

Open System Integration Facilitates Property Acquisition

Case study: Enerplus uses Merak PetroDesk application in shrewd acquisition decisions

Challenge

The Enerplus Group of Companies (Enerplus) required a data retrieval system that could integrate with other products, incorporate two or more data sources, and expand to the needs of a growing company.

Solution

Enerplus chose to work with Merak*, in particular their desktop integration and mapping application, Merak PetroDesk*. Merak and Enerplus collaborated to effectively integrate an efficient process for property evaluations.

Results

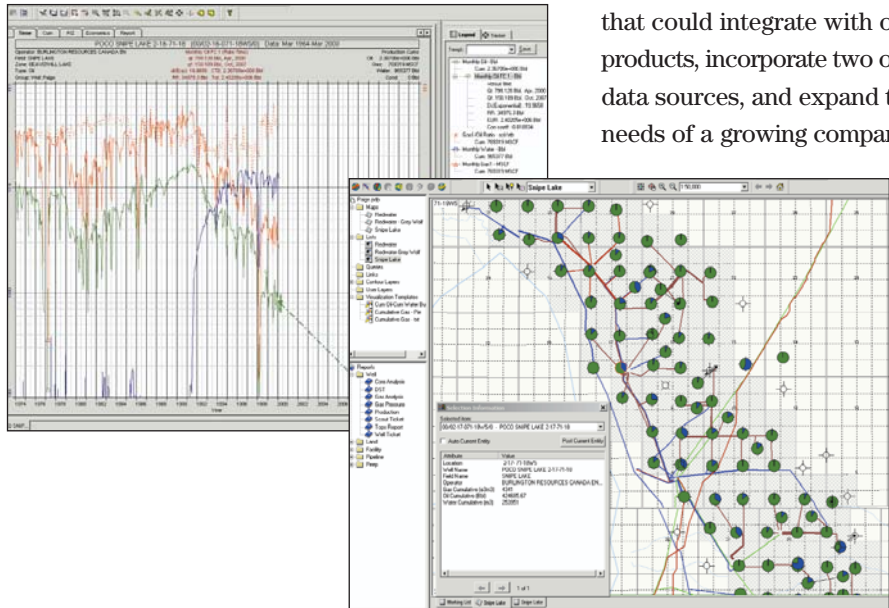
This process has allowed the Evaluations Group to efficiently identify potential investment opportunities, and to complete acquisitions such as the USD 27 million purchase of Derrick Energy Corporation, a Calgary-based natural gas company.

Standardized company-wide open system infrastructure

For most petroleum companies, the evaluations or acquisitions departments face crucial high-level decisions when assessing potential investment or expansion opportunities. This process is often time-consuming and complicated. For Enerplus, a medium-sized oil and gas company with a large volume of diverse properties, access to specific and varied data is essential.

In 1997, Enerplus undertook a thorough review of its data retrieval systems, and while the existing systems were adequate for their current needs, they could not keep pace with the growth of the company. To find a solution, Pat Cairns, vice president of evaluations, and Heather Culbert, vice president of administration, along with the MIS department, teamed up to create the Software Advisory Team. The team set out to internally standardize platforms and databases, and implement an open systems infrastructure so information could be linked throughout the company. Enerplus

required a data retrieval system that could integrate with other products, incorporate two or more data sources, and expand to the needs of a growing company.



Merak PetroDesk integrates to public data to quickly identify wells that intersect land parcels of interest. Once parcels are selected, you can create economic cases and forecasts on import to Merak Peep or Excel and quickly put value to your information, map the land data, and identify synergies between your company and others.*



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Efficiently determine net property value

To accomplish this, Enerplus needed to partner with a company that could help them achieve their technological goal of open systems. After looking into several options, Enerplus chose to work with Merak, in particular their desktop integration and mapping application, Merak PetroDesk. The Merak PetroDesk open system architecture provided Enerplus with the ability to configure the browsing software to suit their needs.

The solution involved many aspects: the first was to ensure the Merak PetroDesk application would provide access to the public land, pipeline, and well data sources via a dedicated fiber link. The next task was to configure the Merak PetroDesk application to map to the company's proprietary land database and incorporate a visual perspective of Enerplus' seismic position. When completed, full integration with other applications, like the Merak economics tool and the land query tool, will enable Enerplus to utilize the information from the land system to gather the working interest for a given company and wells belonging to the lease. Then the net production of the wells can be calculated within the Merak Peep economic evaluation, decline analysis and fiscal modeling application, and Merak Portfolio* software (measures and predicts company performance based on future volumes and valuations) to give a net value to any given property.

Identify potential investment opportunities and complete acquisitions

Throughout the initial phase of the implementation, Merak and Enerplus collaborated to effectively integrate these requirements with an efficient process for property evaluations. As a result, the Evaluations Group has used Merak PetroDesk exclusively for all production acquired by the Enerplus Group of Companies in the past year. The Merak PetroDesk open system and access to public databases allowed Enerplus to map their internal land data and look for synergies between potential acquisitions and Enerplus' current land positions. The search and query results from the Merak PetroDesk application were then downloaded to Merak Peep software to determine the economic viability of each property. This process has allowed the Evaluations Group to efficiently identify potential investment opportunities, and to complete acquisitions such as the USD 27 million purchase of Derrick Energy Corporation, a Calgary-based natural gas company.

The collaboration with Enerplus also had great benefit for Merak. Enerplus was an early adopter of the Merak PetroDesk technology. Using the software in its infancy, the Software Advisory Team suggested several enhancements, many of which were incorporated including contouring, overposting correction, seismic information, and querying land data.

For more information contact your local SIS office or e-mail sisinfo@slb.com.

"Our strategy was to achieve our goals of integrating corporate data across the company as well as public data, to gain a better understanding of the properties we were acquiring. The result would be smarter acquisition decisions and a competitive edge."

Heather Culbert
vice president of administration
Enerplus

Merak PetroDesk Highlights

- Search for synergies between potential and current properties
- Quickly determine the economic viability of each property
- Efficiently identify potential investment opportunities
- Complete acquisitions quickly
- Correctly verify corporate financials by accessing public data

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