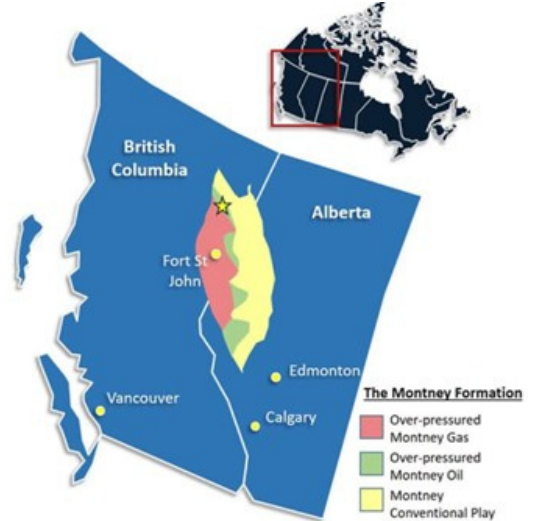


### Summary: 85% Cost Reduction in OPEX

A major operator in the Montney Formation having consistent paraffin and wax issues came to ZEROCOR Tubulars for a solution. The operator, on average, spent approximately \$30,000/month on workover costs. The wellsite has limited access which caused them to lease a wireline unit to be placed on site permanently. Paraffin and wax issues also caused the operator cost over the runs because of winter access and downtime.

Operators in the Montney Formation are actively developing their land position in the heart of the volatile oil window in NW Alberta for areas such as Gold Creek, Karr, and Simonette.

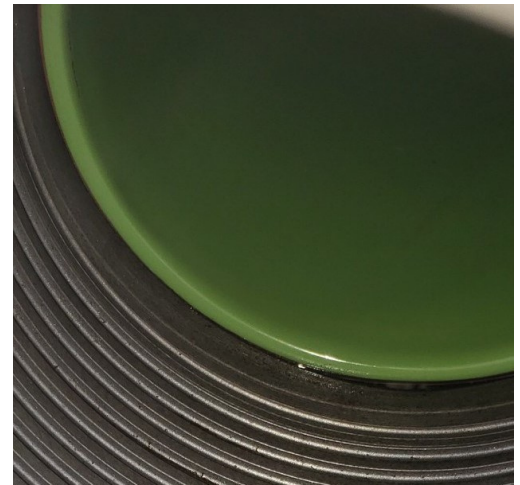


### Overview

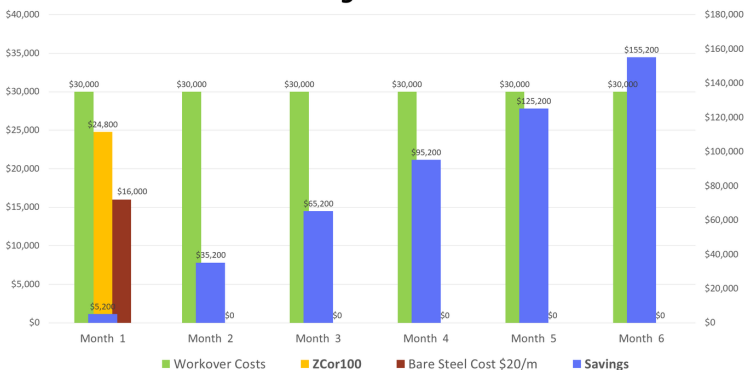
Completion: 2 3/8" (60.33 mm) L-80 Production Tubing with ZCor100  
Location: NE British Columbia, NW Alberta  
Deployment: Montney Formation  
Reservoir: Stratigraphy Unit of Lower Triassic  
OIP: 1.125 billion barrels of oil  
Operator: Mid-size E&P in Canada

### Objectives

- Confirm depth of where the deposits (wax) are forming and causing blockages in production
- Reduce interventions into wellbore and allow for unrestricted flow of production
- Reduce operational downtime and unnecessary cost for additional site equipment



Workover Spend vs Savings  
using ZCor100



(Example – 1 well with 800m of 60.3mm)  
NOTE: Graph identifies monthly Workover Costs prior to ZCor100 Tubing Installation

### Results

- 85% cost reduction in OPEX
- By dropping the friction coefficient (0.187) in the tubing, the operator reduced scale/wax deposits from collecting
- Reduction in chemical cost programs
- Enabled stranded shut-in wells to become 'economic'
- Reduced downtime by 100%
- Pay-back in approximately 'Month 1' (see graph)
- Provided a Green Solution for the environment