VALIDERE

CUSTOMER STORY

A data-driven path to better crude oil marketing.

CUSTOMER

A diversified unconventional oil and natural gas company, focused on developing its asset base in Alberta and northeast British Columbia. The Company has a balanced mix of crude oil, liquids-rich natural gas.

Product data visibility and greater market access increased netbacks by CAD $8.85 per cubic meter.

CHALLENGE

Seeking opportunities for greater profitability

The company is always investigating opportunities for increased profitability for shareholders but needs to be able to execute them without adding significant resources.

The ideal complement to the high functioning team are data solutions that allow the team to analyze and optimize the far-reaching asset portfolio faster and with greater certainty than they could independent of those tools.

Friction associated with the adoption of a tool also needs to be low given the team can't allocate significant time to onboarding given their existing responsibilities.

APPROACH

A data-driven path to better crude oil marketing

Through an introduction to Validere, the company saw the possibility of automating and optimizing its selling decisions using Validere's Commercial Hub SaaS offering. The Commercial Hub is a managed online market that uses advanced analytics to deliver real-time pricing, transparent product qualities, and transportation data from all segments of the oil supply chain. It highlights the highest value commercial opportunities for producers, midstream companies, marketers, and traders so all market participants can make the most positive net sum decisions.

The company worked with Validere to automate the collection of key elements of its existing crude oil production data such as the location of its assets, asset quality, and asset volumes within Validere's Product Data Cloud. The Product Data Cloud also aggregates publicly available data such as pipeline infrastructure, trucking routes and live market pricing across the region. The combination of the company's data with Validere's data provide the team with possibility of finding optimal outcomes that were not previously apparent.

With the data now centralized, it used Seller Dashboards produced by the Commercial Hub to view recommendations for buyer sites that would most benefit from the purchase of the company's crude oil. The Commercial Hub then enabled the company to list its barrels at a premium for potential buyers to purchase. Only buyers that are willing to pay a premium to the company's current pricing were auto matched.

Key to enabling the product data cloud and advanced analytics were AWS S3 and Lambda services. By building out a cloud native data pipeline, Validere is able to extract, transform and load data in real time. AWS S3 provides low-cost storage of raw data, and event triggered serverless Lambda functions allow for immediate data transfer without having to run a dedicated server.

The Validere platform is built using AWS cloud native services including AWS RDS and multi-node EC2 containers. This architecture allows for immediate scalability of the platform to handle any sudden increase in traffic and load.

OUTCOME
Higher profitability and flexibility

Through greater visibility and the ability to engage more potential buyers of its products, the company achieved an average increase in netback of CAD $8.85 per cubic meter.

It also gained numerous strategic benefits. It received increased intelligence on optionality of delivery points for its volumes. Its customer base was now more diverse; for example, in cases of excess production, it now had a larger universe of buyers. When presented with options for new delivery points, the company was also able to uncover operational constraints that needed to be addressed before finalizing new commercial relationships. It also was able to start evaluating incremental opportunities within its own portfolio of business.

Talk to a Validere expert

Learn how Validere can transform your business.
Email **contactus@validere.com**

Data Science   Industry

Physical Science   Technology