

PowerTools®

Integration of PowerTools and IHS Data Cuts Steps in Economics Evaluations



The Source
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Case Study

Business Benefits

- Integration between PowerTools and IHS well and production data saves time by eliminating data import steps.
- Performing material balance, volumetric and decline curve analysis, and matching offset wells, boosts the accuracy and confidence in evaluations created by Heinle & Associates, Inc.
- Once Heinle has created a database or report, updates are as simple as entering new numbers or populating files with IHS data.

Customer Profile

Heinle & Associates, Inc., based in Denver, prepares reserve and economic evaluations of oil and gas properties primarily in the Rocky Mountain and Mid-Continent regions. The company provides analysis for a variety of clients, which include financial institutions in need of appraisals, companies acquiring or divesting assets, and public and private companies that must file reports to meet SEC or bank requirements. Allan Heinle, a licensed professional engineer and president of the company, has been an independent consultant since 1983, bringing experienced consulting for a wide range of companies as well as an understanding of the financial

side of the business. Additionally, he was a gubernatorial appointee to the Colorado Oil & Gas Conservation Commission from 1994 to 1999 and also served as chairman of that commission.

Business Challenge

In most cases, Heinle & Associates evaluates properties in order to support clients in specific transactions, often with near-term deadlines. This requires them to perform evaluations quickly, yet deliver highly accurate and comprehensive information. The firm is further driven to create efficiency by the desire to keep the costs of its services manageable for clients. To save time at all stages of the evaluation process, they need a tool that enables them to perform quick evaluations, exchange data smoothly with clients, and easily accept data from a variety of external sources.

“The interface between PowerTools and IHS data provides such an efficient way to evaluate oil and gas properties, that for me, it’s the most cost effective way. Then I can pass those cost savings on to clients.”

Allan Heinle, PE, President

IHS U.S. PowerTools Solution

For many years, Heinle & Associates has used PowerTools software and IHS well and production data for the Rocky Mountain and Mid-Continent regions. The firm relies on PowerTools as its tool for evaluations primarily because the smooth integration between IHS data and PowerTools allows them to perform evaluations accurately and efficiently, which ultimately enhances the quality of service to clients.

“I have used other economic evaluation packages, but now I use PowerTools exclusively for my reserve and reservoir analysis,” said Allan Heinle. “From the start, I felt it was very user-friendly, easy to learn and flexible. And, I have found that it is simple to update existing projects over time. I believe my clients benefit greatly from the efficiency I realize in PowerTools.”

Heinle & Associates prepares reserve and economic appraisals of properties to assist banks and other financial institutions in determining the amount of capital that can be collateralized by oil and gas assets. Industry clients turn to the firm during acquisitions and divestitures to provide third-party objective assessments of fair market value, reserves, future net income and risk associated with oil and gas properties. Or, they request that Heinle prepare annual reserve reports to meet SEC guidelines for public companies or to support annual bank loan reporting requirements.

Three Methods of Evaluation Enhance Results

Using PowerTools in combination with IHS well and production data, Heinle & Associates can determine a wide range of factors critical to client evaluations, including offset well performance, undeveloped reserve potential, well interference, type curve analysis, reserve distribution analysis, and reserve determination based on multiple methodologies. The ability to perform material balance, decline curve and volumetric analysis in PowerTools enhances the accuracy, thoroughness and confidence in Heinle’s evaluations, particularly when historical production data does not define a predictable decline history.

“Combining volumetric, material balance and decline curve analysis, and comparing them with offset wells, is really easy to do in PowerTools,” explained Allan Heinle. “This increases the accuracy and reliability of the reserves estimates and the associated value, which is ultimately what my clients want.”

Because many of Heinle’s clients also use PowerTools, the firm can provide databases and reports it creates to clients. Then, clients can update those files and track actual production versus projections throughout the year. When it comes time for Heinle to prepare another report, clients can simply provide their updated files for Heinle to upload, saving both sides time.

Once Heinle completes evaluations, the firm creates presentations for users in PowerTools, taking advantage of the ability to make maps, spreadsheets and other charts to visually display findings, and communicate evaluations and recommendations. They can also smoothly export results into Access and Excel.

Seamless Interface Saves Time

Yet, Allan Heinle points out that the seamless interface between PowerTools and IHS well and production data contributes most to his efficiency in performing evaluations. Because he doesn’t have to waste time downloading data from state sites or creating databases, he can focus his efforts on the evaluations themselves.

Once Heinle has created a database, if he wants to evaluate a well or group of wells that he looked at six months ago, it’s simply a matter of clicking on the property and the decline curve is automatically updated with the production history. This integration allows him to update wells and build databases very quickly, which again cuts costs.

“The interface between PowerTools and IHS data provides such an efficient way to evaluate oil and gas properties, that for me, it’s the most cost effective way,” he said. “Then I can pass those cost savings on to clients.”



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