

U.S. Data

Reliable, Accurate Data Helps Oracle Resources Build Trust, Credibility with Investors, Partners



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Case Study

Business Benefits

- Reliable data – that doesn't require significant verification – saves Oracle partners time, enabling them to evaluate hundreds of prospects more quickly.
- Production data directs Oracle where to shoot its 3-D seismic images.
- Accurate data is instrumental in enabling Oracle to find exceptional production opportunities to build credibility with investors..

Customer Profile

Formed in 1999, Dallas-based Oracle Resources is an independent oil and gas company focused on onshore, domestic exploration. The company identifies and develops exploration projects with large-scale potential. It also acquires development rights and redevelops non-producing fields with selected industry partners.

Oracle has built a strong track record of success, with a working interest in more than 120,000 acres, licenses to 83 square miles of new 3-D seismic, with another 150 square miles currently being acquired. Oracle's projects are centered in the East Texas Basin, Anadarko Basin, Upper Texas Gulf and the Mid-Continent. In the immediate future, the company plans to collect another 100+ square miles of 3-D for a new project. Oracle is also participating in a 300+ square mile area of mutual interest with Dominion Exploration and Production, Inc. in Polk County, Texas. As a result of the initial 83-square-mile 3-D shoot, the companies are now drilling an 18,500' Deep Woodbine test.

"Our success, to date, can be attributed to the fact that we recognize that we are explorationists," explained Bryan Pershern, president of Oracle Resources. "In order to generate great prospects, our organization must utilize the best available technical talent in geology, geophysics, land management and engineering. When we formed this company, we realized that our success would depend upon how well we function as a team, knowing that our cumulative strengths would exceed our individual strengths. This teamwork has been the primary ingredient for our success."



Business Challenge

When Oracle's co-founders, Bryan Pershern, George Ainsworth and Fred Byther, formed the company in 1999, each brought extensive industry experience and a firm belief in their unique business model. However, they

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Fred Byther, Vice President of Exploration

needed to establish a new reputation for the company, as well as differentiate it in the industry. Trust and credibility would be essential to Oracle's success. The group saw data – particularly accurate information – as a key ingredient in building that trust.

"We only have one opportunity to present a project to an investor," explained George Ainsworth, executive vice president. "If you have incorrect data, you've lost your credibility and that calls into question everything else you did in that project."

Moreover, as a results-driven, independent company, Oracle couldn't afford to spend a lot of time verifying and second-guessing third party production well data, especially when faced with developing exploration models encompassing thousands of acres within a limited amount of time.

The IHS U.S. Data Advantage

At the outset, Oracle tried a variety of sources for U.S. production data. Putting the data to the test, Oracle found IHS data to be the most accurate. Though other options might have been less expensive, the company considered quality the number one factor. They simply couldn't risk losing a single deal due to inaccurate information. Plus, the founders had all previously used IHS Energy data throughout their careers and felt most comfortable with its reliability.

"We looked at a variety of data sources and came to the conclusion that there's nothing else that's comparable to what IHS Energy offers," said Fred Byther, vice president of exploration. "It's considered the standard in the industry. It's the best product out there with respect to production and well history data."

Trustworthy Data Helps Narrow the Field

Evaluating trends and plays requires a significant amount of statistical work and data gathering. During this intense, early phase, Oracle looks at hundreds of possibilities to identify a smaller number of potentially viable plays on which to focus its resources. The company might look at 10 before choosing to explore one further. "We have to be able to evaluate a project quickly before deciding to go to the next step," Byther said.

With the large number of possibilities to consider, the ability to trust the data allows the company to narrow the field more quickly, without a lot of extra data verification. By subscribing to the data on CD which is regularly updated, Oracle has current data that it can easily load into other applications for analysis.

The data supports a number of analyses and decisions on every Oracle project. For example, for its Deep Woodbine project in the Upper Texas Gulf, Oracle collected production data on thousands of wells and fields, and used that data to direct where to shoot its 3-D seismic images.

"IHS data helped Oracle create this idea," Pershern said. "We gave it life and our partner Dominion has given it action and guidance, which we hope will result in great success for all involved."

Additionally, Oracle relies on production and decline curve data to pinpoint areas where reservoirs are being ineffectively drained, which might indicate spots where development potential is possible. The founders of Oracle also have their own methods of reading deeper into the data to locate trends and develop analogs.

"We're looking for the anomaly, for the sweet spots," Byther explained. "We try to understand the reasons for variations in production from a particular trend, and what implications that might have for other similar types of fields. That's how we've been able to generate these large projects that we believe are quite exceptional."

Reliable Data Backs Up Investor Presentations

Ultimately, the data and analysis help them determine the level of income that properties could generate, giving them more confidence in what they present to potential investors. The data serves as important documentation to back up their proposals.

"We're not out here to just find production. We're out here to find exceptional production," Ainsworth said. "That's what our investors expect us to do. We have to document that. IHS data gives us documentation to support the ideas we're proposing."



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