

# 2009 Improving Field Performance Study

An Effective Tool for Operations Teams to  
Identify Opportunities for  
**Volume Maximization & Cost Optimization**

- Quick & Direct Cost Reduction Opportunities
- Improve Production
- Money-Back Guarantee

*Are you managing your future?  
... or are your costs rising fast?*

## What Clients Say:

*"We find the Ziff Energy reports to be comprehensive, well written, and most importantly, consistently objective ...*

*The resulting analysis is of high quality and integrity ...*

*Without the Ziff tools, we would find it very difficult to objectively measure."*

Senior VP, Canadian Major

*"The scope and format of the study assisted us in focusing on specific areas of improvement. The presentation of the results of the study was concise and informative and reflected considerable knowledge of operations ... As a result, we have been able to dramatically improve our operational efficiencies and lower our costs."*

Vice President, Super-Major

*"We got more than what we paid for, which is a pleasure to say. I would recommend this process to any company wanting to move from the 'also ran class' to 'best of class.'"*

Operations Manager,  
Independent Producer

*"The value for changes we implemented was estimated at \$5,000,000 (per year), a very good return."*

Senior Engineer,  
International Major

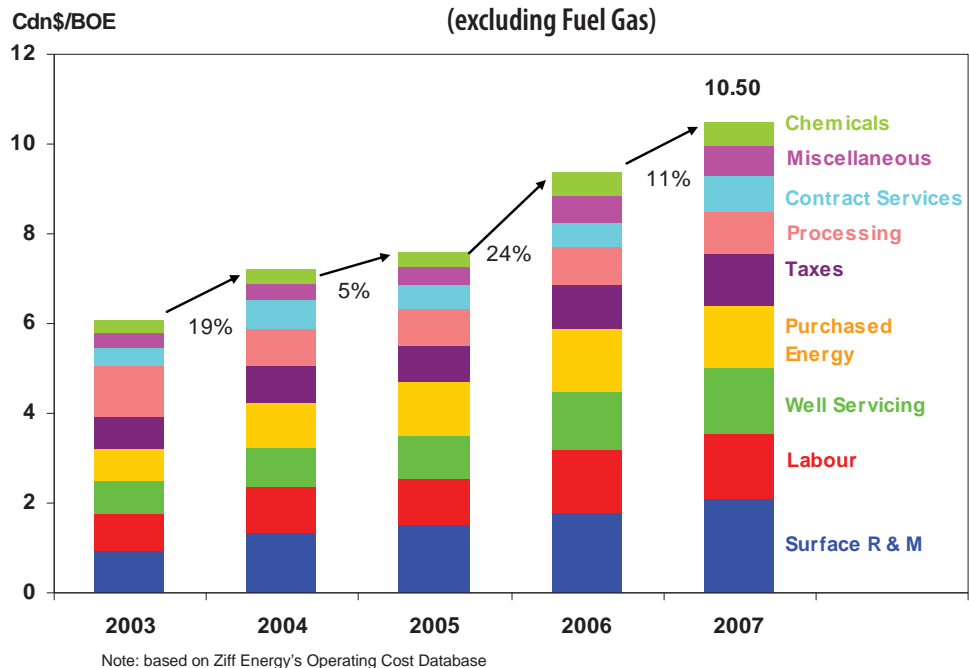
# 2009 Improving Field Performance Study

Oil & Gas fields are the basic building blocks of your company, but our basin is mature and in decline. It is not easy to identify which operating cost areas offer the greatest potential for reduction and meaningful savings, and whether field operations are at maximum uptime. This analysis:

1. compares the total **field and plant unit operating costs** to peer fields and plants in 12 Asset groups and provides in-depth analysis of your field and plant operation by category versus main cost drivers.
2. **NEW** - assesses the **production efficiency** of your fields and identifies production improvement potential.

Many companies capture large operating cost savings through our field level benchmarking. We have compiled an extensive database of operating costs for 1,700+ Canadian fields and plants of all types, managed by conventional E&P companies and trusts.

## Operating Cost Inflation (excluding Fuel Gas)



Both maturity and escalating costs have driven operating costs up sharply. This study provides solutions:

- using field level diagnostics, this study provides a detailed analysis for each of your significant properties
- final report uncovers key areas of underperformance, and enables in-depth Root Cause Analysis to identify appropriate solution to reduce costs and maximize production
- our new & unique Uptime Analysis focuses on issues of Reliability and Production Maximization
- analysis covers the large majority of your 2008 OpEx and enables you to observe patterns of operating performance.

Are your core assets performing well?

Would a review of your significant operated assets be timely?

This study highlights quick and direct cost reduction opportunities.

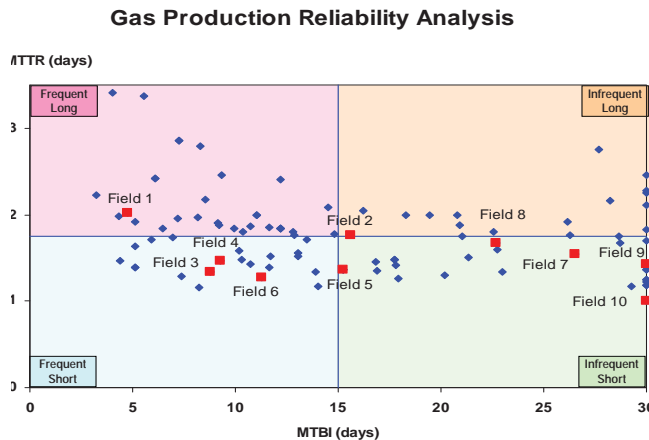
# KEY FEATURES

## Key Cost Components are Analyzed

Our Standard and Special Categories of key controllable costs reconcile difficult problems such as energy use and third-party processing. We probe deeper: Sub-Classifications focus on specific cost problems. We pinpoint excessive expenses and identify the savings potential for each important cost category **for each property.**

## NEW - Uptime & Reliability Analysis What is "Best in Class"?

The overall best single measure of operations performance is clearly the unit operating cost. However, this measures only the volume produced and does not indicate whether there was opportunity to produce more. A review of daily production can provide an assessment of the loss of production opportunity.



Study will provide operating efficiency assessment of your key properties by measuring:

- the frequency and impact of production incidents
- the duration of production incidents
- the time to recover from production incidents.

## Submit Data Electronically - Much Easier!

Our improved electronic data cost gathering approach is now based on your own data structure, so data preparation is far easier, and fast! Ask us about the details of utilizing **Electronic Data Gathering.**

# STUDY DELIVERABLES

You receive:

- Customized Diagnostic Field Analysis
- Customized Executive Summary
- Field by Field Recommendations
- Private Debriefings with Staff or Field Personnel
- Data Collection Support
- New! Electronic Transfer of Cost & Production Data.

*"We encourage other operators to participate in Ziff Energy's multi-client benchmarking projects.*

*Some of the benefits are:*

- *standardized cost data & peer field comparison*
- *points to areas where we may have gaps in performance*
- *the results encourage us to take a look at our operating metrics and understand the drivers and where to focus our time and efforts*
- *(uptime) reliability metrics*
- *automated data gathering takes effort away from staff, who are stretched these days."*

Vice President,  
Large Independent Producer

...

*"Immensely impressive . . . much more detailed than other benchmarking studies."*

President, Major

...

*"We are pleased with your work ... Ziff delivers the full package, a statistically rigorous analysis coupled with real suggestions that can be used to improve operating performance. It is refreshing to work with Ziff's staff, which consists of industry professionals who are knowledgeable and experienced."*

Development Manager,  
Large Independent Producer

...

## Canadian Asset Group Classifications

### Gas (6 Groups)

Alberta & Saskatchewan Lean Sweet Gas
Alberta Sweet Gas
Alberta Sour Gas
Alberta & British Columbia Intensively Processed Gas
British Columbia Gas
Gas Plants

### Oil (6 Groups)

Alberta & British Columbia Oil - Primary
Saskatchewan Oil - Primary
Alberta W5 & British Columbia Oil - Waterflood
Alberta E5 Oil - Waterflood
Saskatchewan Oil - Waterflood
Heavy Oil

*Fields & gas plants are grouped into Asset Groups by common characteristics for effective assessment.*

**You are invited to participate in this uniquely effective analysis and share in the benefits.**

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### Why Ziff Energy?

Ziff Energy has completed over 150 multi-client studies, in Canada and 20 countries worldwide. Ziff Energy studies have now assisted 100+ E&P companies in 20 countries to lower operating costs and increase production by comparing their field operating cost performance against similar gas or oil fields. To date 3,600 oil and gas fields, representing over \$20 billion in operating costs, have been analyzed in our field operations studies.

For 2 years, we have used Electronic Data Gathering to transfer data from your accounting system to Ziff Energy. Clients no longer complete cost spreadsheets. We cross reference your cost accounting codes to our standardized detailed set. The download of your cost data is loaded into the benchmarking categories using the code mapping. Transparency is enhanced, **client effort dramatically reduced**, and you can drill down into your own cost data to better understand your performance gaps.

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