

PowerTools®

Accurate, Reliable Analysis Drives
Faster Decisions



The Source
for Critical Information and Insight™

Case Study

Business Benefits

- Opsal compares a variety of scenarios and properties quickly, enabling his clients to make rapid decisions about opportunities.
- Multiple reserves estimation methods increase confidence in the results.
- Opsal creates detailed maps in minutes to show one well, a group of wells, and the offset properties.
- PowerTools enabled Opsal to evaluate approximately 350 properties in a short time—an estimated 5 to 10 times more properties than the firm could have evaluated without PowerTools.

Customer Profile

Opsal Energy, Inc. is a petroleum consulting firm based in Billings, Montana. The firm consults with small- and mid-sized oil and gas companies that are looking to acquire either operated or non-operated oil and gas interests throughout the United States. Opsal Energy performs detailed analyses of potential reserves to help clients decide whether to acquire an interest, to conduct further evaluation of an individual property, or to determine the economics of a proposed drilling site.

Business Challenge

Opsal Energy must analyze individual properties or large groups of properties quickly and accurately—ultimately to

enable its clients to make rapid decisions about opportunities. To support that, the firm needs a fast economics and reservoir analysis software with strong mapping capabilities to assess multiple properties.

“The key is giving clients the best results possible,” said Clair Opsal, President. “To do that, you want to look at properties as detailed and in as many ways as you can.”

Opsal Energy, Inc.

“I work with PowerTools and IHS data on a daily basis. The quality of the products and services I consistently receive from IHS allows me to spend my time on evaluations—not on processing facts and figures. PowerTools is not only a reasonably priced tool, but also one that’s very easy to use. If you need reliable economics, PowerTools fits the bill.”

Clair Opsal, President

The PowerTools Advantage

When Opsal Energy opened in 1999, it chose PowerTools, Windows®-based economics and reservoir analysis software from IHS. PowerTools offered analysis, reporting and mapping for evaluating potential client properties quickly, accurately and reliably—in a user-friendly, affordable solution.

Since then, Opsal has used the software continuously and relies on it as the primary method of reserve and economic analysis. With production data from IHS, the firm seamlessly brings current data easily into PowerTools for immediate analysis.

Using PowerTools on a daily basis, Opsal runs a variety of scenarios by changing variables such as price, escalation rates and timeframes. As a result, the firm can give clients a clear picture of the potential highs and lows of specific properties. The software's ease of use gives the firm the efficiency it needs for quick evaluations.

"PowerTools allows me to look at an acquisition and, with speed and accuracy, say that it fits or doesn't fit with my clients' requirements, and decide whether to take it to the next level of analysis," Opsal said. "It enables my clients to know very quickly whether they want to pursue a property or not."

Added Confidence with Multiple Estimation Methods

Opsal can estimate reserves using three methods simultaneously—decline curve analysis, material balance and volumetrics. The firm primarily relies on the decline curve analysis, along with P/Z plots, because it usually evaluates older reservoirs with established decline curves.

As an additional technique, Opsal looks at rate over time and rate over cumulative, comparing the decline rate with extrapolated cumulative production. If decline curve analysis indicates a well should be producing a certain amount, the rate over time and rate over cumulative provides a valuable tool to either confirm the decline curve analysis or offer alternative values.

"Using multiple types of analysis allows me to see what the ultimate reserves in a well should be, which provides an added confidence factor," Opsal said.

PowerTools is also particularly valuable in situations where Opsal must assess a large group of wells. In two separate projects, clients asked the firm to evaluate reserves on their existing properties—approximately 150 properties for one client and about 200 for the other. Opsal entered clients' specific parameters in regards to pricing and escalations to create detailed forecasts and then compile the information into reports that clients could use for future reference. Though the projects lasted several weeks, Opsal believes that PowerTools allowed him to evaluate five to 10 times more wells in that timeframe than would have been possible otherwise.

"I truly love the mapping in PowerTools. I can zero in on a well in minutes. Using basic maps for location context and bubble maps to talk about recoveries and reserves gives me powerful visual support to explain engineering findings to non-engineers."

Clair Opsal

Fast, Detailed Mapping

Whereas mapping data was historically a manual, laborious endeavor, PowerTools has dramatically simplified the process. In minutes, Opsal creates maps narrowed down to one well or a group of wells under consideration. Seeing all wells in an area, including the nearby offset wells, allows for a visual comparison of production values, again increasing the firm's confidence in the analysis.

Opsal also pinpoints the exact geographic location of wells, based on an API number. This is particularly valuable for wells in Texas, where the different survey methods previously required the firm to spend, at times, hours trying to determine the location of a well.

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Likewise, graphing helps Opsal quickly understand historical well productivity. PowerTools also allows Opsal to view activity over the past 20 years or to zoom into shorter time periods as desired.

Accurate Economics

Clair Opsal finds it simple to populate the economics factors in PowerTools with price scenarios, product price differentials and data such as state production tax rates, operating expenses, capital investments, and more. The firm usually runs net present values from 0 to 20, giving clients multiple scenarios.

For economics evaluations, Opsal Energy often uses economic stop limit capabilities to terminate calculations based on number of years, or on specific parameters such as water-oil ratios or water cuts—a capability that's particularly valuable to Opsal for accurate forecasting of wells with high water production.

“Using PowerTools stop limits for percent water or watercut is a real eye opener,” Opsal said. “Many times you just forecast the decline and it shows it's economic for 20 years. But when you forecast the percent water, it says you're going to have 100 percent water in three to five years, so the reserves are false. It certainly establishes confidence in your reserve projections by looking at it in more than one way.”

Reliable Economics in an Easy-to-Use Application

Opsal regularly uses existing reports or easily builds customized reports to display values such as annual cash flow. Using reports and detailed maps generated from PowerTools, Opsal Energy has what it needs to present clients with detailed reserves and economics. With the flexibility to evaluate various scenarios with PowerTools, the firm can focus on analysis rather than number-crunching. That means faster results for clients and more-informed decisions.

“I work with PowerTools and IHS data on a daily basis,” he said. “The quality of the products and services I consistently receive from IHS allows me to spend my time on evaluations—not on processing facts and figures. PowerTools is not only a reasonably priced tool, but also one that's very easy to use. If you need reliable economics, PowerTools fits the bill.”



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