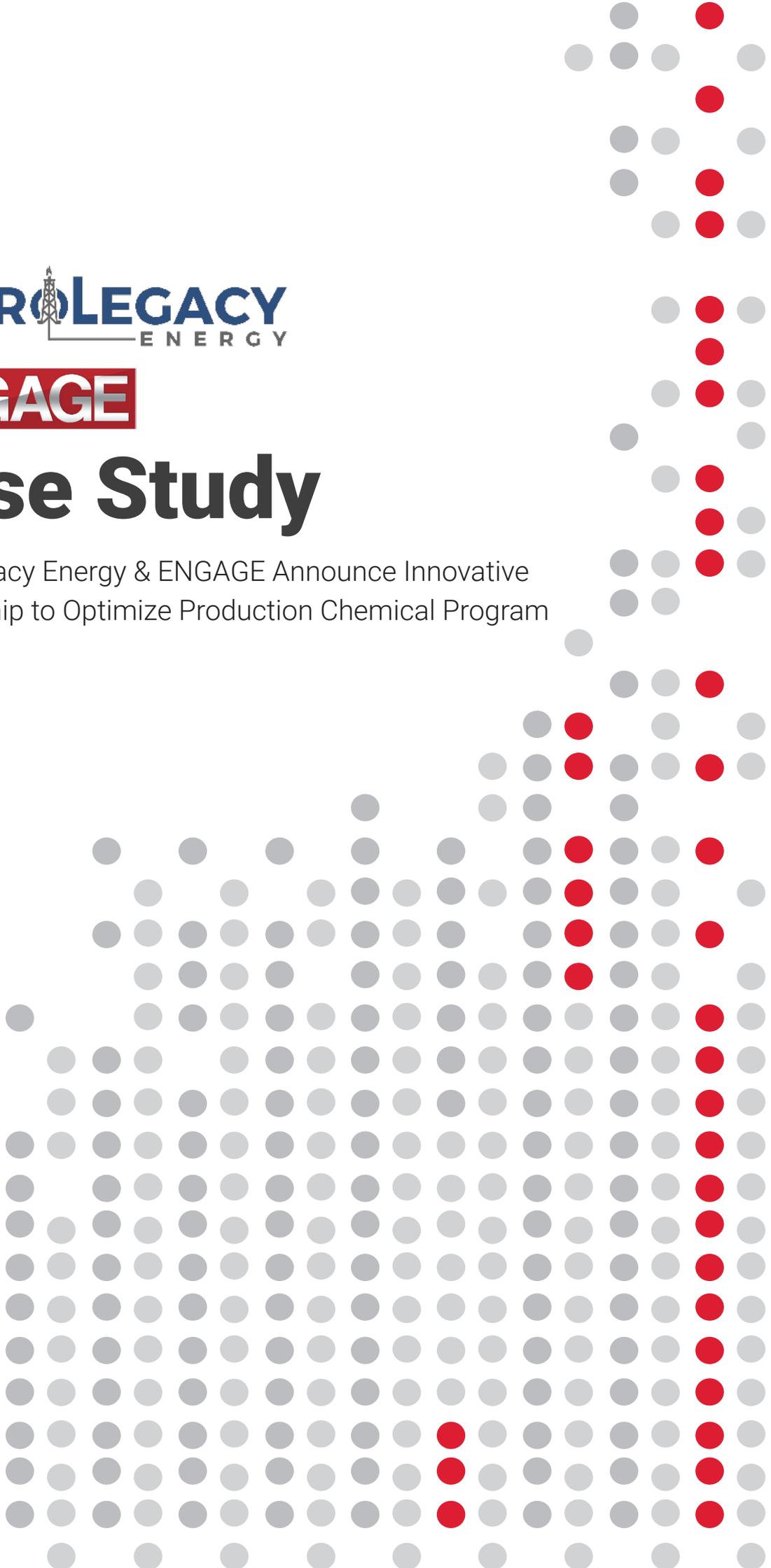




# Case Study

PetroLegacy Energy & ENGAGE Announce Innovative Partnership to Optimize Production Chemical Program



## Partnership Overview:

PetroLegacy Energy, an oil and gas operator based in Austin, TX, and ENGAGE announce a partnership to explore how production chemical programs can be proactively managed by providing operators with real-time insights using ENGAGE data. PetroLegacy has been a customer of ENGAGE's since early 2020 and has recently onboarded multiple chemical providers to the ENGAGE platform. The partnership will combine daily production and chemical application data to facilitate proactive treatment adjustments. If successful, the enhanced control will improve execution of the chemical program by mitigating systemic variances in actual parts-per-million chemical concentrations ("PPM").

## Industry Challenge:

Most operators struggle to effectively execute their production chemical programs. Chemical providers and operators typically agree on a treatment plan and then execute it based on historical well production volumes. Unforeseen production changes often go unaddressed and result in actual PPM over or under the planned amount. The plan remains effective; execution fails. Without adapting chemical volumes to accommodate the most recent information there is little chance of optimizing expenses and chemical inhibition. These results are often unknown, by either party, until chemical application reports or invoices are created weeks or months after chemical was deployed. The chemical is gone, and the results often underwhelm.

ENGAGE is helping operators tackle this industry challenge by combining daily production volumes with real-time chemical application data. Together the data can be used to proactively adapt scheduled deliveries or injection rates. Chemical suppliers receive delivery or injection rate modification based on the latest well information. Chemical tickets submitted on ENGAGE include the delivery date, well name, chemical type, volume, and cost. Since the field tickets are submitted to ENGAGE when the treatment occurs, Operators have immediate insight to the execution of the chemical program. Adapting chemical application and providing real-time reporting eliminates two major barriers to effective execution of the chemical program.

**"We want to measurably impact our chemical expenses and proactively manage operational changes that otherwise deviate from our chemical plan. That workload can become messy as well count and chemical inventory increase. Integration can more rapidly alert the right people, at the right time and reduce administrative burden and errors. The ENGAGE platform fully integrates our production data and chemical data. If we build the right workflows, we might just be able to have our cake and eat it too!"**

**-Jason Churchill, CEO at PetroLegacy Energy**

## ENGAGE

ENGAGE is a cloud-based field management platform that digitalizes workflows end to end. Streamlining operator and vendor communications and processes allows more accurate accounting, reporting and planning and improves visibility into operations for all parties. ENGAGE is the leading solution for the oilfield, managing over 100 different service types.



## Analysis Approach:

PetroLegacy and ENGAGE are creating a production chemical dashboard to proactively alert users when chemical treatments need adjustment. Based on the latest available well information, alerts will notify users when the planned product volume may result in an activity level over or under the desired target. In addition to alerts, routine target vs. actual analysis will seek to identify routine performance discrepancies and enable more effective program execution.

A combination of ENGAGE chemical ticket data along with PetroLegacy production data will be analyzed as part of this study.

The steps to create these alerts and analysis are as follows:

- Specify chemical products and target PPM concentration
- Specify the production data frequency and calculate the product volume required to achieve the target PPM on each well
- Monitor chemical delivery or injection for discrepancy between the actual and target PPM
- Create alerts to proactively enable adaptations
- Analyze actual vs. target PPM to understand and improve plan execution
- Create variance reports to highlight where future product volumes must be adjusted
- Measure the impact of variance on expenses and well performance
- Evaluate further plan modifications brought on by product & service contractor selection

## Results:

PetroLegacy and ENGAGE plan to jointly publish the results of this study in early 2021.

PetroLegacy anticipates significant improvements in execution by proactively adapting their production chemical application and using real-time ticket data to monitor execution. Stay tuned!



PetroLegacy Energy is a privately-held exploration and production company based in Austin, Texas. PetroLegacy Energy II, LLC was formed in September 2016 with an equity commitment from EnCap Investments, L.P. The Company is actively pursuing the acquisition and development of oil and gas properties in the Lower 48 through a multiple basin approach with a concentration on the Permian Basin and the Eagle Ford Shale trend. PetroLegacy currently operates in the Midland Basin where it holds a substantial acreage position primarily in Martin County.