



## Productivity Is in the Process

### World Energy Monthly Review talks to Allen Howard, President and CEO, NuTech Energy Alliance

**World Energy Monthly Review:** We talked last month about the out-of-the-ordinary NuTech processes. Do you believe some people could be put off by their complexity and proprietary nature?

**Howard:** Our experience has been that many companies view the NuTech processes with a critical eye until they are educated. Our processes are not a black box. They are proprietary models based on tried and proven relationships from the log data. We show these relationships to our customers, allowing them to see existing conventional data in a new light. That gives our customers confidence in our product outputs.

**World Energy Monthly Review:** How did you get here when no one else has, especially when there are larger companies in this same field and even companies doing things like this in-house?

**Howard:** Our core management team was at the forefront of the advancement of nuclear magnetic resonance (NMR) logging technology. The tremendous base of knowledge gained from that experience was a key ingredient in the establishment of our understanding of the petrophysical relationships, which became a foundational building block of our business. Since then, we have advanced our products and services in all major oil producing basins. The increasing

volume of wells that we process each month further adds to our base of expertise in each area. That is why over the last eight years, we have been able to advance our models beyond what anyone else is doing. It also gives us the ability to extract subtle information from a client's data. I do not think we would have gotten to this point if we had not remained this focused.

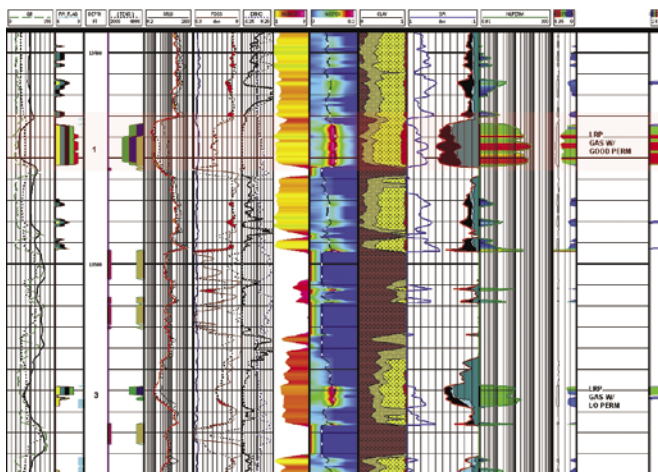
**World Energy Monthly Review:** NuTech has seen an awful lot of data. But as you told me yourself, the proof is in the pudding.

**Howard:** A company selling technology-based products and services cannot achieve repeat business without excellent performance. For NuTech, excellence is measured by our accuracy. The goal always has been to achieve 90 percent or better accuracy from our models, and our feedback tells us we are meeting this standard. PEMEX was the first major company to scorecard us, and we had over a 95 percent success rate. That's huge, which is one reason PEMEX renewed their contract for another three years.

**World Energy Monthly Review:** You have overcome the industry's tendency to uptake technology slowly, and you are starting to ramp up more capacity. Where is NuTech going from here?

**Howard:** I believe we are only at the threshold of what we can do. As a technology innovator, we started gaining acceptance in less than four years, which as you know is fast compared to the industry average of nearly a decade. Our growth as a company demonstrates how our industry believes in our products and services. Domestically, we have done close to 20,000 wells so far, and that is only the tip of the iceberg – as many as 36,000 to 40,000 new wells get drilled a year.

At the same time, we are selectively moving into key international markets. Smart growth has put us where we are now, and we will continue to be very mindful of our expansion strategy. For the last six years, our growth rate has been over 35 percent per year. That's helped us attract some of the best technical minds in the business, and we will continue to look for those types of people as we grow.



In this example, the NuLook revealed a low resistivity pay interval that was presumed to be water bearing by conventional analysis. The interval produced 2.3 million cubic feet of gas per day, water free.