



AFE Nav

Case Study

Reducing Errors, Workload and Approval Times with Automated AFE Software

The Company

Novus Energy Inc. is a junior oil and gas company with high netback light oil reserves and production in Alberta and Saskatchewan with production of 4,500 boe/d. Novus Energy is a wholly owned subsidiary of Yanchang Petroleum International Limited, an oil and gas producer and refined oil wholesale and retail business whose stock is listed on the Hong Kong Stock Exchange.

The Challenge

Novus was managing over 400 Approvals for Expenditures (AFE) per year using a combination of spreadsheets, manual tracking sheets, and old fashioned legwork. As a result of this manual process, AFEs took a long time to process and were frequently misplaced or lost outright. With different people working on spreadsheets at different times, duplication errors would occur, which added increased risk to the process from a control and timeliness standpoint.

The Solution

Novus needed to implement an automated AFE process to reduce their risk and speed up the process of getting expenditures approved. Mitch Huitema, their VP Finance, had previously used AFE Navigator® (AFE Nav) at another company and was eager to implement it at Novus.

AFE Navigator is an all-in-one, web-based AFE workflow and capital tracking system for faster approvals, tighter cost control and maximized ROI on capital investments. AFE Nav brings all AFE data, documents and information into a secure, central hub that's accessible to all departments. AFE Nav integrated with Novus' existing accounting systems, providing them a greater level of sophistication without disrupting their existing process.

The Results

The improvement moving from spreadsheets to AFE Navigator was dramatic. Bringing all Novus' AFE information into one centralized software made it easier to plan spending, easier to generate AFEs, and easier for anyone in the process to stay informed. Duplication errors vanished while the overall process sped up and allowed more people to be included due to the simplified nature of AFE generation.

With the manual spreadsheets, Novus had to limit the number of people involved in generating and managing AFEs to those experienced with using the specialized spreadsheets. This led to bottlenecks and single points of failure in the process. Even with access limitations imposed, the process was prone to errors due to the physical nature of data tracking. With AFE Navigator, rather than just 1-2 people managing the process, Novus can pass off AFEs to affected departments rather than have accounting or an office admin generate every AFE.

By reducing errors, misplaced AFEs and manual legwork, and by increasing visibility and the number of people involved in the process, Novus was able to reduce approval times, often by a matter of weeks.

“After examining our AFE situation and the pain it was causing, I knew it was time for an upgrade. With my prior experience with AFE Navigator, I knew it was the best option available, and once implemented, the improvement was dramatic. Our process is now much more transparent, we’re able to plan better, and things are getting approved faster than before”.

Mitch Huitema

VP Finance

Novus Energy