

Pioneer Resources - Permian Coating Assessment Asset Integrity - 4.30.2019

Testing: 75 day Autoclave's per ASTM D-4060; samples scraped to slightly damage and scraped to bare metal.

Material: Carbon Steel ASTM A 106 Grade B Schedule 40

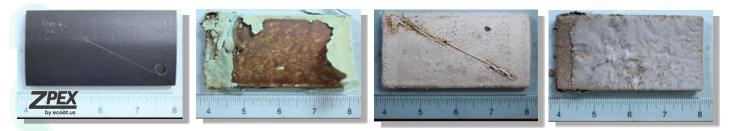
Problem: Corrosion due to H2S (40-300 PPM) CO2 (1.5-2.5 mole%) High SRB (Sulfate Reducing Bacteria) and APB (Acid Producing Bacteria) Counts, **Dissolved Oxygen -12 PPM**

11 COATINGS SELECTED FOR TESTING

30 Day Surface Test Conditions (30 days): 750 PSI 98° F Temp. CO2 = 450 ppmH2S = 300 ppmO2 = 60 ppb80% Wellhead Fluid pH 7.5

30 Day Sub-Surface Test Conditions (30 days): 5,000 PSI 200° F Operating Temp. CO2 = 3.5 mole H2S = 300 ppmO2 = 12 ppbMin. 20% Brine (200,000 ppm) Min. 20% Brine (200,000 ppm) 80% Wellhead Fluid pH 5

Following surface and subsurface testing, samples went through 14 day - 1.5 pH Acid Immersion Test and were then scraped.



SAMPLE COUPONS AFTER TESTING & SCRAPING

ZPEX COATING SYSTEM FINISHED 1ST Only coating with NO effects after testing.



Pioneer Resources - Permian Coating Assessment - Asset Integrity - 4.30.2019 <u>CONCLUSIONS & RECOMMENDATIONS</u>

WATER TRANSFER LINES (TB & SWD) RECOMMENDATIONS

- Upstream of SWD tanks:
 - For all water transfer lines at the TB and SWD (surface or buried lines):
 - Use NOV Fiber Glass fit for 10,000 PPM aromatic carryover
- Downstream of SWD tanks:
 - Use NOV Fiber glass system if compatible with vibration
 - HDPE lined surface pipe can be used
 - Tesla special nano coating for high pressure system can be used
 - NOV 15 XT coating

All valves need to be internally coated with ZPEX coating product

Above ground liber glass installation coating spec:

Surface prep: remove all grease, dirt, and debris from external surfaces of the pipe. Roughen the exterior surface of the fiberglass to remove all shiny smooth surfaces, this

- Roughen the exterior surfact
- "Brush-off blast clear
- Application: any form
- Coating system for 1
 - Tie coat; Amine
 Top coat; Polyu:
- For higher temperate
- d.f.t

coated with ZPEX coating product

All valves need to be internally

CONCLUSION & RECOMMENDATIONS

- Vessels and Tanks Coating:
 - International product "CeilCoCite 232 Novolac Vinyl Ester Epoxy" passed all tests
 - Carboline product "Plasite 4301 HT Novolac Vinyl Ester Epoxy" had
 - a coha All oth
- If you use carbon steel valves
- Existing applic make sure they internally coated with ZPEX
- For water
- FLFX Steel and Dual Line passed the chemical resistance test and fit for protection against MIC

If you use carbon steel valves make sure they internally coated with ZPEX

- Any future coating product need to be tested under the same conditions used in this study before application in the field guideline will be implemented in the PXD standard
- Training will be provided on tank lining and coatings in the Permian office if you like to attend let us know