



COMPTON PETROLEUM CORPORATION

DECISION TO DRILL AND AFE VISIBILITY REDUCES RISK, PROPELS OPPORTUNITIES

Each day a well is not on production equals thousands of dollars in delayed revenue to energy industry companies.

"Whatever we pull out of the ground, we can sell," states Paul Parzen, Manager of IT, Risk and Audit, Compton Petroleum Corporation. "Any days you can trim off your cycle from concept through having a well on production is money in your pocket."

Compton Petroleum Corporation is an independent, public company actively engaged in the exploration, development, and production of natural gas, natural gas liquids, and crude oil in the Western Canada Sedimentary Basin in Alberta, Canada. In order to minimize time in the Decision to Drill process, Compton Petroleum needed a solution to improve its business processes and shorten the time-line from initial scope, through Authorization for Expenditure (AFE), to on production. With 2007 average daily production 31,326 boe/d (barrels of oil equivalent per day), approximately 375 full time equivalent employees (FTEs), and revenue of \$500,987,000 Compton Petroleum drilled 322 wells.

AGILITY TO RESPOND QUICKLY WITH THE BEST INFORMATION

With a project recommendation form (PRF)/AFE process that included sign off approvals from all vice presidents and the CEO as well as potential joint venture partners for capital expenditures, the mountains of paper and complex interdepartmental interaction accompanying drill well opportunities hindered the speed at which a project moved forward. The paper trail also challenged established company controls in the interest of responding to operations' demands.

Compton Petroleum had implemented a home-grown application to track prospective drilling projects, but it was designed to allow only a handful of employees access. Further, it did not provide a comprehensive view of the business process workflow and it did not provide the reporting capabilities necessary to make strategic decisions—real-time—in a market that requires agility in order to prosper. Compton Petroleum needed to securely provide instant access to critical information to individuals from all business units of the organization in order to get decisions made more consistently and faster.

Recognizing that the paper in the business process surrounding the capital approval workflow was a major source of inefficiency and limited visibility, Compton Petroleum sought electronic workflow solutions. Exploring both vertically oriented solutions designed for the oil and gas industry and enterprise content management (ECM) solutions that could provide enterprise-wide workflows, Compton Petroleum realized it needed a solution that provided the flexibility to meet the organization's business processes without requiring fundamental operating changes.

"We looked at vertical solutions that sort of forced your company down a path to how they thought oil and gas companies should operate," remembers Parzen. In addition, cost-prohibitive custom coded ECM solutions were not desirable for the organization that needed to keep general and administrative (G&A) costs to an absolute minimum.

Compton Petroleum elected to go with an ECM vendor that met both its flexibility and price point requirements to address its immediate pains in the capital spend process and supported its future plans to address other business processes and document management needs. "The configurability of the OnBase Workflow far exceeded its competitors," emphasizes Parzen.

The OnBase solution, provided by energy industry-focused Imagine eDoc Solutions, an Authorized OnBase Provider, provided many pre-built workflow rules. Developed by Hyland Software Inc., OnBase is an integrated suite of enterprise content management (ECM) software solutions, including core capabilities in document imaging, electronic document management, workflow, COLD/ERM and records management.

Going from a process that required stacks of folders to be walked around the company, Compton Petroleum's workflow solution now has all necessary documentation provided electronically. The solution automatically routes information to the correct parties in the correct order, based upon business rules and requirements.

Because Compton Petroleum's workflows and documents are now electronically accessible,

AT A GLANCE

Compton Petroleum Corporation automated the Decision to Drill, AFE and SOX compliance processes with enterprise content management (ECM) to drastically reduce the pains limited process visibility brings to the agility of an organization. With Web-accessible workflows and documents and automated data exchange between line-of-business applications and all business units, Compton Petroleum executes quickly and effectively, making decisions based upon the best information that is available at employee fingertips.

BENEFITS

- Instant access to information propels the best decision-making
- SOX compliance as an additional benefit to optimally executed business processes
- Connects all business areas with streamlined information gathering and movement
- Provides access to documents anytime from anywhere for approved users
- Speeds Decision to Drill evaluation process
- Business executes more efficiently, faster, and with better information
- Modular rollout addresses immediate pains; sound data structure easily positions company for future rollouts
- Automated data exchange between line-of-business systems/business processes reduces redundant data entry, errors

APPLICATION

- Decision to Drill/Well File Management
- Financial Accounting
- IT Risk & Internal Audit
- Enterprise wide

COMPLEMENTARY PRODUCT INTEGRATIONS

- Oracle® Hyperion Financial Management
- Oracle database
- Peloton WellView®
- CGI enVision

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participants in the Decision to Drill and AFE processes are able to securely access needed documents and keep the processes moving—even from remote locations—at any time of day. The paperwork is no longer stalled on the desk of someone who is out of the office and management always has real-time visibility into the state of the workflow.

PROCESS VISIBILITY PROVIDES STRATEGIC ADVANTAGE

Visibility and efficiency enables agility in an industry where not only government regulations change quickly, but partner requirements and evolving market trends directly impact business strategies.

"The biggest challenge we have is responding to the changing demands of the business with limited resources," states Parzen. "Needs change daily and we need to respond immediately. The primary goal is to make the business as efficient as possible."

Before OnBase, the relationship between budgeted commitments to spend versus actual spend was not easily obtained. Reporting was a very manual process and required the efforts of the accounting staff to decipher hand written notes, unstructured data in the database and multiple spreadsheets.

The old system that had been designed for a handful of employees was being used by every business unit in the company. "We had just about everybody in the company hitting this database," Parzen remembers. "Because the content was unstructured and even the electronic data was unstructured (date formats, for example), there was no way to aggregate information between systems." Information could not easily be shared out to other line-of-business applications without redundant data entry.

"The old process and system did not allow for timely reports to management regarding the commitments to spend, what we did spend and how our spend looked in terms of our budgets. We didn't know until months later when all of the invoices came through and someone assembled it all," states Parzen.

"The key to understanding spend in terms of what is available when opportunities arise is how spend looks in terms of budget.," Parzen points out. "Is there money available that could be used for another well or has the company overspent?"

The OnBase Decision to Drill/AFE solution gets needed information around the company faster, simultaneously ensuring that data is captured in a manner that can easily be reported on at any time, allowing better decisions to be made quickly, with critical information at the fingertips of those making decisions.

With efficiency and accuracy the cornerstones of effective data and project management, the IT staff strives to ensure that data shared between multiple business processes is entered into the system only once, relying on OnBase technology to concatenate

information and disperse it as needed.

Before OnBase, the paperwork delayed or lagged behind the operations of the company. Now, documentation provides the vehicle by which strategic decisions are made.

SOX COMPLIANCE A BY-PRODUCT OF SMART BUSINESS PROCESSES

"The OnBase solution really brings an ability to electronically capture a business process," states Parzen .

This visibility and agility is a tremendous time saver in the process to be Sarbanes Oxley (SOX) compliant in an industry that changes as rapidly as the energy industry. "Our main goal from an IT perspective is to support the business, and enable it to operate better, faster. SOX compliance can be very complicated and cost a lot of money to the business without providing value that Operations sees," states Parzen. "If we can be compliant as a secondary benefit to helping people in executing their jobs, getting them as efficient as we possibly can, that is a huge win."

With the OnBase solution driving the Decision to Drill and AFE processes, Compton Petroleum has the ability to know where any piece of information is at any given point in time, how long it has spent in a queue and whether people are executing to expectations, speeding the process of bringing wells on line.

With OnBase, the organization has a good set of structured data that can be reported on, and a good stepping stone to further integrating that information into other operational systems in the entire business life cycle, a significant priority for Compton Petroleum.

"It really captures the essence of what IT must bring to the table for the business...solutions that allow

the business to execute more efficiently and faster, with better information," confirms Parzen.

"The time is now. Whatever we pull out of the ground, we can sell...Any days you can trim off your cycle from concept through to having a well on production is money in your pocket."

-Paul Parzen

Manager of IT, Risk and Audit

OnBase

a Hyland Software solution

www.onbase.com

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