

CONSTITUTION AND BYLAWS  
of the  
COUNCIL OF PETROLEUM ACCOUNTANTS SOCIETY (COPAS)  
OF OKLAHOMA CITY  
(December 3, 2002)

ARTICLE I - NAME AND OBJECTIVE

SECTION 1 - **Name.** The name of the Society shall be Council of Petroleum Accountants Society (COPAS) of Oklahoma City.

SECTION 2 - **Objective.** The objective of this Society shall be to unite and improve the effectiveness of all persons interested in Petroleum Accounting; to study, analyze and further the development of improved accounting practices, methods and procedures in the petroleum industry; to advance the standing of the profession of Petroleum Accounting; to preserve and enforce the ethics of the profession of Petroleum Accounting; and to encourage cordial relations among Petroleum Accountants. The COPAS of Oklahoma City organization is a professional association that is not organized for profit or organized to engage in activity ordinarily carried on for profit. Furthermore, no part of the net earnings of this organization will ever inure to the benefit of any member.

SECTION 3 - **Affiliation.** This Society shall be affiliated with the Council of Petroleum Accountants Societies, Inc. ("COPAS").

ARTICLE II - MEMBERSHIP

SECTION 1 - **Membership.** Membership in the Society shall be open only to individuals who are genuinely interested in the aims and objectives of the Society, and who are willing to subscribe to the Constitution and Bylaws of the Society, the Code of Ethics as adopted by the Council of Petroleum Accountants Societies, Inc. ("COPAS") and upon payment of membership fees. All memberships shall be valid for a period of one (1) fiscal year, and must be renewed each fiscal year.

SECTION 2 - **Regular Members.** Individuals who are qualified, as set forth in Section 1 of this Article, may be approved as Regular Members, provided they are actively engaged in the accounting activities of a company or entity whose primary business is the exploration, production, transportation, refining, or marketing of hydrocarbons. Individuals employed by any other entity or who are self employed (hereafter deemed to be included in the use of the term entity) are eligible to be Regular Members, provided that the applicants are engaged directly in oil and gas accounting decision making or auditing of oil and gas interests. Individuals employed by government agencies are not eligible for Regular Memberships.

Regular Members shall be entitled to all the privileges of the Society, including voting and the holding of offices as hereinafter set forth.

For the purposes of this Section, accounting activities are construed to include Joint Interest Accounting and Auditing, Revenue or Production Accounting and Auditing, Fixed Asset and Material Accounting, Refining, Marketing, or Transportation Accounting, Financial Reporting and Analysis, oversight of Oil and Gas Accounting Systems (incl. EDI), Tax, Treasury Functions, or other accounting functions as determined by the Board of Directors.

Throughout this document Regular Members shall be deemed to represent the entity from which they derive the majority of their annual income. Regular Members who are contract employees and derive 90% of their annual income from a single entity shall be deemed to represent that entity. No member may represent more than one (1)

entity.

**SECTION 3 - Associate Members.** Individuals who are qualified as set forth in Section 1 of this Article but who are not eligible to become Regular Members as defined in Section 2 of this Article, may seek to become Associate Members of the Society. Associate Membership carries with it all of the privileges of Regular Membership, except those Associate Members may not vote nor hold elective office. Employees of governmental agencies are eligible for Associate Memberships.

**SECTION 4 - Honorary Members.** Any member, past member, university representative, or other dignitary who has distinguished himself in exceptional service rendered to the Society or to petroleum accounting may be elected to honorary membership in this Society by the Board of Directors. Honorary Members shall be entitled to all privileges of the Society except that they may not vote nor hold office within the Society. Any Honorary Member may become a Regular Member also.

**SECTION 5 - Application for Membership.** All applications for membership shall be made in writing on application blanks furnished for that purpose and addressed to the Treasurer of the Society. Applications shall be referred to the Membership Committee for approval by the Membership Committee as to qualifications, character and so forth. Each applicant whose application is approved by the Committee shall become a member effective as of the date of such approval. Each applicant whose application is not approved shall be notified in writing as to the decision of the Membership Committee.

**SECTION 6 - Change in Vocation.** If a Regular Member ceases to be eligible under Article II Section 2 due to a change in vocation, the member will be allowed to complete the remainder of the fiscal year classified as a regular member and in any elected office that he has been elected to for that fiscal year.

**SECTION 7 - Resignation.** Any member may sever his connection with the Society by resignation, but such action on the part of the member shall not require the Society to refund any initiation fees or dues. However, an entity that has paid the dues of any member shall be allowed to designate a replacement in the event that member resigns from the Society for any reason.

**SECTION 8 - Expulsion.** Any member adjudged by the Board of Directors to have violated the Constitution and Bylaws of the Society, the Council of Petroleum Accountants Societies, Inc. ("COPAS") Code of Ethics, or who, in the opinion of the Executive Committee by unanimous vote, shall be guilty of conduct rendering him unfit to continue membership, may be expelled by a two-thirds (2/3) vote of the Board of Directors. Any member so expelled shall have the unexpired portion of his dues refunded.

**SECTION 9 - Dues Refusal.** The Society may refuse to accept the dues of any member who is guilty of conduct described in Article II, Section 8 and who is, therefore, subject to expulsion from the Society as provided in said Article and Section.

#### ARTICLE III - FINANCES

**SECTION 1 - Fiscal Year.** The fiscal year shall begin on the first day of June and end the last day of the following May.

**SECTION 2 - Annual Dues.** The Board of Directors shall fix the amount of annual dues of the Society which shall be paid yearly by Regular and Associate Members. Such annual dues are payable prior to the first regular meeting of the Society for that fiscal year. At their discretion, the Board of Directors shall have the power to suspend or change the amount of said annual dues. Honorary Members shall be exempt from payment of dues.

**SECTION 3 - Partial Year Dues.** An application that is submitted after January 1<sup>st</sup> of the current fiscal year shall be subject to one-half (1/2) of the annual dues for the said year.

**SECTION 4 - Auditing.** An annual audit of the accounts and records of COPAS of Oklahoma City shall be conducted by a member of the Society who is not a member of the Board of Directors. This member shall be appointed by the incoming Board of Directors and shall audit the financial operations and transactions for the preceding year. The member who conducts the audit will direct a report reflecting the results of such an audit to the Board of Directors.

#### ARTICLE IV - MEETINGS

**SECTION 1 - Monthly Meetings.** Regular monthly meetings of the Society shall be held at a place and date as designated by the Board of Directors in compliance with at least the minimum national requirements. The Board of Directors may change or cancel the date of such meetings provided that at least ten (10) days notice is provided to the membership.

**SECTION 2 - Visitors.** Members may bring guests to meetings of the Society under such rules and regulations as the Board of Directors may from time to time prescribe. The cost of the dinners or luncheons of a member's guest shall be paid by that member or guest to the Treasurer. Members may designate guests to attend in their place without charge.

**SECTION 3 - Special Meetings.** A Special Meeting of the Society may be held at any time and place, on call or notice by the Board of Directors which the Board may give on its own initiative, and which it shall give upon the written request of ten (10) members. The call or notice shall be mailed to each member at least ten (10) days prior to the date set therein for the meeting and shall state the purpose thereof.

**SECTION 4 - Annual Meeting.** The Annual Meeting of the Society for the election of Directors and transaction of any other business related to its affairs shall be held at the last regular meeting in each fiscal year. The Board of Directors may not cancel the Annual Meeting.

**SECTION 5 - Meeting Notice.** The President shall mail or cause to be mailed a notice of each monthly meeting, stating the time and place of such meeting, to each member no less than four (4) days prior to the meeting date; but no failure or defect in the notice of such meeting shall invalidate such notice or any action taken at such meeting. E-mail notifications shall be deemed to comply with this notice requirement.

**SECTION 6 - Order of Business.** The order of business at all meetings of the Society, of the Board of Directors, of the Executive Committee, and of all other committees shall be such as may be prescribed by the presiding officer. If an objection is made to this order of business, then a majority vote of the members present shall govern. Robert's Rules of Order shall govern all meetings of the Society, of the Board of Directors, of the Executive Committee, and of all other committees on any point not covered by the Constitution and Bylaws.

**SECTION 7 - Voting - General.** At each meeting of the Society, each Regular Member present shall be entitled to one vote. There shall be no absentee or proxy voting. There shall be no voting by mail except upon the adoption of an amendment to the Constitution and Bylaws as provided in Article XII - Amendments.

**SECTION 8 - Voting "COPAS" Items.** Each entity represented by at least one (1) Regular Member shall be entitled to one (1) vote by that entity's designated voting representative. Affiliates and subsidiaries shall be

considered as one (1) entity on all voting items. Voting on "COPAS" items may be made by absentee ballot, provided that the absentee ballot material has been mailed to all voting members at least two (2) weeks prior to a vote. All votes made by absentee ballot must be returned at least one (1) week prior to a vote. No failure or defect in the absentee ballot shall invalidate the vote or the results thereof. These voting guidelines apply to votes taken in standing committees as well as those taken in general sessions.

#### ARTICLE V - BOARD OF DIRECTORS

**SECTION 1 – Duties and Responsibilities.** The Board of Directors is responsible for ensuring that the Society's business is conducted in accordance with the Constitution and Bylaws of the Society and the Council of Petroleum Accountants Societies, Inc. ("COPAS"). The Board of Directors is responsible for the day-to-day conduct of the Society and its business. These responsibilities include but are not necessarily limited to coordinating all aspects of the monthly meetings, maintaining adequate books and records, representing the Society at a national level, and addressing any issues that impact the local membership.

**SECTION 2 - Number of Directors.** The Board of Directors of the Society shall consist of nine (9) Regular Members, who shall be elected by the Regular Members of the society.

**SECTION 3 - Terms of Office.** At each annual meeting there shall be elected, by a simple majority vote of the Regular Members present and voting, three (3) Directors for a period of three (3) years to replace retiring Directors. Each Director elected shall serve for a term of three (3) years from June 1 of the year in which such Director is elected. Any Regular Member elected to complete the unexpired term of a Director shall serve as a Director only for such unexpired term unless re-elected.

**SECTION 4 - Removal of Director.** A Director may be removed for cause by a two-thirds (2/3) vote of the Board of Directors. A Director may resign at any time.

**SECTION 5. - Vacancies and Replacements.** In the event of a vacancy, the Nominating Committee shall recommend a candidate(s) to fill the unexpired term of one (1) year or more. The Board will be informed of all recommendations of the Nominating Committee prior to any voting by the Regular Members. All vacant positions shall be filled by a majority vote of the Regular Members as stated in Section 3 of this Article. Other interested parties may seek the open position by floor nomination at the Society meeting when the vote occurs. Unexpired terms of less than one (1) year shall be filled at the Board's discretion.

**SECTION 6 - Meetings and Quorum.** The Board of Directors shall meet at least quarterly at such time and place as it may select. At such meetings five (5) Directors present shall constitute a quorum. At all meetings of the Board of Directors, the President of the Society, if present, shall act as Chairman. Notices of Directors' meetings shall be mailed or communicated as the Board may direct, but no defect in notice nor the failure to give such notice shall invalidate the meeting or any actions taken as long as a quorum is present.

**SECTION 7 - Re-election of Directors.** Directors shall be eligible to succeed themselves one (1) time. A retiring Director who is also the retiring President shall remain an ex-officio member of the Board of Directors for a period of one (1) fiscal year. The ex-officio member shall not have voting rights.

**SECTION 8 - Representation on Board.** At the beginning of a fiscal year no more than two (2) members of the Board may be employed by the same entity. For the purpose of this section, all subsidiary or affiliate companies shall be considered as one (1) entity. At the beginning of a fiscal year at least six (6) members of the Board must be employed by or own an entity whose primary business is in the exploration, production, transportation, refining or marketing of hydrocarbons. In no event shall less than seven (7) different entities be represented on the board at

the beginning of a fiscal year.

**SECTION 9 - Board Authority - Employment and Payments.** The Board of Directors may authorize the employment of such clerical assistance as may, in its discretion, be necessary. These assistants shall perform such duties and be subject to such regulations as the Board of Directors may, from time to time, prescribe. They shall receive such compensation as may be designated by the Board of Directors.

**SECTION 10 - Restricted Power to Assume Liabilities.** The Board of Directors shall not have the power to assume any liability on behalf of the Society for an amount in excess of the unencumbered funds in the hands of the Treasurer at the time such liability is incurred, unless expressly authorized by the three-fourths (3/4) vote of all Regular Members in good standing.

#### ARTICLE VI - OFFICERS

**SECTION 1 - Officers.** The officers of this Society shall be a President, President-Elect, Vice-President, Treasurer, and Secretary/Historian. All officers shall be members of the Board of Directors. The President, President-Elect, and Treasurer must all be employed by different entities.

**SECTION 2 - Election.** The officers of the Society shall be elected by a simple majority vote of the Directors present and voting at the first Board of Directors meeting subsequent to the annual meeting of the Society, and shall hold office for one (1) fiscal year and until their respective successors are duly elected. The term of office of each shall expire at the end of the fiscal year for which each is elected. The President-Elect shall advance to the office of President in the next subsequent year.

**SECTION 3 - Removal of Officer.** Any officer may be removed by a two-thirds (2/3) vote of the Board of Directors. Upon such removal of an officer, his office shall be filled for the unexpired term thereof by a majority vote of the Board of Directors, subject to the provisions of Article VI, Section 4.

**SECTION 4 - Vacancies and Replacements.** In case of a vacancy in the office of President, the President-Elect shall automatically advance. The office of President-Elect shall remain vacant for the remainder of this term. The President-Elect will also serve the term of President for which he/she was elected. In case of a concurrent vacancy in the offices of the President and the President-Elect, the office of President shall be filled for the unexpired term thereof by a majority vote of the Board of Directors. A vacancy in any office other than the President or President-Elect shall be filled for the unexpired term thereof by a majority vote of the Board of Directors.

#### ARTICLE VII - EXECUTIVE COMMITTEE

**SECTION 1 - Members, Duties and Responsibilities.** The President, President-Elect and Treasurer of the Society shall constitute an Executive Committee who shall have the right to exercise, at its sole discretion, any and all powers of the Board of Directors in the interim between meetings of said Board except as restricted in Sections 1 and 4 of this Article VII. The Constitution and Bylaws contemplate that actions of the Executive Committee shall be limited to those items that must have a decision prior to the next meeting of the Board of Directors. In the event the President-Elect position becomes vacant, the Vice President shall become the third member of the executive committee. Under no circumstances shall a single entity be represented by more than one (1) member on the Executive Committee.

**SECTION 2 - Quorum.** At any meeting, regular or special, of said Executive Committee, two (2) members thereof present shall constitute a quorum for all purposes.

**SECTION 3 - Report of Action Taken.** At each meeting of the Board of Directors, the Executive Committee shall report all action taken by it since the last meeting of the Board. The actions of the Executive Committee shall be binding on the Society only if approved by a majority vote of the Board of Directors, except for contractual commitments in accordance with the restrictions imposed in Section 4. Those contractual commitments of the Executive Committee shall be subject to approval by the Board of Directors but may in some instances be binding on the Society.

**SECTION 4 - Restricted Power to Assume Liabilities.** The Executive Committee shall not have the power to assume any liability on behalf of the Society unless, due to time constraints, consideration by the entire Board of Directors is not possible. In such case the Executive Committee shall have limited power to assume any single liability on behalf of the Society not to exceed \$500.00.

#### ARTICLE VIII - DUTIES OF OFFICERS

**SECTION 1 - President.** The President shall be the executive head of the Society and, when present, shall preside at all meetings of the Society, the Board of Directors, and the Executive Committee. The President shall exercise a general supervision over the affairs of the Society and shall see to the enforcement of the Constitution and Bylaws and to the carrying out of all resolutions and proceedings of the Society, the Board of Directors, and the Executive Committee.

**SECTION 2 - President-Elect.** The President-Elect shall have such powers and duties as prescribed by the President or the Board of Directors. In case of absence or disability of the President, the President-Elect shall perform his duties.

**SECTION 3 - Vice-President.** The Vice-President shall have such powers and duties as prescribed by the President or the Board of Directors. In case of a temporary absence or temporary disability of the President-Elect, the Vice-President shall perform his duties in the interim. Should there be a temporary absence of the President-Elect, and an absence or disability of the President, the Vice-President shall perform their duties in the interim.

**SECTION 4 – Secretary/Historian.** The Secretary/Historian shall keep a roll of members of the society, and a record of proceedings of all Society and Board of Director meetings. The Secretary/Historian shall preserve all communications pertaining to the affairs of the Society, maintain a historical record of all significant events of the Society, and perform such other duties as shall pertain to the office of Secretary/Historian and as delegated by the President or Board of Directors.

**SECTION 5 - Treasurer.** The Treasurer shall keep proper records showing all funds receivable and collected and maintain a record of payments made by him under the authority of the Board of Directors or Executive Committee. The books and all other records, documents, or other items relating to the Society shall be subject to audit at any time. The funds received shall be deposited in a bank selected by the Board of Directors in an account in the name of the Society and the same may be withdrawn from said bank on signature of the Treasurer, the President, or the President-Elect. The Treasurer is responsible for ensuring all required information returns are timely filed with the appropriate agency.

**SECTION 6 - COPAS Representatives.** The COPAS Representatives shall be the President and President-Elect of the Society, and they shall be responsible for attending all regular COPAS functions and for informing the Society of COPAS activities. The President may appoint any Regular Members to represent the Chapter at special meetings that COPAS may call for a specific purpose, or to replace himself and/or the President-Elect should one or both not be available to attend a regular or special COPAS meeting.

ARTICLE IX - COMMITTEES

**SECTION 1 - Appointment of Members.** The President shall appoint a Chairman and such members of the committees enumerated below, as he may deem necessary, except the Nominating Committee.

**SECTION 2 - Nominating Committee.** The Nominating Committee shall be approved by the Board of Directors and shall consist of three (3) Regular Members, none of whom are members of the Board of Directors.

**SECTION 3 - Standing Committees.** A standing committee may be authorized by the Board of Directors provided that at least five (5) members of the Society wish to study a specific area of mutual interest. The President shall appoint the Chairperson for each of these standing committees. Each standing committee shall be charged with the responsibility of researching and reporting in a timely manner to the Board of Directors and members on that respective committee's area of interest. This may include, but is not limited to, research and surveys of petroleum industry problems, written opinions on current topics, dissemination of information on significant developments in their area of interest and any other action requested by the members or the Board of Directors. The specific objectives and duties of each committee shall be defined by such committee and be approved by the Board of Directors. A standing committee shall continue in existence as long as the membership requirements and committee objectives are met.

**SECTION 4 - Membership Committee.** The Membership Committee shall consist of three (3) members of the Board of Directors as appointed by the President. The committee solicits new members, analyzes their qualifications, and approves their applications. In the event any application is disapproved by the Membership Committee, they shall notify the applicant in writing of such action.

**SECTION 5 - Other Committees.** Other Committees may be created by the Executive Committee, the Board of Directors, or appointed by the President.

ARTICLE X - GENERAL PROVISIONS

**SECTION 1 - Notices.** Any notice to members of the Society, or to any Director or Officer, shall be deemed sufficiently given if mailed to the last post office address furnished by such member to the Society.

**SECTION 2 - Contracts.** Any contract or similar undertaking that may be made by or for the Society shall be made in such manner as the Board of Directors or the Executive Committee may, in any given case or from time to time, prescribe. No contracts or similar undertakings or obligations shall be binding upon the Society or any of its members unless authorized by the Regular Members of the Society, by the Board of Directors, or by the Executive Committee.

ARTICLE XI - DISSOLUTION

**SECTION 1 - Dissolution.** In case of dissolution of the Society and liquidation of its affairs, any money or other assets remaining after the payment of all obligations shall revert back to the national office of the Council of Petroleum Accountants Societies, Inc. ("COPAS").

ARTICLE XII - AMENDMENTS

**SECTION 1 - Amendments.** Amendments to the Constitution and Bylaws of the Society may be proposed for vote by the membership through one (1) of the following processes:

1. Any Regular Member may submit a proposed amendment to any member of the Board of

Directors asking that the proposal be presented to the Board. The Board after consideration and majority vote may determine that the proposed amendment should be presented to the membership for comment and vote. If the Board, after consideration and majority vote determines that the proposed amendment does not warrant consideration by the membership, said amendment may be presented to the membership only through the process described in (2).

2. Proposed amendments may be presented to the membership for vote by way of an initiative petition. Such petition shall request that a proposed amendment be presented to the membership for a vote. The petition must be signed by at least ten percent (10%) of the current members of the Society. The signatures on the petition must represent at least 3 different companies. Said petition will then be presented to the Board of Directors who shall then bring the proposed amendment to the membership for comment and vote as specified in this section.

3. An amendment proposed by either of the above methods shall be drafted and submitted to all voting members of the Society either at the next regular meeting of the Society or by mail. After 30 days have been allowed for comments and/or revisions, the proposed amendment will be submitted to the voting members for approval at the next regular monthly meeting of the Society.

**SECTION 2 - Approval Needed.** Any amendment to the Constitution and Bylaws which, within 30 days of the date of its submission to all voting members of the Society for vote, receives the approval of two-thirds (2/3) of the votes cast shall immediately become a constituted part of the Bylaws of the Society. Official notice of the approval or disapproval shall be mailed to all members with the notice of the next regular meeting of the Society. Any proposed amendment which does not receive the approval of two-thirds (2/3) of the votes cast within the period of 30 days shall be considered disapproved, and the members shall be notified to that effect.