

Regulatory Compliance Data Management System

STATEMENT OF QUALIFICATIONS



How do we help OUR CLIENTS SUCCEED?

By decreasing the time and money spent on regulatory compliance and end-of life asset management, while increasing accuracy and efficiency.

**POWERFUL PETROLEUM
SOFTWARE SOLUTIONS
DEVELOPED BY AN INDUSTRY
PROFESSIONAL.**

Find out more about how our
innovative solutions can save you
time and money at :

www.solsticesolutions.com



Daylight inherited SolComp from Highpine in 2010 and while deciding whether to continue the agreement we received an audit on a Highpine well from the ERCB. I was able to respond to the ERCB the same day with a surface compliance report including attached photographs and quickly found that I was very pleased with the audit trail SolComp provided. We have been using SolComp ever since and have been very happy with how it manages our Directive 13, SCVF testing, packer testing programs as well as our overall regulatory compliance initiatives. I would strongly recommend using SolComp to manage your regulatory compliance work.

**Cheryl Vance // Manager, Regulatory
// Sinopec Daylight Energy Ltd.**

Corporate

INFORMATION

Solstice Engineering is a Canadian owned and operated company based out of Calgary, Alberta that provides comprehensive and automated oil and gas software solutions and evaluation services to the upstream oil and gas industry in Western Canada. Solstice Engineering started out in 2005 with the development of the SolComp software.

SolComp has become one of the industry's most powerful regulatory compliance management systems by automating data manipulation for increased data accuracy and to maximize reporting efficiency.



Our president and founder, Clint Nerbas, learned the value of hard work at a young age while growing up on a farm in eastern Saskatchewan.

Clint began his petroleum engineering career with Chevron as a drilling and completions foreman, drilling 40 wells ranging from 600 to 4000m working with a variety of different petroleum resources. During \$12/bbl oil prices, Clint worked as a production and reservoir engineer and he was influential in reducing operating costs by 50% by shutting in production and only focusing on the best performing wells. Over the past 20 years Clint has gained extensive and well-rounded knowledge on end of life and regulatory compliance project management. After spending countless hours throughout his career manually manipulating and analyzing data, Clint recognized that the current process for regulatory reporting was too time consuming and needed to be automated.

This is what makes SolComp and Solstice's services unique; innovative and intuitive solutions developed by an industry professional, for industry professionals.

The Solstice

ADVANTAGE

DRASTICALLY CHANGE THE WAY YOU DO BUSINESS

Why Solstice?

The benefits our clients experience as a result of using our software and evaluation services:

- ✓ Reduce resourcing / overhead costs
- ✓ Gain Financial Clarity
- ✓ Manage Liabilities and Risk
- ✓ Save Time – Expedited turnaround times
- ✓ Improve Accuracy
- ✓ Centralized Data
- ✓ Comprehensive Automated Reporting
- ✓ Audit Proof Cost Estimation Capabilities
- ✓ Built with Extensive Industry Knowledge
- ✓ Reliable and Responsive Customer Service
- ✓ Robust ARO reconciliation system
- ✓ ARO reports are easily discounted or inflated
- ✓ Proactive Regulatory Compliance Work Scheduling
- ✓ Eliminate Regulatory Penalties from Missed Deadlines
- ✓ Simplified Regulatory Submissions
- ✓ Customizable digital inspection forms
- ✓ Ongoing and Proactive Inventory Management

Our current and prospective clients come from a multitude of different experience levels and departments



Oil and Gas Producers



Private Equity Firms & Financial Institutions



A&D / M&A Specialists



Receivers



Oil and Gas Service Companies



Environmental Companies & Consultants



Midstream Oil and Gas Companies



Regulators



Insolvency & Regulatory Lawyers

Learn more about our Innovative automated solutions for asset liability and regulatory compliance management at :

www.solsticesolutions.com

Solstice's Time Savings Examples:	Manual Classification / Other Service Companies	SolComp/ Solstice Engineering
Classify 400 suspended wells	1-2 months	10 hrs
12 Wellfile Reviews	1-2 days	2 hrs
A&D evaluation of 10,000 wells	2-3 weeks, less detail and accuracy	as little as 2 business days, comprehensive detail and AFE ready accuracy

& What we do HOW WE DO IT

A&D Services

Mergers and acquisitions happen quickly and as a result extensive data analysis is required to determine your company's current asset valuation. Solstice Engineering provides quick and accurate end of life liability estimates and license to operate exposure summaries prior to an in-depth analysis in order to save our clients time and money on inadequate deals. By providing only a simple UWI list with working interests, Solstice quickly compiles and analyzes vast amounts of data. These reports promptly assess potential acquisitions prior to increased analysis in order to save time and money on poor deals.

LLR Services

Financial scrutiny of your company's assets and liabilities is at the forefront of achieving organizational and operational success. A critical component to understanding your asset's liabilities is your license liability rating. Solstice Engineering helps manage and often improve the LLR of your un-optimized assets by 10 to 30% by maximizing liability reduction opportunities for individual wells and facilities. Solstice Engineering's powerful analysis provides realistic projections of LLR trajectory.

ARO Services

Solstice Engineering's actuarial approach to estimating asset retirement obligation liabilities provides extremely detailed audit proof numbers with minimal human input. Here's how:

Solstice Engineering provides precise, AFE-ready end of life estimates for individually operated and non-operated wells, pipelines and facilities, regardless of your inventory size. Strategic corporate financial planning involves proper allocation of resources and effective risk management, including ARO. Don't continue wasting time and money conducting these evaluations the old-fashioned way and allowing unnecessary scrutiny from auditors. Our extensive industry experience and well-established, logical and automated process reassures auditors and is becoming the industry benchmark for 3rd party independent ARO estimates.

ACCURATE. EFFICIENT. ADAPTABLE. AUDITABLE.

Solstice Engineering provides a powerful petroleum software solution, SolComp, as well as petroleum consulting services and evaluations of acquisitions and divestitures, license liability ratings and asset retirement obligations. Combining government data and over 20 years of industry experience, Solstice Engineering helps you understand and optimize your company's assets and liabilities.



Well Schematic Builder

Our Well Schematic Builder compliments SolComp by providing a list of wells with regulatory compliance issues, wellbore diagrams for each well, and built-in regulatory compliance and wellfile review forms. It also acts as a companion to the LLR Evaluation Report and significantly reduces the time required to review wells that can have their liability reduced through paperwork. This easy to use Excel based tool builds diagrams utilizing government data only and can be supplemented with user data entries. The Well Schematic Builder is quickly becoming the go-to tool of the oil and gas industry for its undeniable time-saving benefits.

SolComp Software

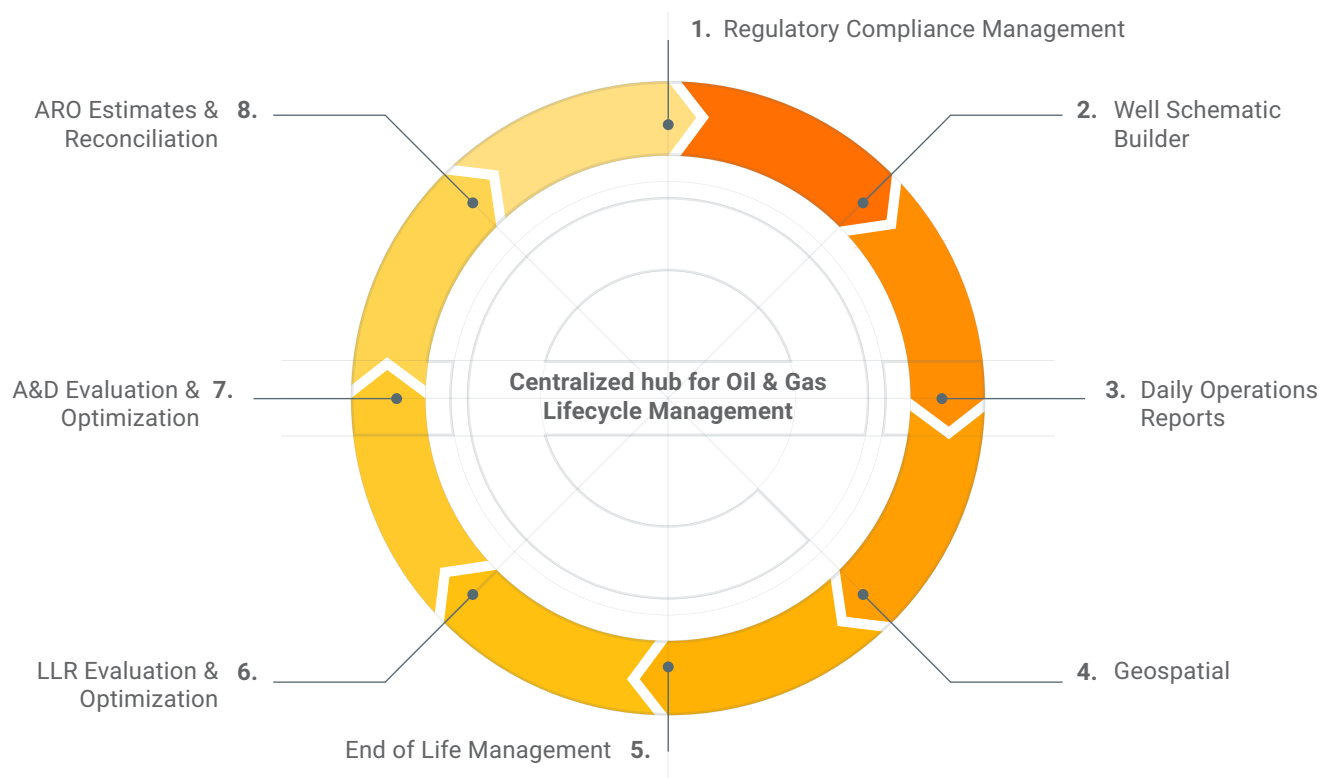
One of the most powerful petroleum software solutions available to the industry. SolComp is a regulatory compliance management system that provides comprehensive reports and superior data organization, significantly increasing your company's efficiency. This tool was developed by an experienced and well-versed industry expert, making it a highly intuitive software that provides a level of accuracy you would only expect from a team of experienced petroleum professionals.

Don't waste more time on menial data management tasks, schedule a consultation with one of our petroleum experts today at :

P: 403.462.2863

The benefits of SolComp are simple. We've created a software that can do a month's worth of work in mere hours. SolComp is a highly intuitive and robust regulatory compliance management software solution that continuously evolves and advances with the oil and gas industry.

The unique combination of SolComp's architecture, functionality and built-in tools provide every user with incomparable benefits while streamlining your regulatory compliance management process. Simplify reporting by compiling and organizing multiple data sets into one centralized hub. Tracking, managing and coordinating work between various departments or contractors within your organization has never been easier.



Regulatory Compliance Management

- » Up to date well, pipeline and facility inventory management
- » Continually generates inventories of wells, pipelines and facilities that require compliance work
- » Digital compliance form with built-in well schematics
- » Software assisted Directive 13 well classifications (includes wellhead AOF tool)
- » Customizable digital field inspection/SCVF test/PIT test forms include automated picture mapping and requires no expensive tablet rental
- » Digital well evaluation forms
- » Automatically builds AER DDS submission text files
- » Built-in project management tool
- » Manages SCVF testing, packer isolation testing, pipeline discontinuations/abandonments, etc.

End of Life Management

- » Manages wellbore abandonments, wellsite remediation and reclamation
- » Manages pipelines discontinuations/abandonments
- » Manages facility decommissioning, remediation and reclamation

- » AFE ready end of life cost estimates for wells, pipelines and facilities using unit rates
- » Automated abandonment mini-program builder
- » Manages mineral lease expirations
- » Built-in project management tool

ARO Estimates & Reconciliation

- » ARO reporting is highly accurate and AFE ready
- » Automated cost estimates for wells, pipelines and facilities based on user adjusted unit rates and assumptions
- » Allows for short-term end of life dollars to be deferred while concentrating on compliance only to provide banks

minimal financing required

- » End of life date estimation using economic limits or reserves tables which allows reports to be discounted and inflated
- » Powerful reconciliation system for easy audit support
- » Provides detailed estimates and pertinent information for each well, pipeline and facility.
- » Third party estimate to meet audit requirements

LLR Evaluation & Optimization

- » Powerful LLR predictor using production forecasts
- » Evaluates liability reduction opportunities doing only paperwork

- » Field summaries to aid in asset management
- » Individual well and facility analysis for liability reduction
- » Companion report draws well schematics, reducing well file review time

Well Schematic Builder

- » Precisely draws well diagrams using only government data
- » Wellfile Review Checklist (no completions knowledge required)

- » Built-in regulatory compliance forms
- » Supports automated well and end of life cost estimates
- » Supports automated building of Directive 13 & 20 mini-programs
- » Lists compliance issues for all wells, built-in forms to manage compliance work

A&D Evaluation & Optimization

- » Uses only a well UWI list with working interest as input
- » End of Life Liability Estimates for Wells, Pipelines and Facilities

- » LLR Evaluation Report showcasing impact of acquisition/divestiture
- » License to operate exposure summaries
- » Quickly compiles and analyzes vast amounts of data
- » Easily identifies problem assets

Daily Operations Reports

- » Harnessing the power of the Well Schematic Builder, Solstice will soon add a Daily Operation Report to SolComp.

Geospatial

- » SolComp is already a central hub for most petroleum data and adding a Geospatial component to the software is the next step to increasing functionality.

Experience the compelling performance of SolComp

Schedule a free software demonstration, contact us at:

P: 403.462.2863

W: solsticesolutions.com

P: 403.462.2863

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P.O. Box 20071
Calgary, AB T2P 4J2



**Streamlined and cost-effective solutions
to change the way you manage your oil
and gas assets**

Learn more at solsticesolutions.com