Oildex

OpenTicket™ **Product Overview**

OVERVIEW

The oil and gas industry has a long history of incredible innovation. Recent innovations such as directional drilling, fracking, and walking rigs have pushed production costs down to levels unimaginable just ten years ago. While 'front office' innovation gets most of the attention, significant innovation has taken place in the back office as well. Thanks to the advent of invoice automation with products like OpenInvoice, operators have been able to cut the time needed to generate payments to their service providers in half.

But why has invoice processing time only been cut in half? One barrier stands in the way of further innovation: the industry-wide dependence on paper field tickets as the source of truth for services delivery. Paper field tickets create numerous issues for operators, impacting departments ranging from D&C operations to LOE operations, finance and even supply chain. For service providers, the paper field ticket process negatively impacts cash flow.

OpenTicket is the industry's only end-to-end software solution supporting the generation, review, and approval of digital field tickets across both operators and their service providers. It comes from Oildex, a company that has already successfully changed the industry once by onboarding hundreds of suppliers and over 69,000 service providers onto OpenInvoice.

OpenTicket improves safety by eliminating unnecessary travel to drop off and pick up paper tickets. It supports digitalization initiatives by turning all field ticket information into analyzable data, it gives Company Men unprecedented visibility into operations and costs across their entire purviews and expedites back office processing to the point where operators can 'pay on the ticket,' thereby improving operator/service provider relationships.
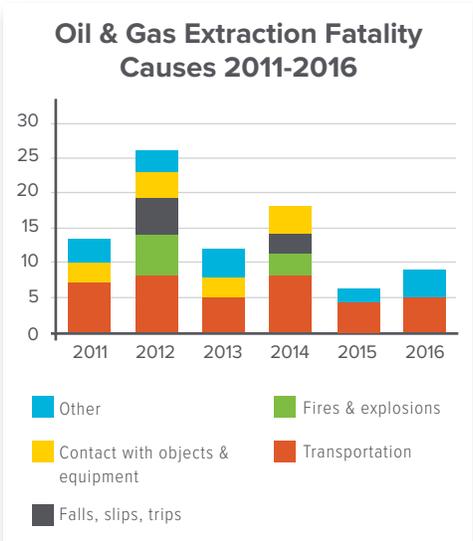
FIVE ISSUES WITH THE PAPER FIELD TICKET PROCESS

Paper field tickets are pervasive across the entire oil and gas industry. Every operator uses them. Every service provider uses them. If the technology is such a standard, why would any company want to change? There are five primary issues with current paper field ticket processes: change management, safety, analytics, availability and processing time. Without significant innovation in the back office, the industry will continue to struggle with these issues.

1 Change Management

Even though most oil and gas operators and oilfield service providers see the benefits of digitalization, they all still use paper field tickets. Since field ticket generation, review and approval are fundamentally a collaborative process that spans two companies, no single operator or service provider is large or powerful enough to move the entire industry to digitalized field tickets on its own. As a result, even with all the incredible communications and computer technologies now available, the entire industry has been stuck with paper field tickets as a critical source of truth for 100+ years.

2 Safety

According to the US Bureau of Labor Statistics, transportation incidents are the number one cause of fatalities in the oil and gas industry. How many otherwise unnecessary trips do suppliers make dropping field tickets off to be approved, operators make going to the locations where they collect their tickets, and suppliers make retrieving their signed tickets? Field tickets are a major reason safety officers often ask "How can we get these vehicles off the road?"

3 Analytics

Companies everywhere are looking to become data-driven, using analytics to improve their operations. However, it is not possible to become data-driven without data, and paper field tickets are not data. Scanning a paper ticket to generate a PDF also does not create analyzable data. In addition, experience with invoice automation has proven that OCR is also not the answer. Some information from paper tickets gets manually entered in a Morning Reporting System or onto an invoice, the remaining useful information about the nature of the services performed is lost forever.
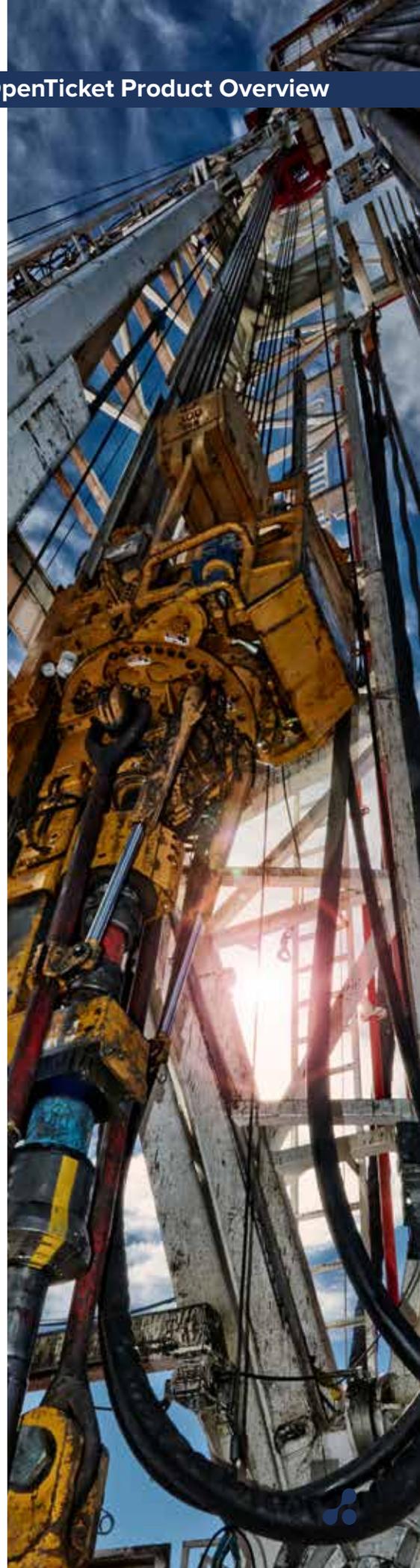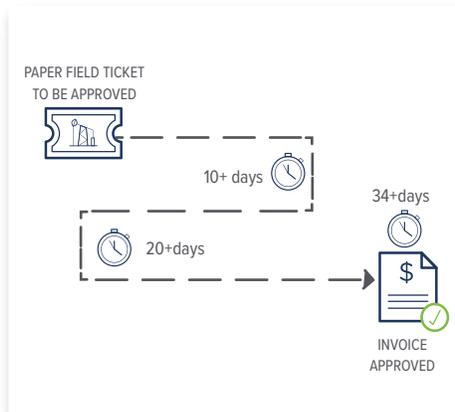

Oil & Gas Extraction Fatality Causes 2011-2016

Legend:
- Other
- Fires & explosions
- Contact with objects & equipment
- Transportation
- Falls, slips, trips

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4 **Availability**
     On the LOE side, it may take days for a paper field ticket and the Company Man to be at the same place at the same time so, s/he can approve it. S/he then has to wait weeks for the invoice to arrive, so, s/he knows how much they actually spent. In the meantime, the company man has no good source of information on what services are taking place in their territory, or what they are spending on those services. The data is simply unavailable.
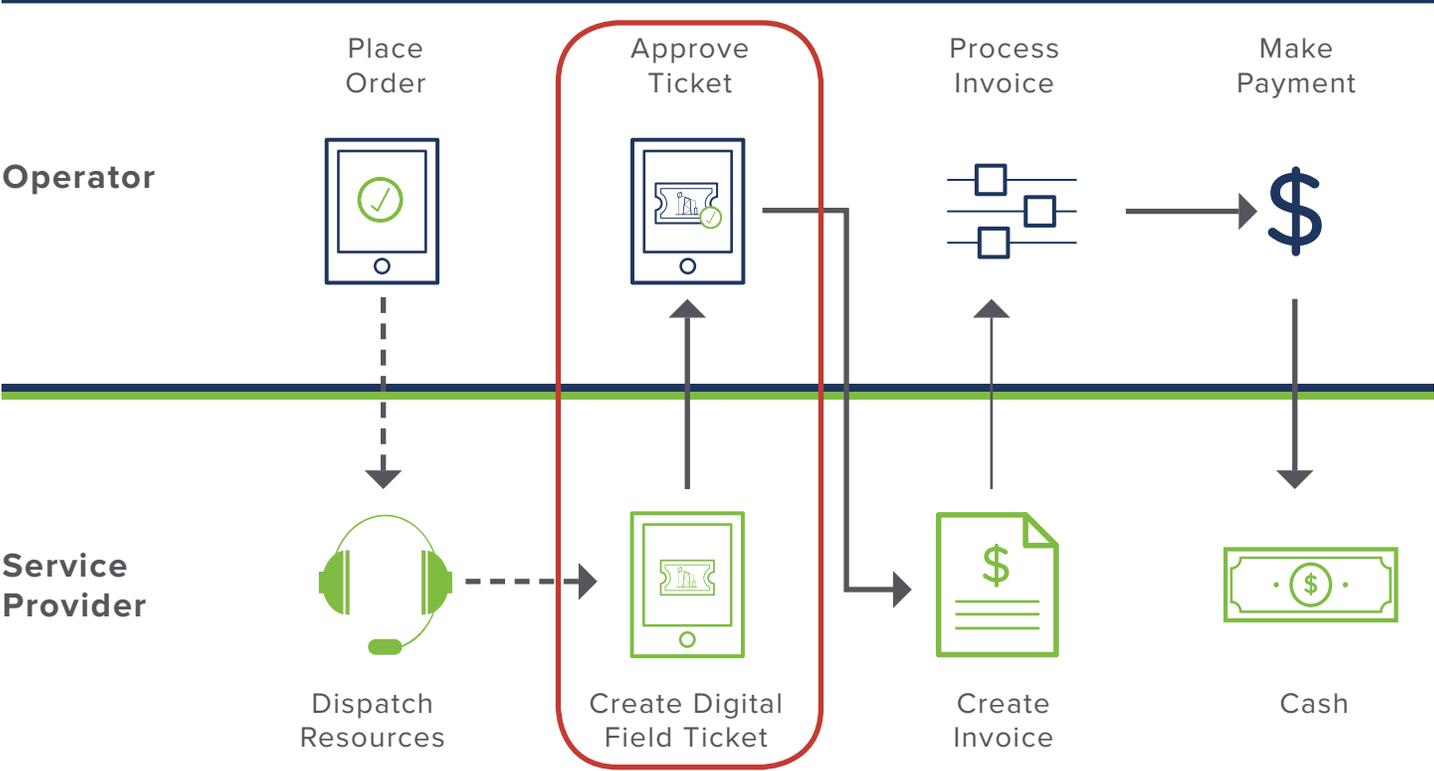
5 **Processing Time**
     Industry data shows it takes on average 34 days to generate and approve an invoice for payment following completion of service. Tickets need to be generated, reviewed and approved, then turned into invoices that go through their own processing and approval steps. Paper slows down each step, threatening good operator/ service provider relationships and jeopardizes lucrative early pay discounts are unobtainable. Relying on once-a-year audits to catch duplicate billing and fraud isn't fast enough either.

PAPER FIELD TICKET
TO BE APPROVED

10+ days

20+days

34+days

$

INVOICE
APPROVED

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INTRODUCING OILDEX *OPENTICKET*

Given the collaborative nature of field ticket processing, no single operator nor service provider can digitalize the entire oil and gas industry on its own. However, that does not mean it is not possible for one company to change the whole industry. One company has already done so by digitalizing invoices — That company is Oildex. Today, over 250 operators and 69,000 service providers rely on Oildex's OpenInvoice SaaS software to process $150+ billion in annual spend. Furthermore, analysts say as an industry, oil and gas is at the forefront of the adoption of invoice automation.

Now Oildex is tackling the next great digitalization challenge in oil and gas with *OpenTicket*, the industry's only software environment that enables operators and service providers to collaborate to generate, review and approve digital field tickets. First introduced in 2016, *OpenTicket* is now in its second generation and is enjoying rapid market adoption.

	Place Order	Approve Ticket	Process Invoice	Make Payment
Operator				$
Service Provider	Dispatch Resources	Create Digital Field Ticket	Create Invoice	Cash

Workflow | Checks & Balances | Approval Routing | Reporting | Exception Management

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WHY *OPENTICKET*?

By digitalizing the entire collaborative process whereby operators and service providers collaborate to generate, review and approve field tickets, *OpenTicket* addresses five key issues with existing paper field ticket processes.

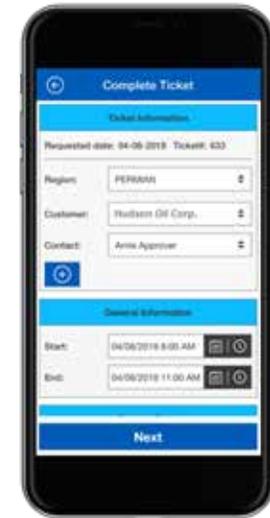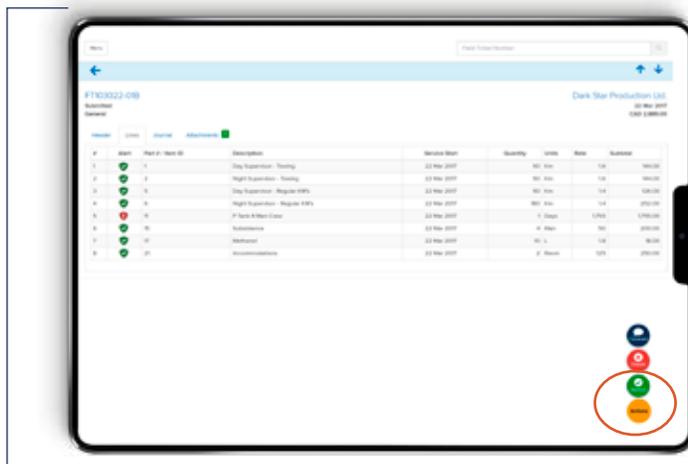| Paper Field Tickets	Digital Field Tickets with *OpenTicket*
Change Management	End-to-end solution from a vendor with proven ability to change the industry
Safety	Leverages mobile and internet technologies to minimize travel
Analytics	All ticket information becomes analyzable data
Availability	'Virtual **Company Men**' provide complete visibility of all activities and costs across the entire region
Processing Time	Automated compliance and reconciliation improve supplier relationships by expediting approvals and payments

End-to-End Solution

OpenTicket includes all the software both operators and service providers need to generate, review and approve digital field tickets. Its core is a cloud-based, collaborative workflow engine that performs routing, validation, compliance and exception management. For service providers, *OpenTicket* provides a dedicated mobile application called *OpenTicket* Mobile and a browser-based supplier portal, plus OpenInvoice integration and APIs for integrating third party software. For operators, *OpenTicket* provides a browser-based buyer portal, OpenInvoice integration, and integration APIs. Both operators and service providers benefit from Oildex's proven supplier onboarding methodology which has successfully brought over 69,000 suppliers online with OpenInvoice.
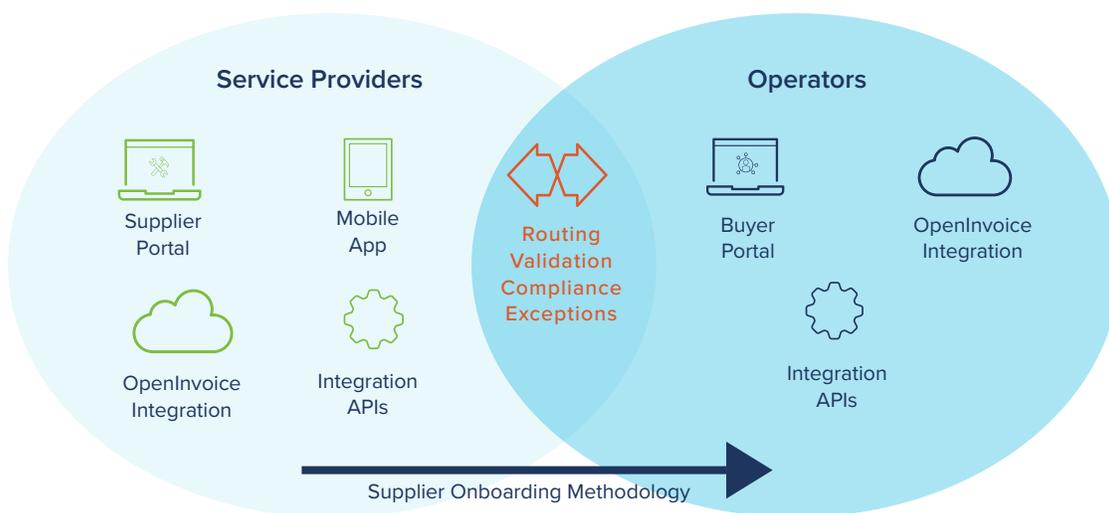
Mobile and Internet Technologies Eliminates Travel

With *OpenTicket* Mobile, service providers can create digital field tickets anytime and anywhere, even when they are offline. With the *OpenTicket* buyer portal, operators can approve tickets anytime they have an internet connection. Service providers no longer need to make multiple trips to drop off tickets for signing and pick up approved ones. They no longer need to drive back to the office to write up tickets. They also no longer need to wait around onsite to obtain approvals. *OpenTicket* succeeds in getting trucks off the road.

Operators approve tickets anytime they have an internet connection.

Service Providers create tickets anytime and anywhere, even offline.

Ticket Information Becomes Analyzable Data

With *OpenTicket*, every piece of information captured on a digital field ticket becomes analyzable data that can be leveraged later to improve operational efficiency and effectiveness. Even better, service providers do all the data entry. With a click of a button (or two), D&C Company Men can export ticket data from *OpenTicket* and import it into OpenWells or WellView to include absolutely accurate cost data into their morning reports.
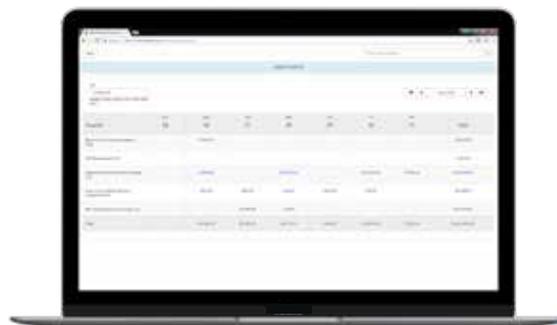
Morning Reporting System
(OpenWells | WellView)

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Service Providers Extend Your Team

Until now, LOE Company Men have not had anything like the Morning Reporting Systems their D&C counterparts use to aggregate and report on activities under their purview. *OpenTicket* changes that. As service providers working throughout their territory complete work and create digital field tickets with their mobile devices, those tickets provide near real-time notification to the Company Man as to exactly what work is being performed in their territory, how much money is being spent and even what is being produced. With *OpenTicket*, service providers become "Virtual Company Men," giving the actual Company Man the ability to see everything going on in their territory as if they could be in multiple places at one time.


THE VIRTUAL COMPANY MAN

Office   Company Man
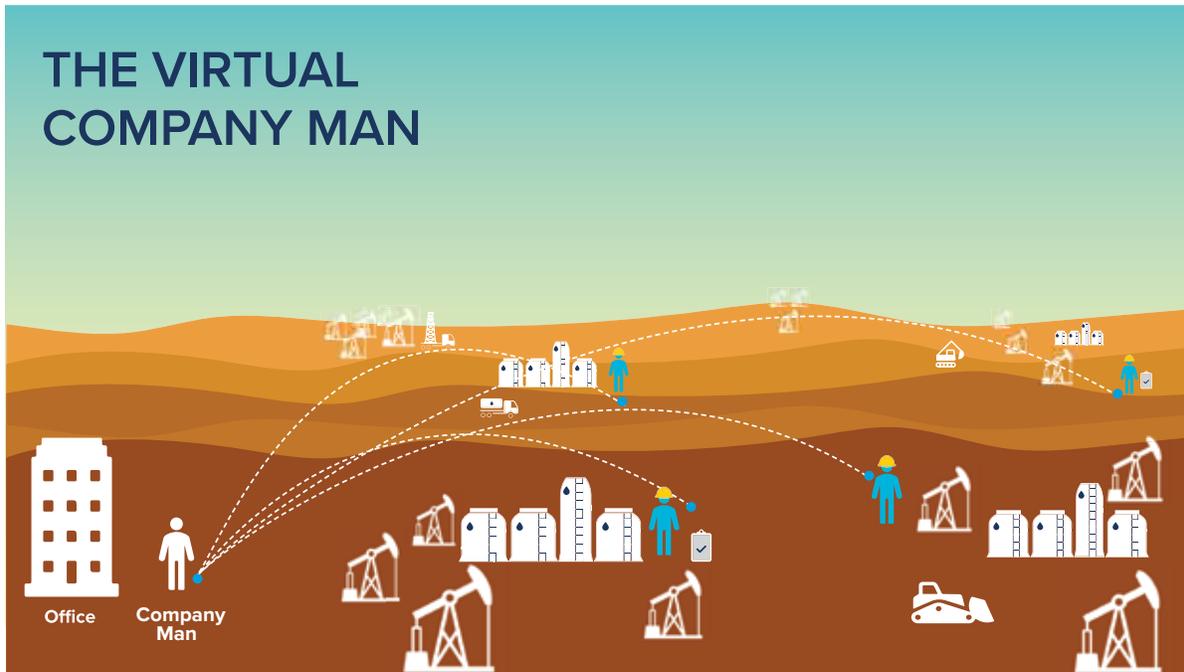
Optimized Processing Speeds Payments

With *OpenTicket*, back office processing that used to take weeks to generate a payment from a completed ticket can now literally be done in days if not hours. *OpenTicket* streamlines the field ticket review and approval process with techniques such as reconciliation with price books and purchase/work orders and cost center and AFE allocation. If desired, operators can configure *OpenTicket* to automatically approve field tickets that meet certain pre-defined conditions, eliminating the need for human intervention. Of course, if there is an issue with a ticket that requires operator and/or service provider action, *OpenTicket* expedites the dispute resolution process.

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OpenTicket moves the industry to Oildex's vision of "pay on the ticket", also sometimes called "pay on service". One *OpenTicket* customer has already proven they can cut the time from when the ticket is created to when payment is authorized down to one hour! For operators that want to establish stronger relationships with their suppliers, there is no substitute for paying bills faster. In some cases, operators may even qualify for lucrative early pay discounts.

PAY ON TICKET
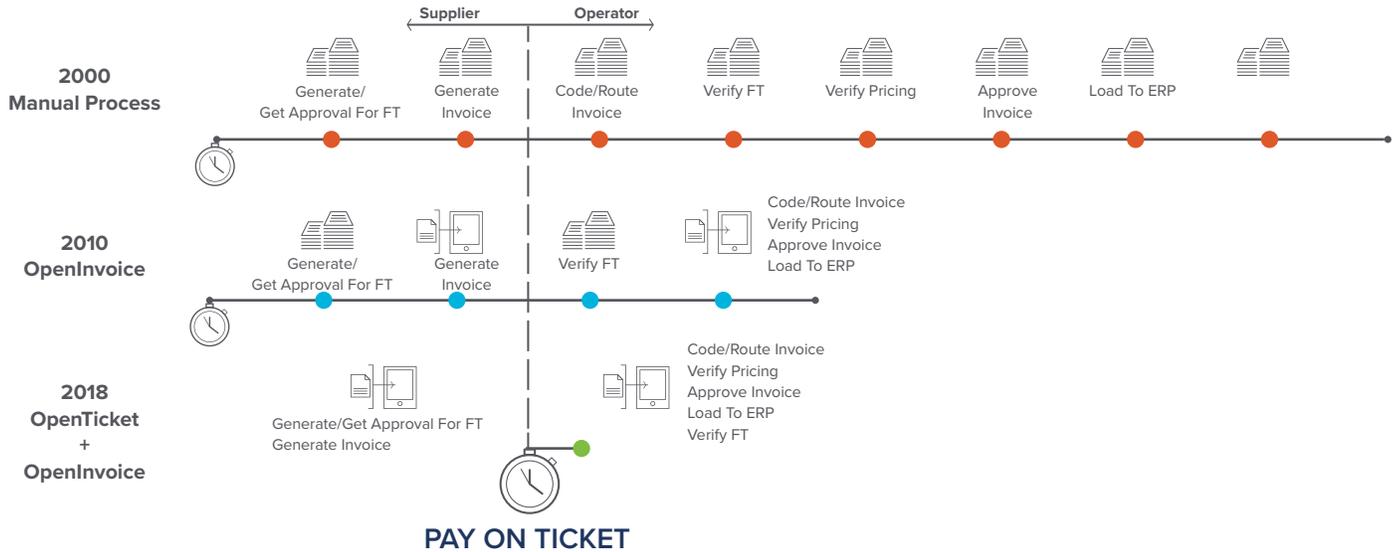
EVERYONE BENEFITS FROM *OPENTICKET*

OpenTicket is one of those unusual products that provides benefits to virtually everyone it touches — both operators and service providers. Operations teams in both D&C and Production Operations, Supply Chain and Procurement teams, Accounting and Finance teams, and executive leadership all benefit from digitalized field ticket creation, approval, and processing with *OpenTicket*. For service providers, the benefit can be summarized in three important words: get paid faster. As service providers struggle to meet increased demand for their services now that the industry has adjusted to current oil prices levels, cash flow is critical. *OpenTicket* materially improves cash flow for service providers in Canada.

OPENTICKET VALUE PROPOSITIONS

D&C OPERATIONS

Safety support by eliminating unnecessary travel

Digital field ticket data feeds **Morning Reports**

Rentals support

More accurate **cost management**

Best **operator/supplier relationships**

LOE OPERATIONS

Safety support by eliminating unnecessary travel

Digital field ticket data accelerates **cost and operations understanding**

"Virtual Company Man" concept

More accurate **accruals**

Operational information provided as **services are performed**

Better **operator/supplier relationships**

BUSINESS PROCESS

Streamline field ticket review/coding/approval process

Push processing as far forward as possible, **reducing back office effort**

Reduced knowledge worker involvement in **approval process**

Early Pay Discounts

Service Providers get paid faster!

OPENTICKET IN ACTION

Since its launch in 2016, *OpenTicket* (originally called OpenInvoice Field Ticket) has been adopted by dozens of North American oil and gas operators. Service providers and operators are now creating, submitting and processing digital field tickets using *OpenTicket* in major basins and plays in North America including the Permian, Marcellus and Montney/Duvernay in Canada.

Montney/Duvernay

Bakken

DJ

Marcellus

Uinta

Scoop & Stack

Delaware

Permian

Eagle Ford
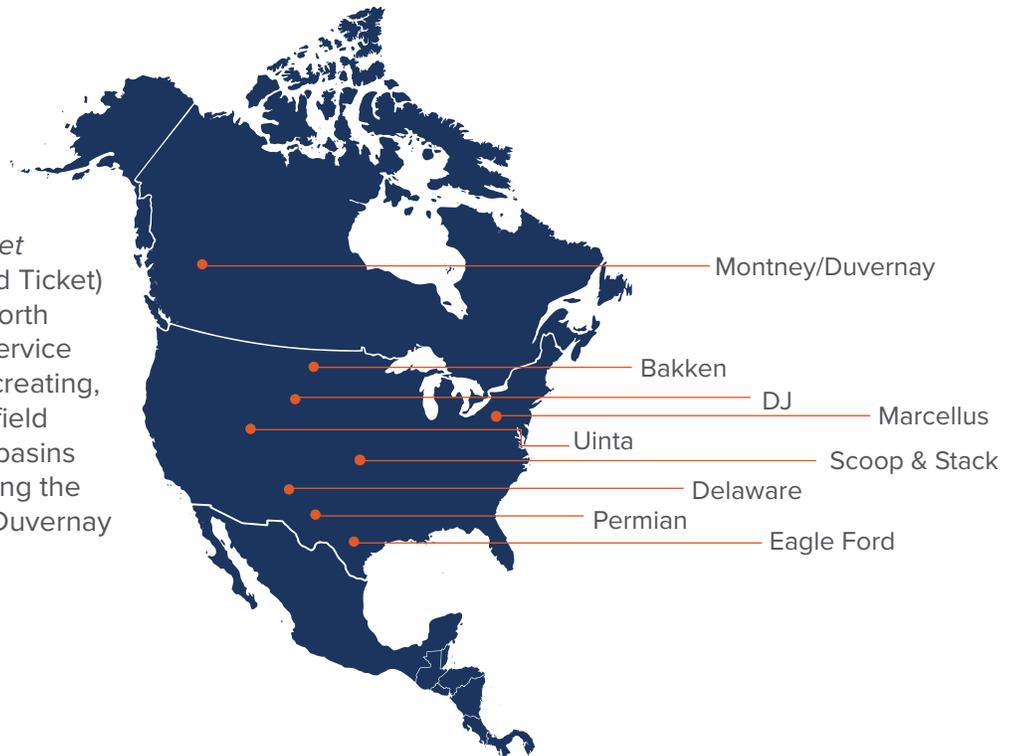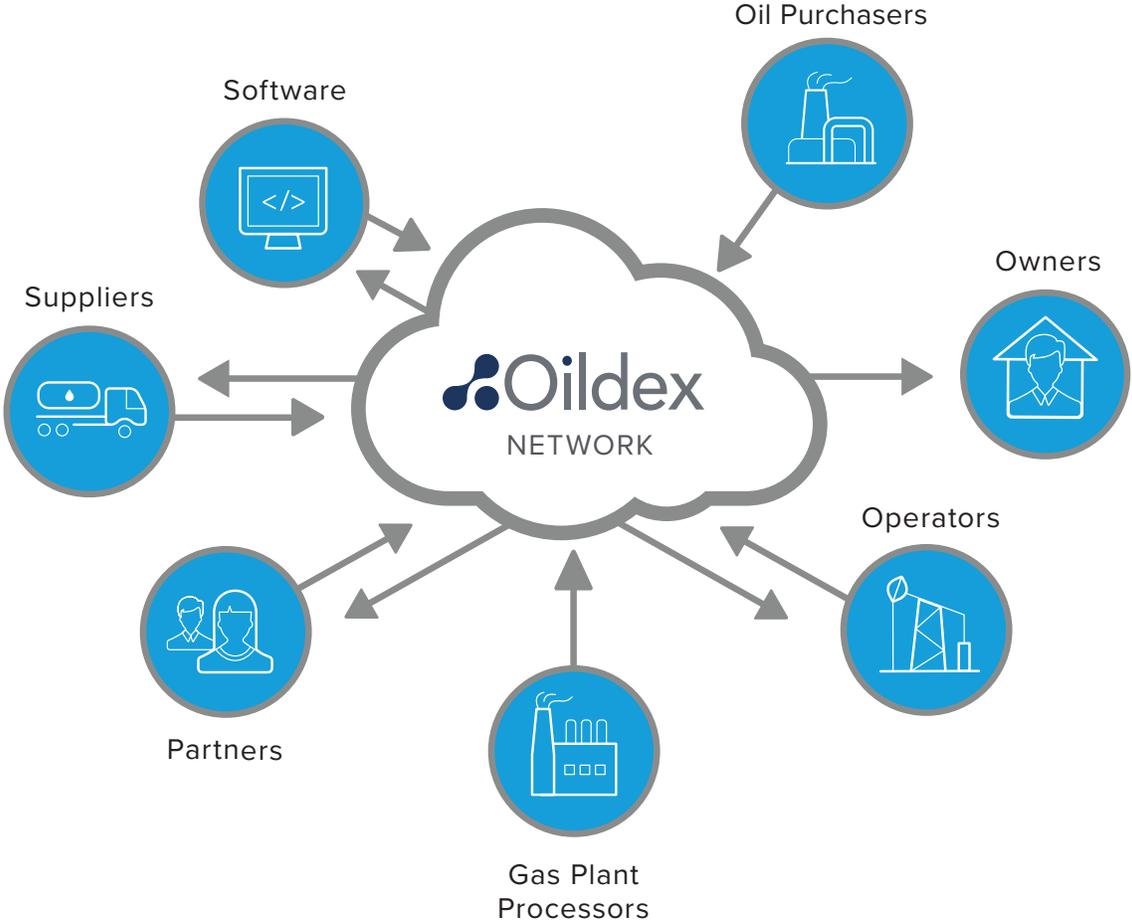
ABOUT OILDEX

Oildex is transforming the way the oil and gas industry connects, collaborates and automates. More than 1,100 operators, 69,000 service providers, dozens of financial institutions and millions of mineral rights owners use the Oildex Network to seamlessly and securely collaborate with their business partners, automate critical business processes, eliminate the high cost and errors associated with the handling of paper, and obtain access to key data to make more informed business decisions. Oildex is headquartered in Denver and has offices in Houston; Calgary; Austin; Fayetteville, Arkansas and Tennessee.

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www.oildex.com