

U.S. Data

Independent Operator Makes Decisions with Confidence Using Comprehensive, Allocated Louisiana Production Data



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Case Study

Business Benefits

- IHS provides production data allocated at the well level for Louisiana and Texas, where state data is only reported at the lease/unit level. This saves TMR from tedious manual calculations and enables more reliable estimates.
- From experience, TMR has come to trust IHS production data as the most reliable, comprehensive information available.
- Exceptionally accurate cumulative historical production figures bring greater confidence to decisions.
- Ease of use and multiple export capabilities save time and support analysis with other applications.

Customer Profile

TMR Exploration is a small, independent oil and gas operator and exploration company based in Bossier City, Louisiana. In business since 1985, privately held TMR owns and/or operates approximately 400 producing wells in Louisiana, Arkansas, Texas and Mississippi.

Business Challenge

With a significant investment hinging on every decision, TMR Exploration relies on accurate, detailed data to support acquisition and drilling decisions. The company needs comprehensive data to predict well performance and spot trends quickly to make a strong case to partners and lenders. Unfortunately, most state data only goes back to the late '70s and is often filled with errors. Plus, with significant operations located in Louisiana, TMR faces a unique challenge. The state only requires operators to report production in units. However, for effective decisions, TMR must pinpoint production down to the well level to get a complete picture.

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Dawn Boyter, Geologist and Graphics Specialist

The IHS U.S. Data Advantage

For many years, IHS has been TMR's data provider of choice. The company subscribes to U.S. production data on CD for Louisiana, Texas, Arkansas and Mississippi to support drilling and acquisition activities. Though the company has tried other data sources, the quality, accuracy and ease of use of IHS production data makes it TMR's primary data source.

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Putting its data through an extensive auditing and editing process, IHS goes well beyond simply repackaging state data and adds value at several levels. First, it validates state data against historic information in the company's existing knowledge base and up-to-date data gathered by IHS network of scouts. Next, the company makes hundreds of edits to and audits of state information based on extensive feedback and requests from customers, which are then permanently added to the database. Finally, IHS standardizes names and API codes across each region or basin, consolidating well files with production files to arrive at the most reliable, extensive source of integrated information in the industry today.

Over the years, IHS data has increasingly enhanced TMR's evaluations. Originally, TMR accessed IHS data at the library, which required multiple trips each week and only allowed the company to view or print data. By switching to the CD format several years ago, TMR now has faster access to the data it needs, and can extract all parts of the data to find the information that best supports its operations. Plus, it can easily export data into mapping and reserves estimates software to perform more extensive analysis.

Boyter serves as TMR's resident data expert. On a daily basis, she turns to IHS production data to support her company's evaluations. Production history is key to evaluating wells targeted for acquisition, as well as offset wells. With IHS production data, she has all the data she needs in one location, which empowers her to collect and present data quickly.

Allocating Production at the Well Level

In Louisiana, operators report crude oil and unit gas production to the state at the lease or unit level. Yet knowing individual well performance is essential for enabling TMR to value prospects accurately.

IHS provides allocated production data at the well level for both Louisiana and Texas, where crude oil is also only reported at the lease level. IHS uses net oil from each deliverability test and a series of calculations to determine the percent of the total lease production each well receives. With that level of detail, TMR can study well crude, casinghead gas and water production profiles based on initial production and subsequent well tests. It can also map individual well production by zone and support property evaluations.

"With allocated production data, I can pull out that information and use it with total confidence," Boyter said. "I don't have to try to determine, if there are three wells, how much production each gets. IHS allocates it down to the well level for me. As a small company, we don't have time to get it manually. It would be a guessing game without it."

Experimenting with other production databases in the past, Boyter found them to be extremely inaccurate primarily because they performed tests only once a year, instead of every time a deliverability test was available.

Essential Historical Cumulative Production

For cumulative historical production figures, which TMR depends on to truly assess well performance, Boyter has found IHS U.S. production data to be unmatched.

“Accurate historical well-by-well cums from the inception of the well are absolutely invaluable,” Boyter said. “That’s one of the IHS strong suits. A lot of the wells have the actual historical cums from the beginning. You can get a little more support data, or validity to justify drilling, if you have those historical cums. You can’t put a prospect out there and not know the cums.”

“IHS has done the majority of the work for us by putting together those historical cums so we don’t have to do it by hand,” she added. “Other production databases may have that data, but it doesn’t go back to the ‘30s, ‘40s and ‘50s.”

Multiple Export Options

Export capabilities with IHS data save Boyter significant time. She can rapidly export detailed datasets into Excel workbooks and provide them to colleagues. With all necessary information in front of them, TMR can make more efficient decisions. When a colleague needed bottom-hole pressure data to evaluate two prospects, Boyter pulled up the right regional CD and printed out the Excel workbook that offered a wealth of information, including the latest test data he needed. “He was excited because there was so much information in there,” Boyter said.

Boyter appreciates that she can easily navigate the data to find what she needs, and export in a number of different formats for presentation or analysis.

Although Boyter finds the data extremely easy to use, for any questions, she can count on the Help function to provide answers. She also appreciates her relationship with her account manager, whose knowledge expands her use of the data.

Bringing Confidence to Every Decision

Overall, reliable data supports TMR in a several key ways. Most recently, it brought efficiency to the extensive process of evaluating a major purchase where TMR acquired all equipment and leases on an existing field. Using IHS production data, TMR generated reserve potential figures to help justify a purchase price during negotiations and for lenders.

“The level of detail in IHS data allows us to be more comfortable in acquisitions,” Boyter said. “It also helps us easily update our reserve reports when the banks come in each year, and prepare reports and determine present worth when we’re trying to borrow funds. We can justify why we’re not an economic risk by showing the equity in our wells.”

Plus, as a small, independent operator, IHS production data helps TMR play at a higher level. “It’s affordable for us, while at the same time allows us to compete with the bigger companies. It evens the playing field,” she said.



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