Multi-Chem’s $/BOE Incentive Pricing Program is a “win-win”, giving producers the opportunity to better manage total cost of a chemical treatment program and realize significant long-term savings, while incentivizing Multi-Chem to maximize performance.

With the $/BOE pricing program, Multi-Chem links chemical program costs (CPC) to the most logical production parameter for the application: Oil ($/BO), Gas ($/MCF), Total Oil and Gas ($/BOE) or Water ($/BW). As production of the associated gas or fluid increases or decreases, CPC changes accordingly, with the producer paying a fixed price based on actual production.

To provide an incentive for continuous improvement, Multi-Chem is incentivized to look for ways to optimize and reduce CPC, mechanically or chemically. These reductions in CPC are annualized to total savings for the producer, and upon approval, the one year annual savings are divided equally with Multi-Chem in a one-time payment. The producer continues to see lower cost-per-barrel-equivalent going forward, and can realize significant long-term CPC savings.

Special out of program costs are billed separately. This allows Multi-Chem to work with the producer’s team to maximize production and reduce operational expenses with other cost-effective programs outside the normal treating regime.

After coordination with the producer, changes are implemented using best-in-class chemicals or improved application technology to enhance production and reduce CPC, with Multi-Chem continuously assessing results and analyzing production data to quantify improvements, a true application of the Continuous Improvement Process.

Because producers pay only for what is actually produced, the program of shared savings can improve margins, and enables CPC to be accurately budgeted over a fixed period, facilitating billing and budgeting, and eliminating risk.
Features

- Links chemical program costs (CPC) to the most logical production parameter
- Producer pays a fixed price based on actual production
- Treatment costs are billed monthly
- Chemical inventories and usage rates are tracked for comparative purposes
- Out of program costs are billed separately

Benefits

- CPC can be budgeted over a fixed period, removing risk
- Ties CPC to actual production
- Provides incentive to reduce total CPC with best-in-class technology and chemicals
- Drives continuous improvement to identify ways to reduce total cost
- Reductions in CPC improve margins for producers
- Facilitates billing and budgeting

Multi-Chem's $/BOE Incentive Pricing Program is a “win-win,” giving producers the opportunity to better manage total cost of a chemical treatment program and realize significant long-term savings, while incentivizing Multi-Chem to maximize performance.