

- **Why gas is processed** - NGL product value versus gas value; Gas cleanup so that the gas meets pipeline specifications
- **How gas is processed** - General discussion of gas plant processing; Evolution of gas processing from adsorption to cryogenic plants
- **An overview of gas plant allocations** - Calculation of theoretical NGL volumes based on product GPM; Calculation of theoretical residue gas remaining; Allocation of NGL's and residue gas based on theoretical volumes
- **Gas plant agreements** - Purchase agreements; Processing agreement
- **Gas plant Accounting** – Examples; Class problem
- **Case Studies - ONE** - Concentrates on the allocation of NGL products based on plant theoretical volumes. Allocation of residue gas is simplified to allow participants to concentrate on product allocations; **TWO** - Concentrates on the allocation of residue

gas on both a Mcf and Btu basis. The allocation of plant NGLs is simplified to allow participants to focus on residue gas allocations



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