Case Study
Whitecap Resources

About Whitecap Resources

Whitecap has an enviable suite of long-life, oil-weighted growth assets and an experienced management team and board of directors with a track record of success in the public markets. The company plans to grow its share value aggressively through a combination of accretive oil-based acquisitions and organic growth on existing and acquired assets. More information about Whitecap is available at www.wcap.ca.

Serial start-up management team gains higher efficiency & improved data accuracy with MOSAIC

For more than a decade, MOSAIC by Omnira Software has been relied upon by a team of executives who have produced a series of successful oil and gas start-up companies.

Whitecap Resources is the latest venture for this winning management team, where Dave Mombourquette has the role of VP Business Development. Previously, Mombourquette was an officer of Ketch Energy Ltd., Ketch Resources Ltd. and Cadence Energy Inc. (formerly Kereco Energy Ltd.), which were all successful ventures where the management team grew production on average from 1,500 bbls of oil equivalent per day (boe/d) to over 10,000 boe/d. Since 2000, the team has completed over 19 major acquisitions and drilled over 400 wells at an average success rate of 82%.

In its first three years, Whitecap has already completed a number of large acquisitions, and the company currently produces over 73,000 boe/d. Early on, the management team realized the need for a corporate system to accurately assess deals and effectively manage assets to their aggressive targets.

> Whitecap Resources' successful executive team relies on specialized. E&P software to streamline A&D, budgeting, and reserves — through All-in-One Production On Demand 19 major acquisitions and 4 companies.

The Challenges

A&D process

"From the outside, it may look like we are acquiring a lot of companies, but in fact, Whitecap looks at a much larger number of opportunities and only pursue those that have growth potential at a reasonable acquisition cost," said Dave Mombourquette. Since its inception in 2009, the company has added over 60,000 boe/d through acquisitions. Without having an efficient system in place to analyze acquisition opportunities at a detailed entity-by-entity level, it would be very difficult to make quick and effective purchasing decisions.

Highlights

The Challenges

- A&D process
- Replacing spreadsheets
- Data confidence

The Solution

- MOSAIC by Omnira Software

Results

- Scalability
- Increased efficiency & productivity
- Trusted reporting
- Confident A&D decisions

Replacing spreadsheets

Prior to using a software system at Ketch Energy Ltd., all capital tracking and performance management was done manually through spreadsheets. This created a number of issues during the budget process as the data was prone to errors and it was very time consuming to manipulate the data. The management team required a system that provided increased efficiency during data analysis, and a higher level of accuracy for evaluations.

Data confidence

Volatile commodity prices and complex royalty calculations have created increased pressure on forecasting accurate cash flows. As with most energy companies, the team at Whitecap had a lot of moving parts and pieces in their budget process. As well, throughout the year, they needed to have a good handle on the capital spent and forecasted for the remainder of the year so that they always know their financial situation. They needed to generate a detailed budget at an entity level to achieve these objectives.

The Solution

Whitecap uses MOSAIC to manage A&D, budgeting, and reserves processes in one system. This creates greater efficiency and data consistency since all of the business functions use the same set of data to manage their respective processes.

High level of confidence

As with any system, MOSAIC is only as good as the data within it. The system provides a quick and consistent process to load new wells and multi-edit royalty types of 1000+ wells at once. This enables users to import information, store it, and analyze it with other data contained within the system, which increases the efficiency in the A&D process.

For front-line engineers, the ease of use and intuitive user experience allows them to produce high-quality data. By having more eyes looking at and using the same data, it increases the quality, accuracy, and confidence. This helps Whitecap's management team zero in on the areas that will have the most impact.

Flexible hierarchies & reliable reporting

Whitecap can easily organize and view their data based on their requirements. The MOSAIC database stores a full suite of data at the entity/evaluation level, which is driven from many system variables and user-defined labels. The ability to customize MOSAIC allows Whitecap to manage, analyze, and report on different sets of rollups of any hierarchy, at any time.

Whitecap has seen the greatest benefit of the hierarchies during reporting when consolidated results are pushed through the whole system. This means that every report can run on that hierarchy. User-defined labels can further rollup or categorize the hierarchies by horizontal vs. vertical wells, conventional vs. unconventional, by royalty types, crown vs. freehold, etc.

"MOSAIC's flexible hierarchy has an awesome amount of power. Using this functionality, we can interact with our own data the way we need to at any time – by zone, operator, unit, non-unit [...] however we'd like, without limitations on the number of hierarchy levels."
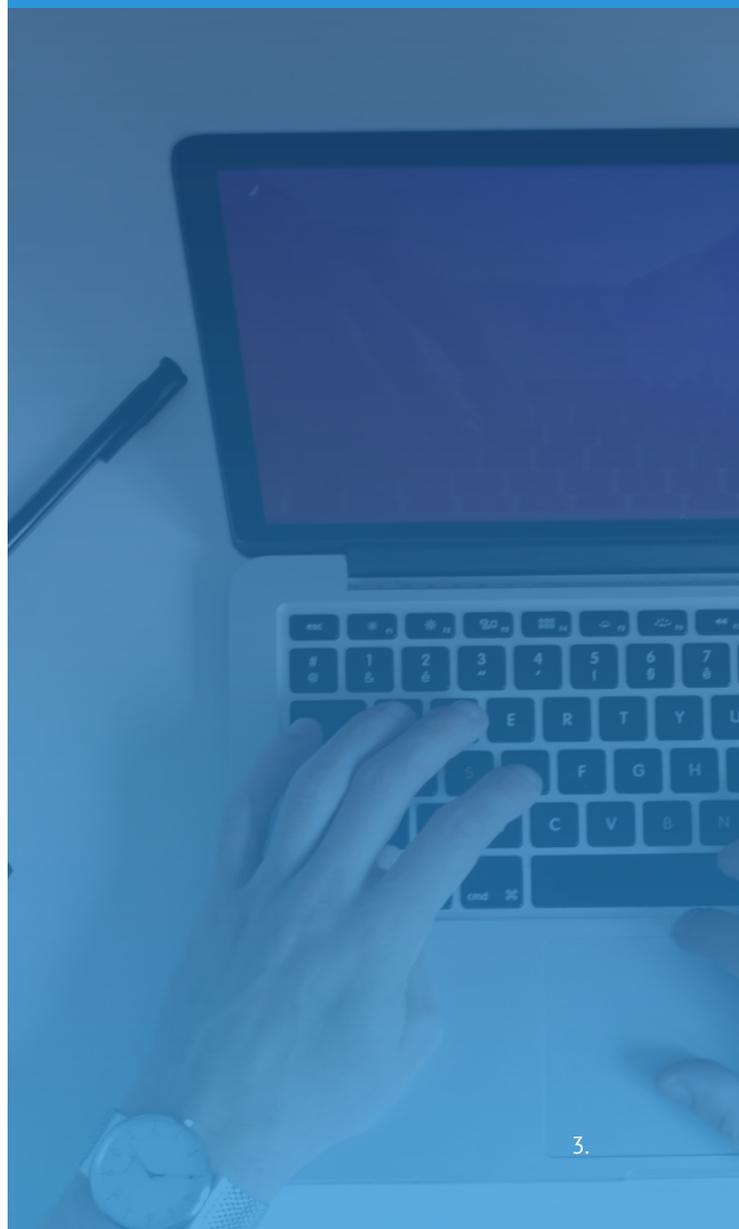
Trusted calculations

MOSAIC has provided a lot of value in calculating royalties since they can be done at an entity level. "The world is changing so fast these days with continuous price fluctuations, so it's great to know that when we run our sensitivities, the data at an entity level is tight.

From a budget perspective, this is even more important since Whitecap can do budget projections as often as every month, in addition to analyzing new company acquisitions or large projects.

> "MOSAIC has increased our efficiency and allowed us to focus our time on more important business issues. Our engineers only spend 30% of their time on data entry and manipulation, while the other 70% is dedicated to analyzing the data and finding ways to add value."
>
> Dave Mombourquett, VP Business Development, Whitecap Resources, Inc.

Results

A higher level of accuracy

• Efficient interaction with data

• Empowered engineers

• Trusted reporting

• More confidence in A&D decisions

Leveraging MOSAIC has provided Whitecap with a competitive advantage for budgeting and A&D. The system facilitates a more effective way to look at acquisition opportunities at a very detailed level. In addition, since engineers today are often faced with an increasingly heavy workload, MOSAIC has empowered them by making their work as efficient as possible by reducing the amount of data manipulation. Business decisions, supported by analysis done in MOSAIC, can often involve hundreds of millions of dollars, so having a software application that is accurate and reliable is an important element to Whitecap's continued success.

MOSAIC™
by Omnira Software

Mosaic Software delivers the most efficient and reliable reserves management software in the oil and gas industry. For additional information, please visit mosaicprms.com.