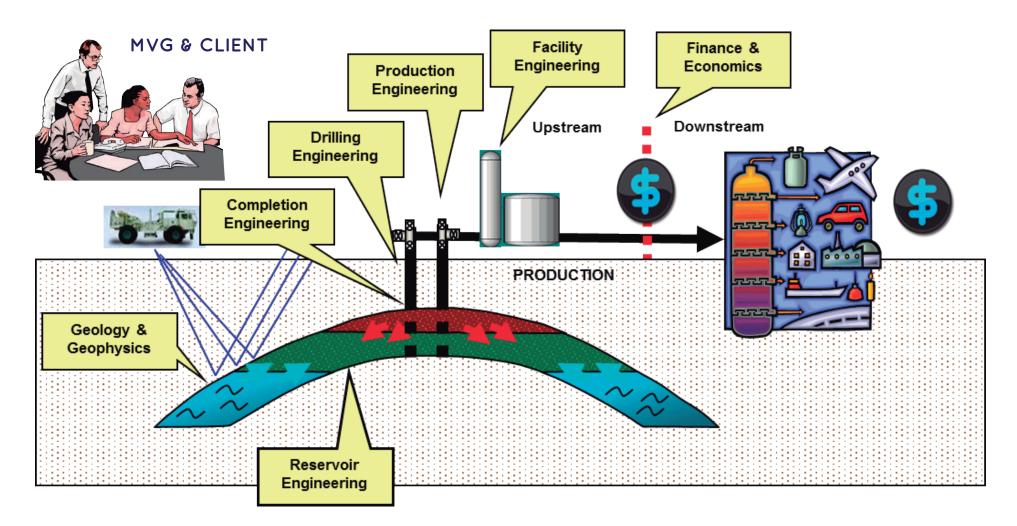


# OIL & GAS Consulting



### MVG 'S COLLABORATIVE PROCESS ENABLES OUR CLIENTS TO FIND SWEET SPOTS (HIDDEN PROFITS) WITHIN THEIR EXISTING PORTFOLIO





# MVG'S SERVICES AND SKILLS

DRILLING	COMPLETION	RESERVOIR & PRODUCTION	FACILITIES	PIPE LINE
*Benchmarking Off Set Operators *Vendors Selection *PAD Design *Bits Selection & Evaluation *Directional Drilling - Penetration (Days Vs Deep) *Optimum Hole Size *Mud Design Program & Evaluation *Cuts Treatment & disposal *US Analog Analysis *DWOP Exercise *Establish Operation Meetings *Procurement Tools *After Activities Reviews - (Lessons Learned & Best Practices) *Safety Audit *Tech Limits *Score Card & Boards *Key Performance Indicator - (Leading and Lagging)	*Casing Program Design *Cement Program Evaluation *Play Analogs Analysis *Fluids Program Evaluation *Perforation Program *Coiled Tubing Design *Stimulation Recom- mendation *Flow Back Monitoring *Well Head Design *CWOP Exercise *Procurement Mana- gement *After Action Review – (Lesson Learned & Best Practices) *Safety Audit *Score Card *Key Performance Indicator – (Leading & Lagging)	<ul> <li>*Type Curve Generation</li> <li>*US Analog Analysis</li> <li>*Pressure Transient Analysis</li> <li>*Well Testing &amp; Design</li> <li>*Coiled Tubing Design</li> <li>*Artificial Lift Design</li> <li>*Tubing Program</li> <li>*Field development Planning</li> <li>*Well Treatment Program</li> <li>*Re-perforating Design</li> <li>*Well Lifecycle Plan</li> <li>*EOR Design &amp; Evaluation - (Water, CO2 &amp; N2)</li> <li>*Safety Audit</li> <li>*Score Card</li> <li>*Key Performance Indicator</li> <li>*Full Field Optimization - (Maximum Profit &amp; Life Cycle Planning)</li> <li>*Oysters, Pearls, White Elephants, Dogs Analysis</li> <li>*Field Studies</li> <li>*Plugging &amp; Abandonment Design &amp; Reclamation</li> <li>*Due Diligence</li> <li>*Non-operating Manage- ment</li> <li>*Well Review / Field Review</li> <li>*Remedial and Work Overs</li> <li>Procedures</li> <li>*Budget Planning &amp; Budge- ting &amp; Economic Analysis</li> </ul>	<ul> <li>*PAD Design</li> <li>*Surface Facilities Design</li> <li>*Procurement</li> <li>Short Term Test Design</li> <li>*Power Design</li> <li>*Fluids Treatment Design</li> <li>*Facility Design</li> <li>*Fluids Treatment Design</li> <li>*Fluids Treatment Design</li> <li>*Facility Design</li> <li>*Cathodic Protection</li> <li>*Gas Treatment Design</li> <li>*NGL's Extraction</li> <li>*CO2 Removal</li> <li>*Salt Water Disposal System</li> <li>Facilities Design</li> <li>*Safety Audit</li> <li>*Score Card</li> <li>*Key Performance Indicator</li> <li>*Environmental Audits, Cleanup, &amp; Remediation</li> </ul>	*Pipeline Design *Pump Design *Compression Design *Gas Treatment Design *Gas Metering & LACT Unit Design *Pigging Design *Cathodic Protection *Procurement Management *Safety Audit *Score Card *Key Performance Indicator

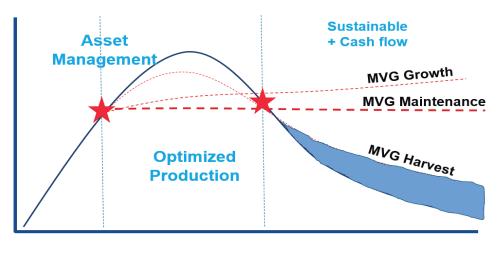
### SWEET SPOT IDENTIFICATION, PROJECTS VALIDATION AND EVALUATION, DEFINE PROFILES, AND & FIT FOR PURPOSE SCORE CARD

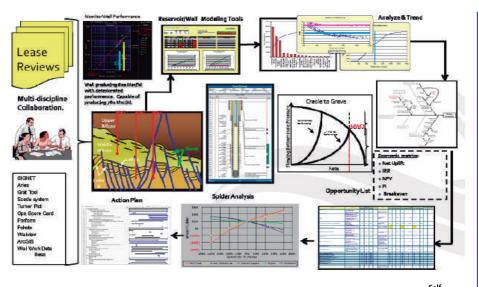


MVG SWEE	T SPOT

	Exploration		Development			
Criteria	Resource Discovery	Appraisal	Emerging	Development	Harvest	
Return						
Risk						
Remark	<ul> <li>Lowest Capital</li> <li>Cheap Entry Cost (Land Acquisition)</li> </ul>	<ul> <li>Moderate Capital</li> <li>Large Resource</li> </ul>	<ul> <li>High Capital</li> <li>Negative Cash Flow</li> <li>Larger Resource</li> </ul>	<ul> <li>High Capital</li> <li>High OCF</li> <li>High Proven Reserve</li> </ul>	<ul> <li>Low Capital</li> <li>Only Market Ris</li> </ul>	
Kau Canability	■ G&G	■ G&G ■ Reserve Engr.	<ul> <li>G&amp;G</li> <li>Reserve Engr.</li> <li>D&amp;C</li> </ul>	<ul> <li>Field Development</li> <li>Plan</li> <li>Life Cycle</li> </ul>	Management Artificial Lift	
Key Capability	'		<ul> <li>Facility</li> </ul>	Management	<ul> <li>Optimization</li> </ul>	

### "Turning Development Phase to Sustainable Positive Cashflow"





KPI	Weight	Target	Self Evaluation
Maintain Top Quartile Health, Safety and Environmental Performance	(10%)	<ul> <li>✓ Maintain top quartile Safety Culture</li> <li>✓ Near Miss - 11</li> <li>□ TRIR &lt; 0.30</li> <li>□ LTI - 0.0</li> <li>□ Vehicle Incidents - 0.0</li> <li>□ Less than 10 recordable spills per year</li> <li>✓ 10% yearly reduction of P&amp;A &amp; shut in wells</li> </ul>	Behind
Creation of an Innovative Culture, Knowledge Sharing & Synergy Practices	(10%)	<ul> <li>Create a cooperative environment for voluntary support among organizations through the Asset Team Concept</li> <li>Continue to create organizational culture of uniform standards and practices, valuing diversity of thought, while pursuing sustainable and profitable growth</li> <li>Provide group synergy project ideas and opportunities that streamline our operations, practices, and drives accountabilities</li> </ul>	On Schedule
Prudent Management of Operated & Non-Operated Operations	(60%)	<ul> <li>✓ Lifting Cost - \$0.80 per MCFE exit rate</li> <li>✓ EBITDA - \$64.4MM (&gt;\$1.5 MM operating)</li> <li>□ S0 wells monetized by year end from the T&amp;A, Negative Cash Flow, and Shut In Wells list</li> <li>✓ S0% Reduction in negative Cash Flow wells</li> </ul>	On Schedule
Development of a New Growth Engine	(10%)	<ul> <li>6.5 - 13 MMCFED sustainable uplift through an inventory of base production opportunities with greater 20% IRR that will payout before year end</li> <li>Develop a 2-3% CAGR development program for 2017</li> </ul>	No Able
Upgrading of Capability & Mgmt. System	(10%)	$\checkmark~$ 12% (6.5%) Base decline on end of the previous year producing wells	On Schedule

### **MVG IMPROVEMENT PLAN FOR YOUR OPERATION**

PLANNED PHASE 22 - 25% •

### ACTIVE PHASE 2 - 5%

### ACTIVE PHASE 1 - 3%

### TOP TIER

#### HSE ENHANCEMENT

- Safety Leadership Training
- Rewards Program for Safety

#### EXPENSE REDUCTION

- Operator LOS Training
- Implement Operator Goal Setting
- Work Order Maintenance Program on PM Items

#### PRODUCTION ENHANCEMENT

- -Operator Control Room Concept
- Operator Optimization Training
- Maximum Well Deliverability Initiative
- Lease Review Process Upgrade
- Formal Remedial / Workover Program
- Internal Benchmarking
- Well Target Production Initiative
- Portfolio Optimization -Acquisitions

### MAINTAIN PHASE

### **BEST IN CLASS**

#### **HSE ENHANCEMENT**

- External Benchmarking
- Capture Other Operators Best Practices and Lessons Learned
- Critical Areas Heat Mapping

### **EXPENSE REDUCTION**

Capture Synergies from
Pipeline Companies and
Other Operators
Defect Elimination
Program
Implement Operator Route Peer Review and
Knowledge Share
Program
Revise the Operator

Schedule (5/2, 7/2, or 10/4) to Reduce Maintenance & Manpower

### PRODUCTION ENHANCEMENT

- Forman Coaching Program
- Operator Hand Book

### GOOD

#### **EXPENSE REDUCTION**

- Vendor Management
- GTM Reduction
- Compression Downsizing
- Compression Optimization
- SWD Management
- Chemicals Optimization
- Economic Justification for Expense Projects
- SI/TA & P&A reduction (10% Per Month ) Program
- Imbalance Management
- Negative Cash Flow Wells
- Non-Operated Wells Management
- Internal Benchmarking & Score Cards
- Energy Management Program
- Logistics Saving Program

#### PRODUCTION ENHANCEMENT

- Vendor Assist Optimization and Artificial Selection
- Production Surveillance, Downtime Management and Accountability Escalation

### EXPENSE REDUCTION - Active Procurement

**HSE ENHANCEMENT** 

- SWD: Hauling, Disposal, Automation & Allocation

GREAT

- Environmental Stewardship

- Incident Command Center

Surface and Pipelines

- Safety Stand Downs

- Oil & Water Inventory Management
- Defined Maintenance Program – Produce to Failure
- Portfolio Optimization Divestures
- Superintendent / Foreman Quarterly Meetings

### PRODUCTION ENHANCEMENT

- Route Review Focus Artificial Lift Optimization
- Utilization of Vendors for Field Optimization of Low Performing Wells
- Route Level Scorecards





# **MVG'S RENTAL AND SALES EQUIPMENT**



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