

It's Time to Focus on Your Business not Getting Your Information

Your business is growing, but getting information is too hard.

Record high energy prices are good for business. Managing growth, lowering risk, finding new prospects and generating better returns – these are the right kinds of business problems for today's independent operator to have.

These business critical activities come coupled with many challenges in well information management. Dealing with email overload is a constant chore. Your staff has to handle the same data several times throughout the company to create production spreadsheets, distribute internal reports, and provide status to partners. When they're done you often have a bunch of inconsistent data and rarely any actionable information. Compounding your information requirements are your partners' requirements. Partners – more sensitive than ever to rapid results – are constantly on the phone to company executives and staff wanting to know the status of their drilling projects and production.

The major energy companies hand the job of dealing with these challenges to their in-house IT staff. In-house IT has the time, budget, and manpower to create custom services for the business. Independent exploration and production companies can't afford to dedicate the cash and manpower needed to deploy expensive custom IT projects which require constant updates and support.

The emergence of Internet based services brings good news for the Independents. With *Well Information Services* companies of any size can affordably attain the information systems they need to manage the company's well assets without major capital and operating overhead expenses.

Your Data IOUs

The life cycle of your wells generally ranges from prospect to exploration to operations to an exit transaction. Data is created at every step in many different electronic and paper formats. This has resulted in a scattered set of what we'll refer to as Data IOUs.

What's a Data IOU? *It's a Data "Island of Unreachability"*.

Data IOUs are located anywhere in your company business-critical information is sitting trapped such that your executives can't immediately access it. It could be a report received from a service provider sitting in someone's email inbox. Or needed data may be on a company server at the office – but it's Saturday and you're at home. Your staff may be using a robust drilling software package, but it only stores data on a local office PC. Perhaps you are out of town for a business meeting and a key partner has you on the phone, wanting to know why you didn't make any drilling progress the day before. If only you could see what he is looking at via the business center at the hotel you are in.

Data IOU examples are all over your business and often impact operations several times a day. A well log sitting on a staff member's desk is one example. If only the pumper in the field could quickly see it on his laptop. A workover report is sitting in the production manager's Email in-box. Perhaps production information is sent in daily to an admin, but the admin is sick today and your partners are on the phone – to you - wanting to know where their report is. There's that software program in the office

that provides wellbore schematics – but it's Sunday and your supervisor is in the field with a problem and you're at home. Another Data IOU.

Well Information Services to Get the Right Information when You Need It

Online Well Information Services allow staff and partners to self-serve the information they want, in the format they want – on-screen reports, Excel spreadsheets, charts, or PDFs - when and where they need it. The services use a standard web browser like Microsoft's Internet Explorer to deliver information from a managed database dedicated to your company's business.

So, how do Well Information Services work? Here are three examples:

Exploration Reporting. How much time do your company men spend dealing with information at the rig? It takes time to create spreadsheets, and copy and paste macros to create a new worksheet before they can enter daily data. Their job is to drill wells, not be Microsoft Office experts and maintain mailing lists!

And, after they create a new spreadsheet, they're still not done. They've got the 6 megabyte morning report spreadsheet ready, but now they have to try to figure out why the Email with the morning report is stuck on their PC and isn't leaving the rig. Sound familiar?

By contrast, Well Information Services use online databases to provide easy-to-use web screens. Company men "fill in the blanks" to enter information quickly to save time and cut down on errors. Communications are automatically done in the background as the company man goes from item to item. The tedious cutting and pasting of macros and information that doesn't change from day-to-day is eliminated. An online database knows when the last drill bit was changed or can automatically create a cost summary report using your own unique accounting codes.

Once this daily information is collected, diverse reports such as day and/or cost vs. depth, AFE vs. actual costs, mud and cement summaries, surface, production, and intermediate casing tallies and reports, rental reports, completion reports, and even automatically generated wellbore schematics can be created and instantly accessed within seconds. They are professionally formatted with your company's name and automatically distributed without maintaining mailing lists.

Operations Data. Today's CEOs need instant access - anywhere and anytime - to consistent, normalized reports of well, lease, and project operations and production status. Finally, online information has become a reality for the independent operator. Online Well Information Services present production data via a simple reporting page with the company's name and banner on top. Pick a well, lease, or program. One mouse click then generates a report for any time frame, one click auto-generates an Excel spreadsheet, and one click delivers a production graph. All reports have the same look and feel regardless of how or from where the information arrived or how data was entered.

Speaking of how information arrives, it's the rare operator that has operations and production data arriving the same way for all wells. Different gauge sheet formats have been used with different wells for years, often decades. Even with the wide availability of well metering systems, most operators want to ensure a pumper visits each well every day. There can be a lot of inconsistency in your operating universe.

Well Information Services deal with information entry independently of reporting. You don't have to look at the reports and data in the various formats the field happened to use for reporting. All the reports are consistent so company executives always deal with information in the same format. Input mechanisms can match how data is being reported today with one key difference. The data goes into the database directly, usually entered by the staff member closest to the source of the data. Sometimes this information is entered via a field office. Increasingly, pumpers are comfortable directly entering observed production numbers and operational status on web-attached PCs and handheld devices.

Online Well Files. Online databases, properly designed, allow you to store not only data for reports but also any type of file – prospect information, regulatory permits and other filings, well logs, wellbore details, and any other type of data file associated with the well's life cycle.

It's all stored in one place, which means that anyone with a legitimate business need can instantly access the exact information they need to do their job in seconds. And, they can't accidentally overwrite the existing data – all original data is automatically protected. Consider the situation whereby a staff member just received an acidizing report from a service provider. The report can be posted in seconds, and office and field staff can immediately access that information and discuss it as needed, with everyone seeing the exact same report.

***** Sidebar: Online lessons from your banker *****

Your banker safely puts information online. You can access your banking information from any internet-connected device at the office, at home, in the field, or on the road. If you follow these "best practices" learned by the banking industry, your business will safely be online, too.

- Locate your information in an independent data center, corporate-quality, always "on" and staffed 24x7x365. You cannot predict when your staff or your partners will need to access information.
- Provide each user and partner with only the reports and well information they should have access to.
- Use SSL – the security mechanism with the "lock" on your web browser - so people can't read your data as it moves across the Internet.
- Have a live support person on call to help out at all times, day and night, weekdays and weekends.
- Make sure your data and files are not co-mingled with another company's information.
- Do not connect your business database directly to the worldwide web. Use a web server in between as a hacker-proof buffer to securely manage connecting users with data.
- Ensure your data is archived daily, with backups stored off-site.

***** End Sidebar *****

New Capabilities, Economical Professionalism

Fortunately, this "Well Information Services" dream is finally economically practical to implement! You don't have to spend \$100,000 or more to find out what's happening with your well assets and keep your partners informed. Turnkey online information services are now available, usually costing between \$3,000 and \$10,000 in up front charges, and are deployed in few weeks. On an ongoing basis, these monthly services cost less than the price of a postage stamp per well per day!

Keeping partners informed doesn't have to be an onerous task anymore. Automatically available drilling summaries and production reports provide better accountability to your partners and investors, with increased professionalism. A key benefit of this approach is that you are actually reducing the staff time needed to keep your partners informed, while adding professionalism to your operations.

Another benefit: Once your drilling data for a well is in your online database, you can access it for the term of your service. This is particularly handy when you are planning or drilling offset wells and wish to review the day-by-day drilling experiences and costs of already completed drilling projects.

Time to sell some or all of your assets? With Well Information Services, having your data and files stored in online well files pay off handsomely again! Think about it – if all of your well files are stored online in one place, creating a data room can be accomplished overnight. A credible service provider will provide this service at little to no cost. As an added benefit, during the sale prospective buyers can be given access to just those wells for sale - as if they were an existing partner - to track up-to-date production information.

Using well information services will give you the advantage you want by tapping into the grid of data throughout your business and get you the information you need to make decisions as fast as the digital network.

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