



Targin

**Full package of Formation Hydraulic
Fracturing (FHF) services**

TARGIN



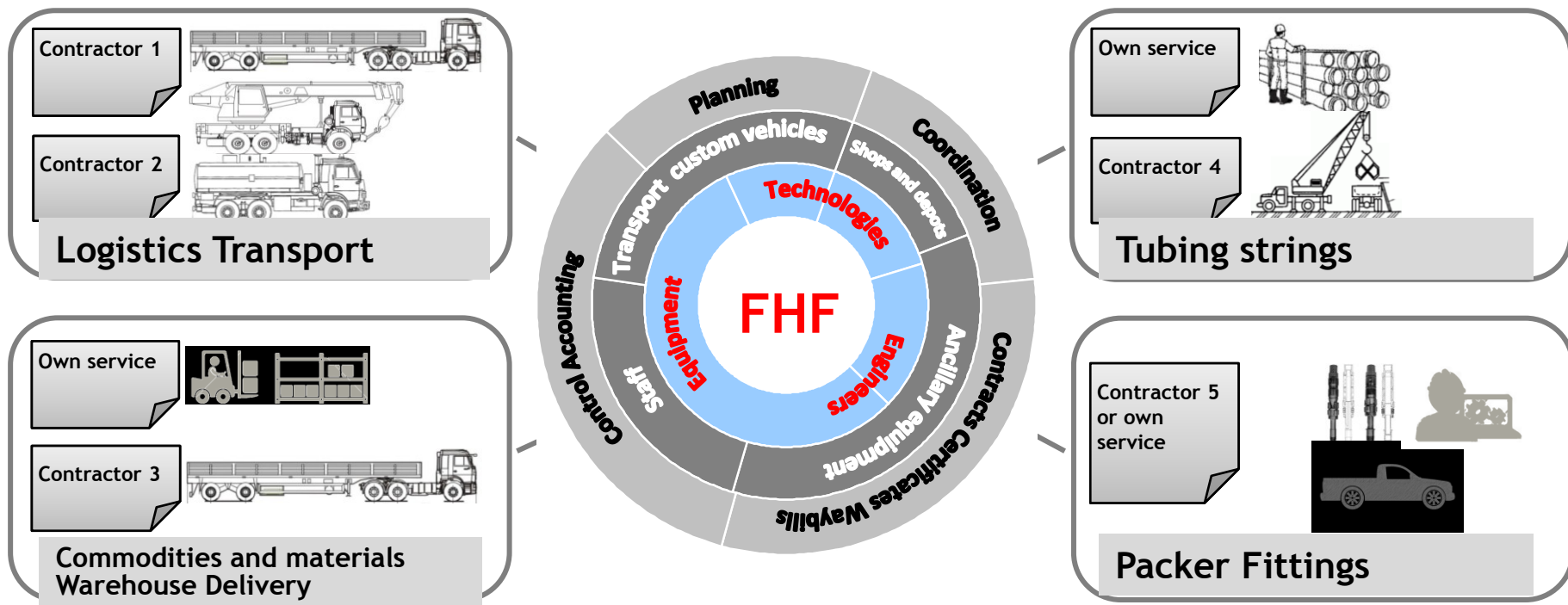
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Full package of FHF services

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1. FHF production process

Main service in production

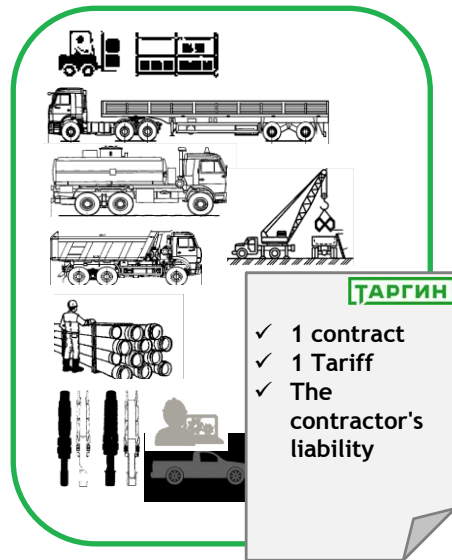


Large quantity of technical equipment, staff and contractors take part in the FHF production process. For the FHF company, it is work planning and coordination, the complex accounting and control system. Consequently, it is required to maintain noncore divisions, services, staff and custom vehicle park.

2. Full package of FHF services

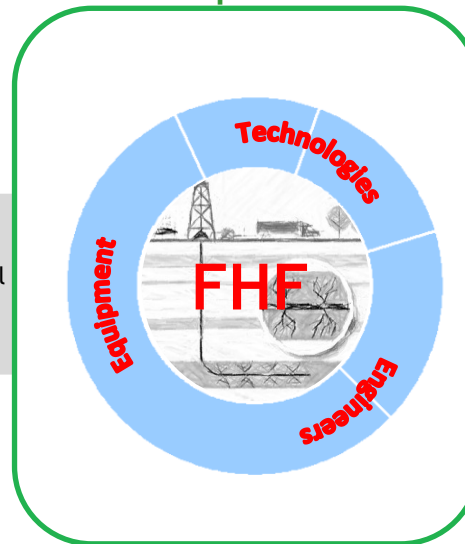
Targin offer

Preparation



Task for well preparation

FHF enterprise



Task for work completion

Final works



All the stages of works in the complex:

- ✓ Transport logistics
- ✓ Work scheduling and coordination
- ✓ Services of warehouse logistics, management of the customer's commodities and materials

- ✓ Preparation, final works, waste disposal
- ✓ Provision with technological tubing strings
- ✓ Provision with the packer equipment

3. Complex services: Advantages

| AS IS | TO BE | The effect of the FHF enterprise |
|---|--|--|
| Internal maintenance of non-core capacities: Technical equipment, equipment, production areas, people, training, repair, spare parts, fuel, oil and lubricants, etc. | <ul style="list-style-type: none"> All the attention and resources for the main business | <ul style="list-style-type: none"> ✓ There are no costs of procurement and maintenance of non-core and technical equipment ✓ Reduction of the costs to maintain large number of staff, reduction of the risks in case of the market situation change |
| Costs for ancillary equipment and non-core service maintenance blend away in the core production. | <ul style="list-style-type: none"> Payment for result | <ul style="list-style-type: none"> ✓ All the costs are visible |
| Payment for contractors for nonproductive time, unnecessary technical equipment in the process. The contractor is not interested in optimizing the process of FHF pre & post workover activities. | <ul style="list-style-type: none"> The fixed tariff for the well preparation operation. | <ul style="list-style-type: none"> ✓ Reduction of the transport costs |
| The contractors are not motivated for the work product. | <ul style="list-style-type: none"> Motivation for the FHF operation quantity | <ul style="list-style-type: none"> ✓ Productivity increase |
| Only FHF company is responsible for the result | <ul style="list-style-type: none"> Targin Logistika bears the responsibility for the well preparation quality and time periods | <ul style="list-style-type: none"> ✓ Penalty risks decrease |
| Well-workover operation team standstills | <ul style="list-style-type: none"> Targin Logistika carries out logistics planning and is responsible for well-workover operation standstills | <ul style="list-style-type: none"> ✓ No costs for standstill penalties |
| Large scope of document management: way bills, track of work time, contracts, invoices, etc. | <ul style="list-style-type: none"> One contract, one document on the fulfilled works | <ul style="list-style-type: none"> ✓ Reduction of indirect expenses related to administration (reduction of load on management, accounting and personnel departments) |

Complex servicing of FHF is an opportunity to optimize the production processes and focus the attention and resources on main business.



4. The services (1) include:

Transport logistics



| Type of works | Breakdown of the performed works |
|---|--|
| Arrangement of work | Process scheduling and coordination. |
| | Management of the well preparation process at the sites (pre & post workover activity foreman/team leader) |
| Tubing string logistics | Delivery/moving out of tubing string tubes and equipment transported together with tubing strings (rack arrangements, nipples, etc.) |
| Fluid preparation | Delivery/moving out of containers, towage, arrangement at the well |
| | Water delivery from cutoff points, filling the containers with water. |
| | Water heating |
| Material delivery | Delivery/moving out of propping agent, chemicals to the well |
| Support in the FHF process and final works | Equipment arrangement. Packaging |
| | Equipment steaming. Cleaning the containers from residual gel/moving out for disposal |
| | СИИ-32, АИЦ-320: Participation in the technological process |

5. The services (2) include:



Provision with tubing strings

- Supply of the agreed quantity of suspension member sets for tubing strings.
- Tubing string logistics.
- Tripping support (together with the packer engineering supervision).

Supply of the packer assembly.

- Maintenance of the agreed quantity of equipment sets.
- Delivery and moving out of equipment.
- Engineering supervision of the works at the wells (together with tubing strings).

Management of the customer's commodities and materials

- Acceptance from dead-end tracks.
- Storage.
- Withdrawal from the warehouse, delivery to the well.
- Accounting.
- The daily report to the customer.

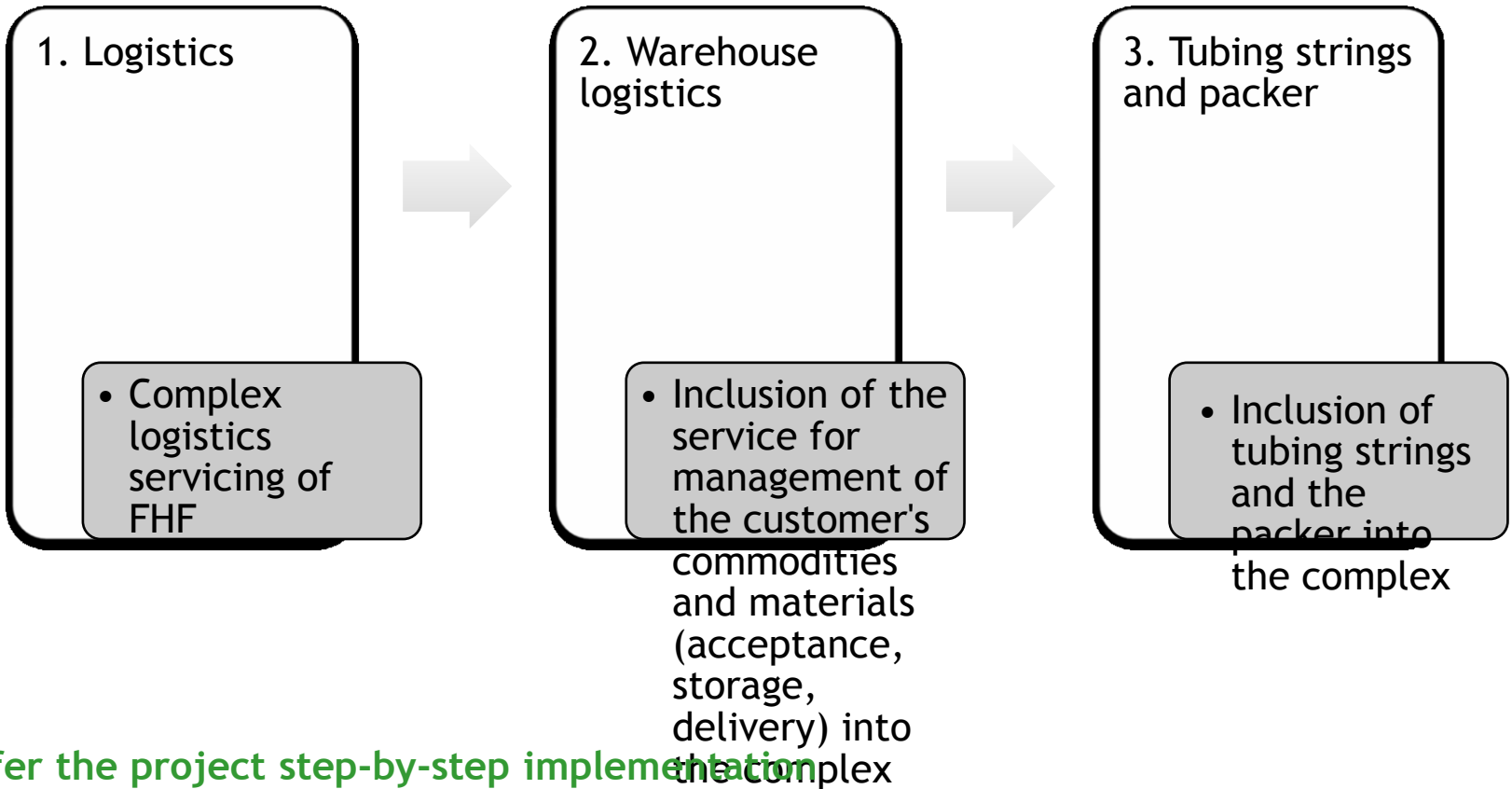
6. Technical equipment



- Age of vehicles no more than 3 years
- 100 % GLONASS/GPS navigation equipage
- Trained staff



7. The stages



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