



Efficient, End-to-End ERP System for Crude Purchasing

Lincoln Crude Oil Marketing, LLC is an independent, privately held oil purchasing company located in the Illinois Basin with the mission of connecting the Illinois Basin to a variety of oil markets to provide local producers the best possible price for their oil.

When Lincoln Crude originated, outsourcing accounting operations made sense. Priority number one was building out and completing the Patoka Terminal, the offload point for purchased crude. As they readied to engage in full-scale marketing, Lincoln Crude knew it needed a system built to handle the purchase and sale of crude.

The system had to seamlessly handle distributing revenue to owners and/or operators, track division orders and all accompanying due diligence, maintain records of pricing contracts, and ultimately produce financials for the entire organization.

Enter PakEnergy Software

PakEnergy's accounting for Midstream is an all-in-one crude purchasing system encompassing accounts payable, payroll, revenue/billing, run ticket data, division orders, contracts, and financial reporting. Having prior experience with PakEnergy in other companies, Lincoln Crude's management team selected PakEnergy as the system of record for their ongoing buying and selling needs.

As Chief Financial Officer for Lincoln Crude, Steve Tate knows well the capabilities of PakEnergy. He and his team have maximized their usage of the software throughout the organization. As CFO, Tate is responsible for the overall financial health of the organization which means he needs visibility to the whole financial picture with the ability to drill down quickly into anomalies.





Analyzing Details

“The financial reporting available within PakEnergy has been really helpful to me as it gives me instant access to real-time information such as the income statement, balance sheet, or even a payroll report,” Steve commented. “More importantly, it is easy to dig into the underlying data whether that is evaluating a set of transactions or comparing month-over-month numbers for a particular expense.”



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Steve Tate
CEO, Liberty Crude



Tate has mastered the Financial Reporting module within PakEnergy, which he credits to the Financial Reports training class in Abilene, Texas. However, he takes building custom reports to an all-new level. His custom reports pull data from a multitude of sources within PakEnergy allowing him to monitor operating expenses on a per barrel basis.

With his report set-up, he carries the standard Net Income and Revenue lines on his financial statements but has built a report structure that gives him easy access to some of the finer details to analyze costs and revenue down to the barrel.

In addition, he finds the budgeting tool extremely helpful as it allows him to actively monitor budget vs. actuals and correct course when needed.

Financial Reports are, in a sense, the book cover. Completely necessary and extremely useful, but without the detailed pages inside, you do not have a full book. PakEnergy provides the cover and is also the source for the detailed data.





Centralized Data

As the system of record, PakEnergy helps Lincoln Crude streamline the vast amounts of data entry and data aggregation needed to run the operation and avoid data silos found often when using disparate systems. Areas for potential disconnect include run tickets, payroll, contracts, and division orders.

Tracking Division Orders (DO) can be a cumbersome process. Once the property is set up and the DOI (division of interest) entered in PakEnergy, you simply print the division order and send it off.

Since the PakEnergy system can print one DO letter per owner inclusive of all properties, Lincoln Crude has a more efficient DO process that is highly accurate and much faster.

Streamlining Run-Tickets

Lincoln Crude is also a customer of PakEnergy's Mobile Division. Before switching to PakEnergy's Mobile Midstream, Lincoln Crude processed run tickets monthly which required manipulating a CSV (Excel) file from their vendor and mashing it into PakEnergy. Reconciling and updating tickets was no easy task. With PakEnergy Mobile, they have instant access to ticket data, copies of run tickets, and a seamless integration into PakEnergy ERP.

Equipped with this mobile system, their drivers capture electronic ticket data and can generate a paper copy for the operator/producer. This provides Lincoln Crude with real-time access to its run ticket data which allows them to proactively address discrepancies and errors.

Now when a driver offloads at the Patoka Terminal, Lincoln can compare the LACT unit report against the run ticket to double-check the data for accuracy. This reduces the time needed at the end of the month for reconciliation.

The monthly process for a crude purchaser has the potential to be chaotic. However, Lincoln Crude has it down to an exact science and it now runs like a well-oiled machine, so to speak. With PakEnergy housing the various components of pricing contracts, generating monthly run statements is a matter of creating and processing a cycle via the imported run ticket data. PakEnergy Software keeps and applies the terms of each contract, accounting for pricing, fees, penalties, scale adjustments, driver rates, and other variables. Post-completion, the cycle books the appropriate amounts to the General Ledger and on through to revenue distribution and payroll.



"If you are in oil and gas this is the software you want. It does everything including AP, accounts receivable, payroll, first purchasing, revenue distribution – kind of an all-in-one for your oil accounting needs. It covers all the bases, meaning you don't have to string together a bunch of separate systems and hope the data is connected correctly."

Steve Tate
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