

Ryder Scott launches price differential freeware



Ryder Scott has designed and released its *Reservoir Solutions* price differential program for Excel. The download link for the HC Price Xplot program and the other 13 free-ware applications is posted on the [website](#).

Public issuers apply differentials to benchmark prices, adjusting them for quality — including gravity and sulfur content — and for energy content, transportation fees, and regional and local differences. The adjusted prices are used to prepare annual reserves filings with the U.S. SEC.

HC Price Xplot is designed to assist the professional engineer easily and quickly to determine price differentials, which are the differences between “hub” or reference prices and the prices actually received at the wellhead. The template assists in determining the expected wellhead price based on any given benchmark hub price.

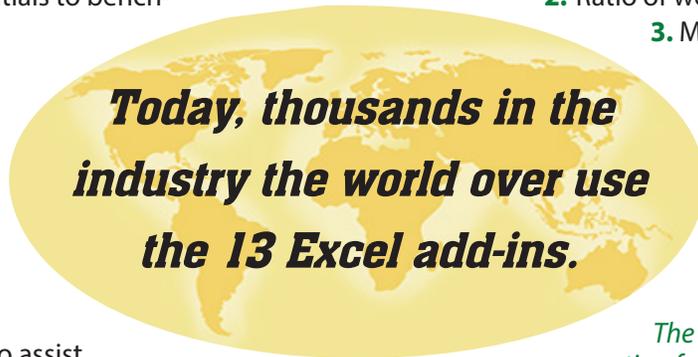
“It is important to remember that for determining differentials, you should only use monthly average hub prices and monthly average wellhead prices in the analysis,” said **Fred Ziehe**, advising senior vice president. “Do not mix daily prices and monthly averages for received prices while determining the differential.”

Users apply differentials to reference prices, such as the SEC 12-month average price, NYMEX price, average differential to the indices derived from monthly index prices and lease

operating statements, etc.

Price differentials are sometimes referred to and based on the following:

1. The “delta difference” between wellhead price and hub price
2. Ratio of wellhead price to hub price
3. More rigorous method in which the actual received prices are cross-plotted against the hub price, with a “best-fit” line drawn to represent the equation for the differential. This is sometimes called the dynamic differential method.



The differential analysis will appear as an equation for the “best-fit” line (below) through the data on the cross-plot of Field Prices vs. Benchmark Prices. This equation represents the relationship of the differential between field price and hub price, and can be entered into ARIES. Please see Ryder Scott launches price differential freeware on page 2

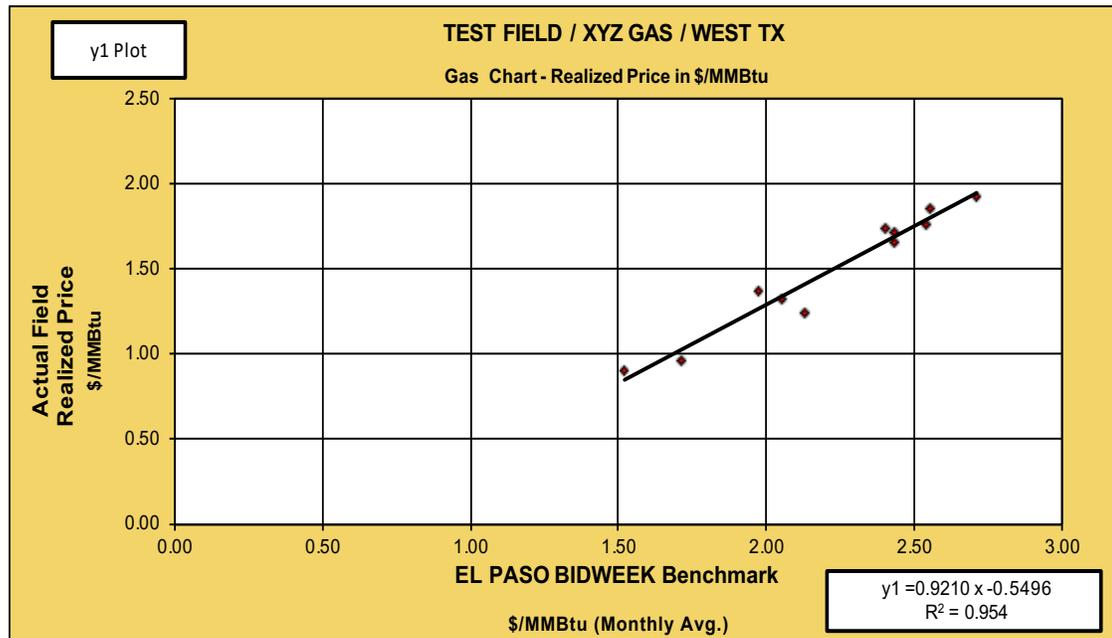


TABLE OF CONTENTS:

Ryder Scott launches price differential freeware.....	1	Ryder Scott, government and E&P companies work together to attain success in T&T.....	4
Office 365 “fix” necessary to display RS freeware template in Excel....	2	Carbon Capture, Utilization and Sequestration (CCUS) Value Chain....	6
Third-party assurance of ESG set to grow, says E&Y.....	2	Reservoir engineering expertise important in CCUS projects...	10
Oneness in nature: Beer foam, oil production and the universe.....	3	Two reservoir engineers join RS.....	12

HC Price Xplot easily determines the differential for all three of those methods with minimal effort and data.

“Keep in mind that if you are using an escalated pricing forecast, you may find that the differential will vary at low prices vs. higher prices. In that case, the best-fit line from the cross-plot may prove the most useful method,” said Ziehe.

For support, contact **David Garcia**, vice president, at David_Garcia@RyderScott.com or by phone at +1-713-651-9191, ext. 5509. Additional support is provided by Ziehe at Fred_Ziehe@RyderScott.com or by phone at +1-713-751-5576.

More than 20 years ago, Ryder Scott released its first *Reservoir Solutions* freeware program and by 2006, the number of petroleum engineering and geoscience applications had grown to 10. Today, thousands in the industry the world over use the 13 Excel add-ins.

Reservoir Solutions user manuals are included in all Excel add-ins. All posted freeware programs produce presentation-quality, on-screen views and printer-friendly, hard-copy output.

Ryder Scott also distributes USB drives with the freeware from its booth at the SPE-ATCE and NAPE events.

Editor's Note: *Ryder Scott does not guarantee or warrant the accuracy or reliability of the Reservoir Solutions software and disclaims its fitness for any particular purpose.*

Acknowledgements: *Many thanks to Ziehe and Bob Paradiso, vice president, for their invaluable contributions in making this program an excellent, user friendly product.*