# SOGAS 2011 is ready to go to work for you!

The following pages are a great overview of the entire system with some samples of the windows you will use for information entry.



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#### **Database Module**

The General Database contains the following menu areas:

Entity Maintenance, Chart of Accounts, Account Types, Contacts, Vendors, Owners, Purchasers, Operators, Division of Interests, Properties, Locations, JIB & Revenue Codes, Allocations, Lease Status & Ownership Changes and the 1099 File.

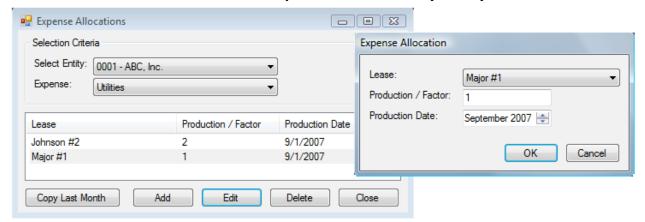
- Complete on-line inquiry of all database information
- User defined Division of Interest (DOI) types
- Division of Interest records are date effective
- SOGAS database records are flexible to fit your operations
- Inter-company information is automatically transferred from one Entity to related Entity at property and account level
- Allows for one set of name/address & Chart of Accounts records for all Entities if desired
- Division Order system allows for automatic setup of lease, DOI and contacts
- History of DOI changes maintained on-line
- · Handles both operated and non-operated properties regardless of whether or not the Entity has an interest
- Duplicating (Copy) feature for Entity, Properties and DOI
- Ability to create financial statements at various levels below the Entity level
- Maintains insurance database for sub-contractors

The following screen shots show how the Property and Expense Allocation Windows appear within the General Database.

#### **Property Window with Associated Tabs for Additional Data Areas**



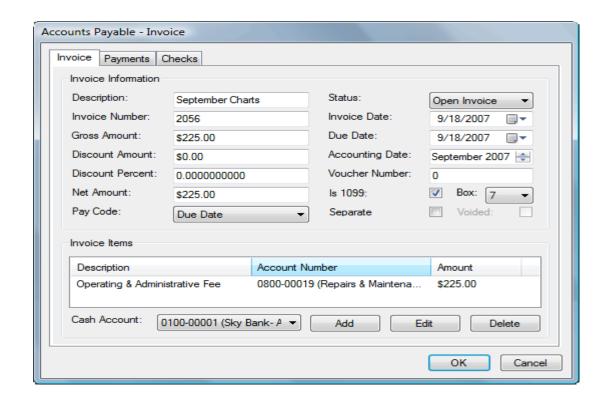
#### **Expense Allocation By Entity**



### **Accounts Payable**

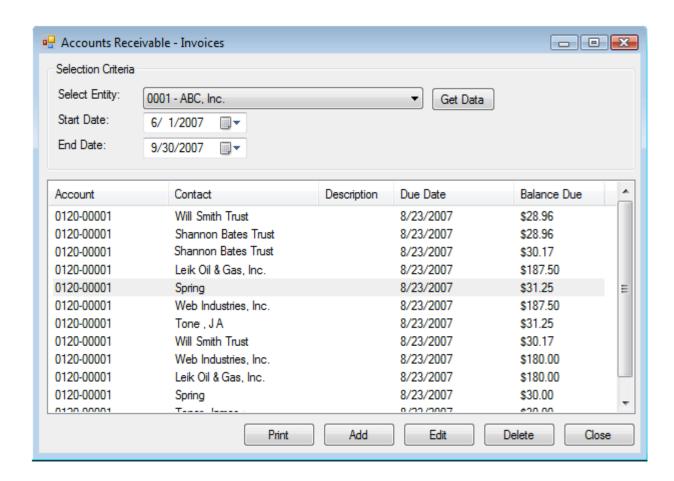
Data entry is real time and all tables are updated immediately

- No batch processing
- Vendor checks printed as often as desired
- Selective vendor payment (Pay Now, Hold, Quick Pay, etc.)
- Inquiry of invoices by vendor
- Account data entry of invoice validated against all necessary tables
- Unlimited number of distributions per invoice
- Ability to update open invoice (change date due, etc.)
- Control feature safeguards against duplicate payment
- Automatic payment of monthly standard invoices
- Capability of charging invoices to different ownership interest for JIB
- Partial payments of invoices
- Contact database search by name at the time of invoice entry
- Invoice entry balanced before processing
- Cash requirements forecasting by due dates
- Preliminary check run can be executed as many times as needed
- Quick pay method for open invoices—relieves need for manual check
- Production and Accounting date used together for Lease Operating reports



#### **Accounts Receivable**

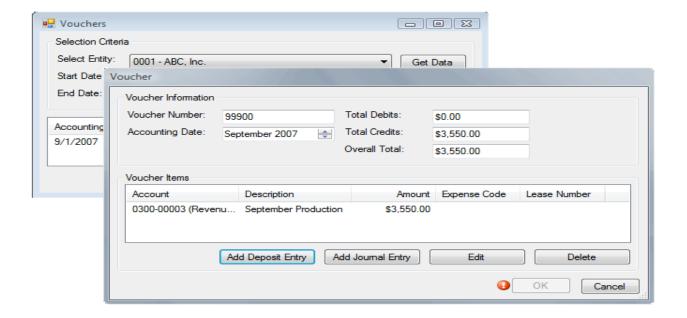
- Invoice and G/L entries created simultaneously
- All entries are real time so all tables are immediately up-to-date
- Aging reports can be run on "as-needed" basis
- When processing the A/R system, statements are printed by open item or balance forward
- Drilling prepayments can be maintained through the A/R system—Statements will then be accompanied by a Joint Interest Statement showing current month charges and remaining balance
- · On-line inquiry of aging by owner
- Cash receipts entered by customer/owner and automatically applied to the oldest invoice or to specific invoices
- Inquiry by customer/owner for all items, paid items or open items
- Interest calculation for delinquent accounts on customer/owner basis
- Ability to add new customer/owner when creating invoice
- Comments printed on statement



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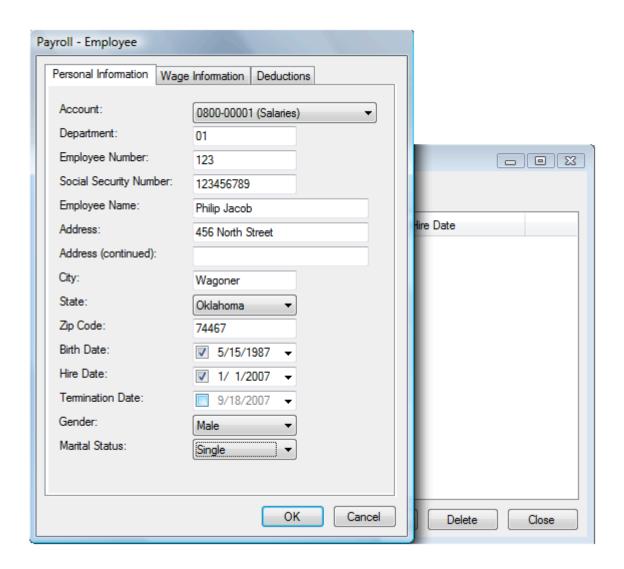
### **General Ledger**

- Flexibility allow user to define financial statement format
- Capability to have multiple accounting months open at the same time
- Able to print selected accounts in summary or by detail on the G/L
- Can handle unlimited number of transactions
- Complete validation of journal transactions at time of entry
- · Ability to run prior period financial reports
- Breakdown of accounts by property on G/L reports
- Budget and prior period actual appear on financial reports
- Option to search accounts and property details for multiple periods
- Change or delete voucher detail
- Print detail history for one account or all accounts for an accounting period or multiple accounting periods
- All detail maintained in history file
- Revenue Income (volume and value) entered directly to G/L
- Bank Reconciliation feature
- Able to generate financial reports by user defined profit centers based on property database
- Allows user to allocate "common" expenses to multiple properties base on user defined parameters
- · Can start the next fiscal year while still being able to post yearend adjustments
- Cost depletion factors for automatic calculations and posting



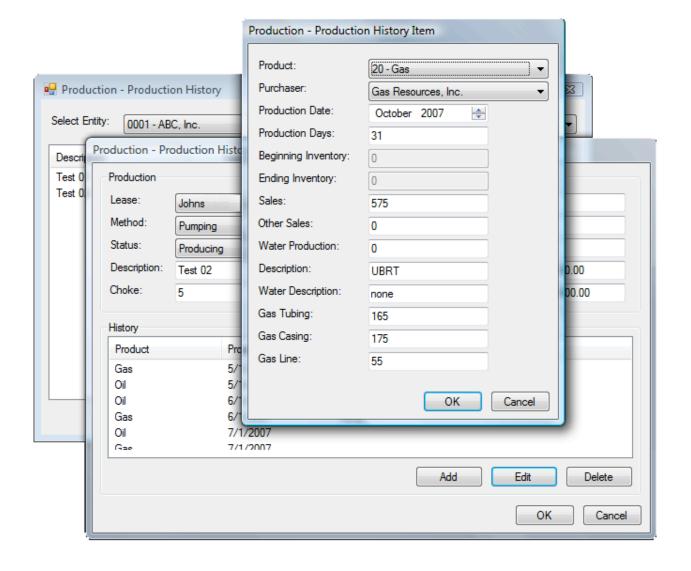
### **Payroll**

- Payroll can be processed weekly, bi-weekly, semi-monthly or monthly
- Taxes automatically calculated based on tables defined by user
- G/L entries automatically created and posted for wages, taxes and other deductions withheld including employer's share of payroll related taxes
- Ability to charge wages to properties as cost
- Workers' Compensation Report broken down by class code
- Cafeteria, 401k and other voluntary deductions available
- Employee history can be printed at any time during the year
- Quarterly and annual reports provided to aid with tax compliance
- New calendar year payroll entries can be processed before printing the prior year W-2's
- Annual federal tax rate changes provided



### **Production Accounting System**

- Production data consists of oil produced, oil sold, gas produced, gas sold, water produced, tubing pressure, casing pressure, line pressure, choke size, production method, number of days produced, average daily production, beginning oil inventory and ending oil inventory.
- When entering oil production, the system will figure net or gross barrels
- Inquiries can be made to current and historic production data at any time
- Reports available by investors/owners and operated/non-operated leases
- User selects production period range for summary, price variance and pressure reports
- Variance report compares field production with revenue disbursements by lease
- Quantities produced, automatically transfer to Lease Operating Statements



# Joint Interest Billing (JIB)

- Flexibility allows expenses to be billed or netted against revenue
- Entry created by owner to A/R sub ledger and specified G/L accounts
- · Calculated distribution of expenses to working interest owners
- Alerts the user to any errors with Vouchers or DOI before moving to the next processing step—User can easily correct the problem right away
- System uses entries created by the A/P, G/L, Payroll and Land systems
- JIB statements segregated and subtotaled by four separate categories: Intangible Costs;
  Operating Expense; Leasehold Costs; and Equipment costs
- All detail maintained in history file
- · Billings can be processed at any time and as often as needed
- · Statements and Lease Support printed on letter sized paper for easy handling and mailing
- · Saved reports allow for paperless workplace
- All entries to be billed can be reviewed prior to actual billing and can be adjusted as needed
- Lease and DOI register shows all entries for the lease—making an audit trail
- Multiple ownership decks available per property and are date effective
- Entries created and transferred to Revenue Distribution system for net check processing (may be done by lease, program or investor)
- Tracking of prepayments to AFE by applying designated expenses to prepaid balances and producing reports supporting transactions
- Detailed transaction description (created by user)
- Unit allocation of expenses allows user to allocate costs to properties based on a production factor (percentage) defined by the user
- Ability to transfer one related Entity's share of expenses to another Entity by property

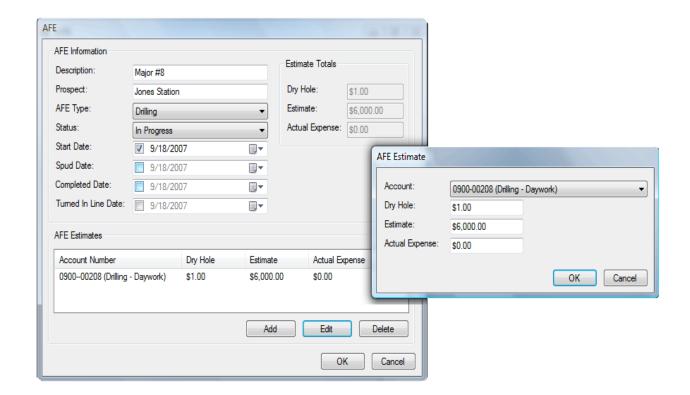
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#### **Revenue Distribution**

- Suspense tables under operator's control and parameters provide ample reports for complete audit trails
- Suspense released by owner for selected production dates and leases
- Determine and set minimum suspense amount by processing cycle
- Cross reference between purchaser's well number and operator's well number which enables user to input volumes and values directly from purchaser's statement or check
- Alerts the user to any errors (Volume and Value / Lease) before moving to the next processing step—User can easily correct the problem right away
- Automatically creates G/L entries—company's share, check amount and netted amount
- Electronic transfer of 1099's and 1099 Replacement reports
- · Accepts net information from purchaser and converts to gross prior to processing
- All detail maintained in history file
- Calculates production taxes for all states
- Option to net check by lease, owner and program (options set by user)
- · Detail prints either on check or overflow statement
- Minimum Suspense file updated and accessed by owner anytime
- Revenue can be processed multiple times during a month
- Void check routine gives user the option to void the check and add it to either the legal or minimum suspense table
- Preliminary revenue processing available
- System allocates pay meter volumes and values to property based on input field volumes
- Ability to transfer related Entity's share of revenue and volumes to another Entity by property
- Date sensitive Division of Interest

# **Authorization For Expenditure**

- Comparison for estimate to actual expenses at summary / detail level
- Flexibility of AFE report format allows unlimited number of expense categories and lines of description
- Estimated expenses on AFE compared to actual costs at both dry hole and completed well level
- All AFE reports show expenses by current month and inception-to-date
- Budget variances from actual on dry hole and completed well by expense category
- Property is not limited to one AFE
- Used for non-operated and operated properties to monitor your share of expenses
- Reports separate and subtotal expense categories by leasehold, tangible and intangible costs
- AFE maintenance gives user options to close AFE to prevent further charges
- AFE type allows user to select predefined expense categories by type



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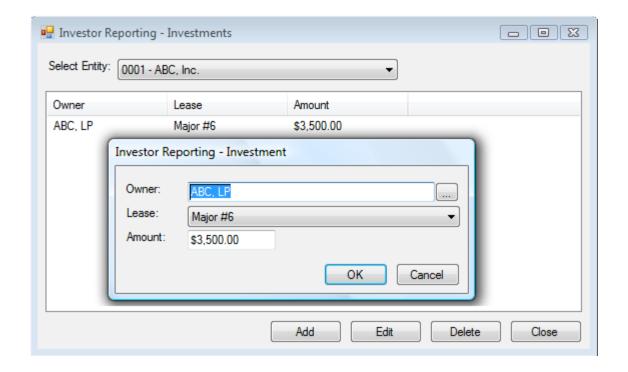
### **Lease Operating Statements**

- No data entry required because the LOS uses expense, income, sales and production information already in the system
- Monthly report provides information regarding any particular property
- Reports available by both production and accounting month format
- Ability to aggregate property information at different levels
- Reports display both gross and company net amounts if desired
- Excellent tool for completing regulatory filings
- A twelve month spread of information shown on statements for cost comparisons
- Ability to review profit/loss by property
- System handles non-operated as well as operated leases
- Excellent tool for tracking expenses, income and investment for properties
- · All detail maintained in history file
- Summary profitability report available by property
- Payout tracked at the property level or at all aggregated levels
- Year-to-date and Inception-to-date information also provided

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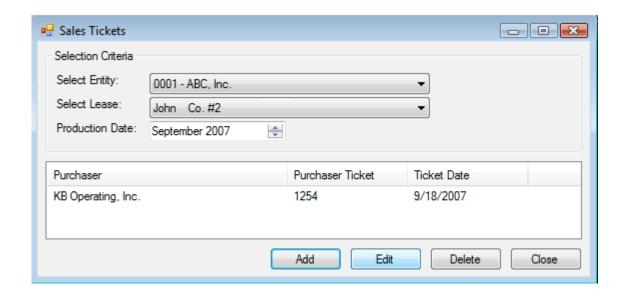
### **Investor Reporting**

- Exceptional management tool for reviewing revenue and expense history
- Source data originates from the G/L, JIB and Revenue Distribution
- Ability to provide investor periodic profit and loss statements for one or a combination of months
- Provides supplemental information for tax preparation
- Search capabilities for which investors have reached payout in a specified period
- Joint Interest Billing history report, Owner Profit and Loss, Revenue History
- Investor Payout Status
- Reports show production quantities and revenues at both gross and investor's net level



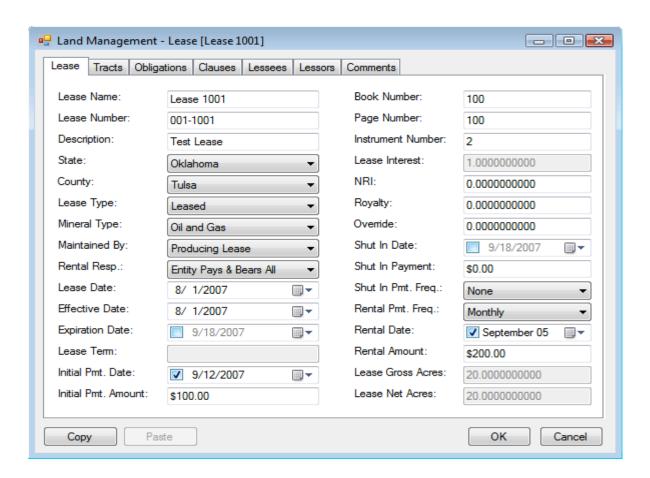
#### Sales Verification

- Ability to maintain posted prices daily (run tickets cross-referenced to these tables by effective date to provide gross value calculation)
- Verification of purchaser's net barrels and gross value by ticket and lease
- Data totally controlled by user and checks gross barrel computation at time of data entry when measurements are entered
- System allocates production from tank battery to individual leases or wells
- Gravity and temperature calculations, the latest API Standards
- Purchaser cross –reference table allows use of purchaser's lease number at the time of entry. System then crosschecks to locate operator's lease number
- Operator/Purchaser variances compared by purchaser and lease location as well as lease and run ticket
- Run tickets entered by net barrel, inches or by meter
- Program checks seal on from the last ticket to the seal off on the current ticket



### **Land Management**

- Provides a flexible tool to properly manage developed and undeveloped properties
- Federal leases utilize effective date verses lease date (system will not start paying rentals until effective date is reached)
- · Ability to handle gross and net acreage by lease, sub-lease and tract
- Monitors assignments by date and produces an "Exhibit A" report showing history
- Monitors shut-in clauses by date and makes shut-in payments based on the assigned clause
- Multiple Payees by lease, sub-lease and tract
- Ability to print rental confirmation, rental recommendation, special obligation, lease status, lease expiration and fiduciary letters
- Ability to review on line and/or print report listing rentals due, expired leases, contracts and obligations as needed
- IRS reports (1099 data)
- Unlimited free form remarks and legal description capability
- · Capable of handling unitization of leases



# **SOGAS** Reports

Cut printing time in half or completely. Printing is the system's slowest form of information gathering. The only real reason many reports exist is to ensure being in balance, that entries are made properly or for preliminary reporting. Most of the time, there will be no need to print. However, reports are still an important part of your accounting work so SOGAS ensures that you have many detailed options for them.

- All Main Menu items in SOGAS have corresponding reports found in the Report Menu.
- All reports produced by SOGAS can be viewed on screen and a decision is then made to print the report or save it for reference at a later date (export function).
- With SOGAS reports you can e-mail them, export the data to a spreadsheet, save them (PDF, Excel, Word, etc.), or simply print.

Open Invoice Report from the A/R

Lease Report by Entity

