



WellWorth

Upstream Oil & Gas
Financial Analysis

Streamlining the Financial Modeling workflow at Peak 10 Energy



“WellWorth is a very well thought out software and has continued to integrate itself into our organization. It gives us a way to peek into the ARIES assumptions without going back and forth with the engineering team.

The WellWorth team has been extremely proactive and responsive to adjust the software to fit our workflows and deliverables. **In particular, the ability to adjust development plans quickly and to see well-level forecasts / valuation data real-time is very unique and dynamic for our organization.**

I would highly recommend the product, particularly for an upstream company that is trying to be efficient with G&A and deliver financial partners and stakeholders with dynamic analysis.”



Kyle McQuire
President & COO

About Peak 10 Energy

Peak 10 Energy Holdings, LP (Peak 10) is an Upstream Oil & Gas company backed by Legacy Star Capital Partners. The company has operated and non-operated assets in an Eastern Shelf field as well as non-operated and mineral interests in the Midland and Delaware Basins and is headquartered in Houston, TX.

“WellWorth is easily saving us ~\$150k-300k in hiring a 2-4 year analyst and an engineering tech!”

Kyle McQuire (President & COO)

Challenges

The financial modeling workflow challenges for Peak 10 included:

Collaboration between Engineering and Finance teams was inefficient

- Data exchange between engineering and finance teams was cumbersome, delaying decision-making.
- Finance lacked visibility into well-level assumptions and analysis, creating bottlenecks.

Engaging external engineering consultancy services is expensive

- Having to run the ARIES database for every scenario was a significant expense, especially for routine tasks that did not involve re-forecasting production volumes.

Modeling financial structures across multiple entities was complicated

- Modeling capital structures for multiple entities that all have unique structures was complex.
- Non-consent ownership reversions require well-level granularity, which Excel cannot handle efficiently.

Managing reserves data was time-consuming

- Changes such as scheduling/rescheduling wells or updating ownership would take hours.

Inadequate tools for modeling working capital (AR/AP)

- The ARIES-Excel combination does not lend itself well to modeling cash offsets and accruals, which is crucial for effective cash flow management.



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“If you are conscientious and want to be thorough, consider this: previously, analyzing 10 different scenarios meant reworking both the reserves and the Excel model 10 times—a task requiring at least two full days for a multi-functional team.

But now, with WellWorth, one person can accomplish the same task within minutes. We're no longer limited to a narrow set of likely scenarios. **If our financial analyst had to rework an Excel model for every scenario, with the dependency on the engineering team, I would be far less inquisitive.”**



Kyle McQuire
President & COO

Solution

In order to address these challenges, Peak 10's finance team adopted WellWorth into their reserves economics and corporate finance workflow. The platform's extensive feature set helped in streamlining their processes as follows:

Increased Transparency

- WellWorth allowed seamless QC of ARIES assumptions, allowing better collaboration between finance and technical teams.
- Performing ad-hoc analyses for requests, from management as well as from PE sponsors, now takes only a fraction of the time.
- WellWorth's Excel Add-in allows easy sharing of financial models, for a variety of scenarios, with internal and external stakeholders.

Additional Flexibility and Reduced Consulting Costs

- The finance team can now run scenarios around development schedules, ownership assumptions, and cost structures without an excessive reliance on external technical consultants.

Easier Entity Management

- With a single WellWorth model, the Peak 10 team is now able to group well-level and corporate results by entity within minutes.

Asset-level analysis integrated with corporate finance

- WellWorth bridges the gap between well-level and financial modeling, making cause-effect analysis easier.
- The team can quickly analyze the effect of production risking, cost variances, drilling schedules etc., on financial performance.

Standalone and Combined A&D Analysis

- The team is now able to evaluate A&D opportunities, not just as standalone packages but also in combination with existing assets. This provides a comprehensive view of the effect of new opportunities on the overall asset portfolio.

Roll Forward Value Analysis

- With WellWorth, the team can estimate roll forward value of assets within minutes; a process that would otherwise take hours when done in Excel.
- This is useful for asset valuation as well as for RBL borrowing base analysis.

To learn more, reach out to us through our website

wellworthapp.com