

FieldDIRECT®

Assimilating Acquired Properties —
in Minutes instead of Days



The Source
for Critical Information and Insight™

Case Study

Business Benefits

- Leading up to the well divestiture, Range Resources easily provided production data to Southern Bay, increasing Southern Bay's confidence in the properties being acquired.
- The transfer of production data on acquired wells from Range Resources to Southern Bay took place in a matter of minutes.
- Electronic passage of the data on the properties eliminated additional manual entry, saving three to four days.

Customer Profiles

Range Resources

Range Resources is an independent oil and gas company that operates in the Appalachian, Southwestern and Gulf Coast regions. The company pursues a balanced growth strategy that targets exploitation of lower risk development drilling locations with higher potential exploration projects and a complementary acquisition effort. In 2006, revenues totaled \$780 million.

Southern Bay Operating, L.L.C.

Founded in 2004, Southern Bay Operating, L.L.C. has diversified activities in Texas and Louisiana onshore and state waters. Southern Bay's business strategy includes the acquisition of oil and gas reserves, along with field

re-engineering, development, exploitation and exploration activities. The private company is capitalized by its management, Vlasic Investments, Wachovia Capital Partners and other investors.



RANGE RESOURCES



SOUTHERNBAY.LLC
OPERATING

“In the old days, a property acquisition would have meant getting all the seller's well paperwork and starting our own. It was quite a few man-hours to build the spreadsheets for every well. With both companies on the same production database, FieldDIRECT, a couple of emails completed the transfer and those properties showed up in our system.”

Steve Collins, Vice President of Operations, Southern Bay

Business Challenge

As companies expand and evolve, mergers, acquisitions and divestitures are simply a part of doing business. As common as these transactions may be, the transfer and assimilation of properties from one entity to another can be a time-consuming, manual process.

In February 2007, Range Resources sold 53 oil and gas wells in the Austin Chalk area of central Texas to Southern Bay. Held for sale after the acquisition of Stroud Energy Inc. the year before, these properties did not fit within Range Resources' core operations. Upon completion of the sale, Range needed to transfer the well data to Southern Bay.

A Common Production Database: FieldDIRECT

The Austin Chalk transaction proved to be significantly easier than usual for both Range Resources and Southern Bay since both use the same production database, FieldDIRECT from IHS. With FieldDIRECT, pumpers use PDA hand-held units or PCs to record production, pressures, volume, and other data right at the well. At the end of the day, or as soon as they return to their homes or the office, pumpers simply download that data and it is immediately available for engineers, production managers and operations staff for analysis via a Web interface. Since 2004, Range Resources has used FieldDIRECT to log daily data for approximately 2,000 wells and ensure the company meets its production goals. "Engineers, supervisors and lease operators review FieldDIRECT each day to look at production and check for areas where wells are down or having trouble, and where to concentrate that day's efforts," said Mike Middlebrook, Vice President of Production, North Texas, for Range Resources. Likewise, Southern Bay has relied on FieldDIRECT since 2005 for logging daily production for about 500 wells, tapping the pivot tables to understand production changes, compressor issues, fuel usage, and other factors.

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Mike Middlebrook, Vice President of Production, North Texas, for Range Resources

Seamless Transfer

In the acquisition, Range Resources shared production data with Southern Bay regularly for about 60 days prior to the actual sale. As pumpers inputted data from the field into FieldDIRECT, Range Resources could easily provide the well data to Southern Bay, increasing the buyer's confidence and knowledge about the properties they were acquiring.

Transferring wells was the final—and simplest—step in the transaction. Because both companies manage their wells in FieldDIRECT, the process took place in a matter of minutes.

To do so, Range Resources notified IHS of the divestiture, and an account representative simply moved the wells from

Range to Southern Bay in FieldDIRECT. Then, when each company logged into the software again, the wells were no longer visible to Range and appeared in Southern Bay's listing of properties.

"It was awesome. No transferring of historical production into an Excel spreadsheet," said Juanita Ramirez, Manager of Production Administration at Southern Bay. **"All I had to do was update FieldDIRECT and the wells were there. It was at the touch of a button and the wells were in Southern Bay's production project tree."**

Saving Days of Manual Entry

In the past when Southern Bay has purchased wells, Ramirez would spend 30 to 45 minutes to set up each well in their system. The ease of transferring properties from one FieldDIRECT user to another dramatically simplified the process for her, saving about three to four days of manual data entry.

"In the old days, a property acquisition would have meant getting all the seller's well paperwork and starting our own. It was quite a few man-hours to build the spreadsheets for every well," said Steve Collins, Vice President of Operations, Southern Bay. "With both companies on the same production database, FieldDIRECT, a couple of emails completed the transfer and those properties showed up in our system. It was a non-event."

“It was seamless and transparent,” Middlebrook added. “One day those wells were in our FieldDIRECT database and the next day they were gone. It was particularly easy.”

With both companies on FieldDIRECT, Range and Southern Bay ultimately reduced the administration time required to facilitate and complete this transaction, allowing them to wrap up the process and get on with business more quickly.



For more information
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