

2017 STATEMENT OF QUALIFICATIONS



Effective January 1, 2017

THE SCIENCE OF SURE





SPL

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MASTERING THE SCIENCE OF SURE

There's a science to ensuring hydrocarbon data integrity from the wellhead to the point of sale. With more experience, resources, credibility and comprehensiveness—nobody has mastered that science quite like SPL.

As a reliable third party, streamline operations and reduce risk by outsourcing the entirety of your hydrocarbon measurement, analysis and reporting to SPL. We partner with leading operators nationwide to help prevent inaccuracies in hydrocarbon awareness across the hydrocarbon lifecycle. In fact, more than 90 percent of the world's majors and 85 percent of America's leading independent operators have used SPL as a trusted partner in ensuring their oilfield data integrity.

SUMMARY

Founded in Carthage, Texas, in 1944, SPL is considered one of the world's most credible sources of unbiased third-party hydrocarbon insights. Keeping our focus centered on the core values of safety, integrity, innovation and service upon which our business was founded, we support operators with everything from accurate meter calibration and reporting to allocation production and data management.

And with expert laboratory personnel and field services teams at 14 strategic locations nationwide, we can ensure the quantity and quality of oil and gas assets at any scale. For more than 70 years, SPL has brought innovation and objective thought leadership to its fields—all with an unfettered commitment to getting it right for our customers. **That's why SPL is one of the most trusted names in helping operators ensure confidence in hydrocarbon data.**

ABOUT SPL

NEXT GEN INNOVATIONS, OLD SCHOOL VALUES

SPL is a privately held company that was incorporated in the State of Texas in 1958. We are a multimillion-dollar company with fourteen facilities, over 225 employees, multiple service offerings, and a solid reputation as one of the premiere hydrocarbon testing and measurement companies in the United States.

A leader in the hydrocarbon service industry for over 70 years, only SPL has the extensive expertise and unique capacity to provide complete and integrated services for our oil and gas clients. Getting your product to market is our primary focus and our unrivaled ability to bundle services ensures a truly fluid process from project initiation to final outcome. Our experienced team collaborates across all divisions to deliver streamlined solutions, reliable results, and uncompromising customer support that has set the industry standard. SPL is the only true turnkey partner dedicated to one goal—your success.

With one of the best teams of respected experts in petroleum testing, measurement, data management, and allocation, SPL is recognized globally as the industry leader in oil and gas measurement, allocations, auditing, and laboratory services.

STAYING ON TOP OF OUR FIELD TO SERVE YOU BETTER

At SPL, our safety and quality assurance-focused approaches mean less risk to both our operations and those of our customers and more commitment to providing superior hydrocarbon measurement and analysis services.

SPL utilizes methods recognized by some of the most respected professional organizations and accreditation bodies for our industry, including ASTM, GPA, API, IP and UOP. Our personnel are involved with these organizations and others, including ISHM, AFMS and ASGMT, to ensure our organization remains an industry leader by staying on top of the most cutting edge technology and best industry practices.

Above all else, SPL ensures safety of personnel, property and the environment—remaining in compliance with EPA, OSHA, SEMS and DOT requirements.

WHAT SETS US APART

SPL is an industry-leading provider of hydrocarbon measurement, analysis, reporting, and management services. With more than 70 years of experience, we are trusted by some of the world's largest oil and gas operators to provide superior oilfield data integrity.

SPL utilizes methods recognized by some of the most respected professional organizations and accreditation bodies for our industry, including ASTM, GPA, API, IP and UOP. Our personnel are involved with these and other organizations, including ISHM, AFMS and ASGMT, to ensure our organization remains an industry leader by staying on top of the most cutting edge technology and best industry practices. Our technical services group provides in-house training to keep our technicians updated with the most recent API standards and GPA requirements.

The SPL Total Confidence™ program delivers total lifecycle measurement, analysis and reporting of hydrocarbon data turnkey —ensuring end-to-end accuracy from the wellhead to the point of sale. All with the peace of mind that comes with a single, objective third party managing it for you.

MISSION STATEMENT

SPL exists to help our customers measure, analyze and report their hydrocarbon products as safely, accurately and quickly as possible. Our team is committed to safety, integrity, innovation, and service. Our management is committed to providing our staff with the right scientific tools and a learning environment which allows them to flourish and perform to their full potential.

CORE VALUES

SAFETY

- Commit to the safety of the environment, of those around you, and of yourself.
- Always work thoughtfully and follow safe work practices.
- Be willing to speak up about unsafe practices whenever you see them.
- Constantly look for hazards to yourself, to others, and the environment.
- When in doubt, stop and ask.

INTEGRITY

- Do the right thing, even when no one is looking.
- Always be honest, direct, and respectful.
- Own up to mistakes without fear of reprisal.
- Do not misrepresent yourself for personal gain.

INNOVATION

- Don't be scared to try something new; fail or succeed, you always learn.
- Look beyond the obvious, recognize areas of improvement, and take action.
- Innovate in what we do, but also how we do it; seek conformance with efficiency.
- Embrace continuous development of yourself and others; leverage technology.

SERVICE

- When employees want to work here, customers will want to work with us.
- Be dedicated to exceeding the expectations of every customer, external and internal.
- **Always be positive; "we're the solution" and not part of the problem.**
- Strive to be trusted and respected by all.

INDUSTRY CERTIFICATIONS

In accordance with Louisiana Administrative Code, Title 33, Part I, Subpart 3, Laboratory Accreditation, the State of Louisiana formally recognizes that the SPL laboratory located at 4790 NE Evangeline Thruway, Carencro, Louisiana, has successfully completed the accreditation process and is technically competent to perform the environmental analyses listed on the scope of accreditation. A list of analytes that can be analyzed within our LDEQ accreditation is available upon request.

INDUSTRY AFFILIATIONS

SPL is affiliated with the following industry organizations:

AMERICAN PETROLEUM INSTITUTE (API)

Voting Member, Committee on Liquid Measurement (COLM)
Voting Member, Committee on Petroleum Measurement and Allocation (CPMA)
Voting Member, Committee on Gas Fluids Measurement (COGFM)
Voting Member, Committee on Measurement Quality (COMQ)

GAS PROCESSORS ASSOCIATION (GPA)

GAS PROCESSORS SUPPLIERS ASSOCIATION (GPSA)

Voting Member, Chairman of Section B (Analysis)
Voting Member, Section H (Measurement)
Voting Member, Section C (Specifications)
Voting Member, Technical Committee
Voting Member, GPSA
Instructors

AMERICAN SOCIETY FOR TESTING AND MATERIALS (ASTM)

Voting Member, Section D.0H
Voting Member, Section D.02

Member, Section D.02H
Voting Member, Section D.03

INTERNATIONAL SCHOOL OF HYDROCARBON MEASUREMENT (ISHM)

Exhibitor
Instructors

ACADIANA FLOW MEASUREMENT SOCIETY (AFMS)

Exhibitor
Instructors

AMERICAN SCHOOL OF GAS MEASUREMENT TECHNOLOGY (ASGMT)

Exhibitor
Instructors

ISNETWORLD

Member Contractor—Member in Good Standing

PEC SAFETY

Contractor Assistance Program—Member in Good Standing
SSQ Participant—Member in Good Standing

PARTICIPATION IN RELEVANT STANDARDS AUTHORIZING OR DEVELOPMENT

SPL currently participates in the ASTM Proficiency Testing Program (PTP), formerly known as the ASTM Crosscheck Program. We currently test both Crude Oil and #2 Diesel Fuel samples at the rate of 3 samples of each material every year. SPL has been a continuous member of the ASTM laboratory testing programs for over 25 years.

SPL is a participating member of the following organizations and sections:

- GPA Sections B and H
- API Sections –COLM, COGFM, COMQ, CPMA
- ASTM – D02H, 003

We also actively participate in GPA round robins and client round robins.

SAFETY

In addition to maintaining a safe work environment and clear, written policies regarding safety and environmental issues, all employees are trained in safety practices that enable them to recognize and avoid hazards that could cause personal injury and damage to property and the environment.

In our efforts to prevent injuries and illnesses, we work continuously to maintain safe and healthful working conditions, while adhering to proper operating practices and procedures. In addition, SPL works toward compliance with all federal, state, and local health and safety regulations.

Part of helping you make the most of every asset is ensuring the safety of our people and yours—in the field, in the lab, and in the communities that host oil and gas operations.

SPL fosters a strong culture of safety in the field and the laboratory that protects our **customers' vital oil and gas operations, mitigates negative environmental impacts, and reduces** the risk of non-productive time. Since our founding in 1944, SPL has maintained a resolute focus on ensuring that our people and operations, as well as those of our customers, are protected from harm.

We take pride in being good stewards of the environment by enforcing our own environmental policies and adhering to all state and federal environmental regulations. SPL remains in strict compliance with:

- Federal, state, and local health and safety regulations
- EPA, OSHA, SEMS, and DOT regulations
- Our own in-house protocols, policies, and procedures
- Each customer's specific HSE practices

Through a combination of strong health and safety policy enforcement and extensive employee training, we facilitate a proactive safety environment for all of our employees to prevent the risk of injury and illness. We also ensure that our safety message is clearly communicated, providing detailed written policies that specify each safety and environmental procedure.

SPL is a member of both ISNetWorld and the PEC Contractor Assistance Program.
SPL's ISNetworld number: 400-116956

Experience Modification Rate

2015	.88
2016	1.02

Total Recordable Incident Rates

2015 TRIR:	1.97
2016 TRIR:	0.44

ENVIRONMENTAL, HEALTH AND SAFETY STATEMENT

SPL is committed to conducting its business lawfully, ethically, and in a socially and environmentally responsible manner. We believe exemplary performance in the areas of Environmental, Health, and Safety (EHS) is essential to fulfill our business goals while ensuring that our employees are providing the necessary training and tools to perform their jobs efficiently and safely. SPL Management is committed to this philosophy. We expect to achieve excellence in environmental, health and safety performance through the active participation and support of all management and employees.

SPL will comply with all applicable environmental, health and safety laws, regulations, and industry best practices. In the absence of such, we will adopt best sound judgment. Occupational health and safety values will not be compromised. SPL believes that there is no job so important or task so urgent that the appropriate steps cannot be taken to ensure the safety of our employees or the public. SPL will continue to seek to understand our relationship to the environment and adopt technically sound and economically feasible control that will avoid or mitigate negative impact

Management, supervisors, and employees will continue to work together to foster an environment that holds employees accountable for fully implementing this EHS philosophy.

QUALITY ASSURANCE

Our Quality Policy

SPL operates under a rigorous quality management system that distinguishes SPL from its competitors by living and demonstrating our core values of safety, integrity, innovation, and service each and every day. SPL is committed to providing quality products and services and our teams strive to maintain an ongoing relationship with our clientele by meeting their needs before, during, and after our services have been completed.

SPL commits that our personnel shall be technically competent to safely and accurately perform requested services through a combination of education, experience, and training. In addition to **this, it is SPL's policy that members of our organization adhere to an ethical code of conduct and maintain good laboratory practices such as data integrity and client confidentiality.** These requirements ensure that individual departments generate consistent, technically valid, and legally defensible results that are of value to our customers. To ensure compliance with our quality policy as well as any mandates by accrediting bodies, stringent record keeping requirements dictate that the performance of personnel and equipment will be continuously **monitored and documented.** SPL facilities accredited by Louisiana's Department of Environmental Quality (DEQ) commit to ongoing compliance with The NELAC Institute (TNI) Standard and shall display a copy of the current certificate of accreditation in a public area. SPL maintains an open-door policy regarding audits and observations and welcomes any of our clients, accreditation agencies, or regulation entities to schedule a visit to any of our facilities for assessment.

SPL's commitment for continuous improvement is a goal that extends beyond our employees and physical locations. SPL pledges to educate not only our team members, but to educate our customers and the oil and gas industry as a whole by volunteering to instruct with organizations such as the American School for Gas Measurement Technology (ASGMT), the International School of Hydrocarbon Measurement (ISHM), and the Gas Processors Association (GPA) Chromatography School. SPL actively participates in technical collaboration groups such as the American Society for Testing and Materials (ASTM), the American Petroleum Institute (API), and GPA to develop the standards that define the best practices for industry applications nationwide. SPL routinely dedicates personnel, laboratory services, and calibration blends towards the research these **groups require to obtain the data that drives and improves the industry's** technical reference methodology. This in-depth involvement, combined with extensive hands on experience, allows SPL to establish proprietary procedures that provide the unique solutions that an evolving industry needs.

Customers and employees alike are **vital to SPL's success, and shall be treated with respect and integrity.** SPL's vision is to be renowned for the verifiable quality and accuracy of the services that we take pride in providing to our clients. Our management is dedicated to provide the right scientific tools and a safe learning environment that ensures employees will enjoy working as part of the SPL team, and therefore enjoy serving our clients.

CAPABILITIES OVERVIEW

SPL has spent the last 70 years mastering every discipline relating to hydrocarbon measurement, analysis, and reporting —bringing these capabilities together for more complete protection of hydrocarbon data integrity. We deploy experienced field teams to conduct precision measurement, addressing matters of meter proving, calibration, and other accuracy factors along the way. We then take this verified data and assign leading analytical chemists for unbiased, third-party compositional data. Paired with our proprietary allocation algorithms —and a host of

custom tests, processes, and training —the result is complete asset awareness and optimization.

Measurement Services

We have the expertise, scalability, and equipment to handle all of an operator's gas and liquid measurement services —from field services to well testing, and even cylinder certification and repair. Many of the industry's best practices in the field of hydrocarbon measurement, including formal professional standards adopted worldwide, have their origins at SPL.

- Field Services
- Well Testing
- Gas and Liquid Measurement
- Cylinder Inspection, Repair, and Certification

Analytical Services

Our analytical expertise is renowned the world over. With more than 250 tests and over 50 chemical analysts on staff, we have the expertise, technology, and credibility to handle all of an operator's analyses on a turnkey basis. In fact, we're the authority that government bodies often turn to when facing difficult analytical challenges or determining best practices.

- Crude Oil Analyses
- Condensate Analyses
- Natural Gas and Natural Gas Liquids
- Fingerprinting
- Specialty Gas and Liquid Standards

SPL uses a robust Laboratory Information Management System for managing data. Our LIMS provides automated capture of the Gas Chromatography data to prevent transcription errors, performs quality checks and imports the data into our SQL database. SPL LIMS provides a method for processing samples in an efficient manner while minimizing risks in transcription errors. SPL's chemists can revert back to historical data as well as provide the highest quality data in the format required by the client.

Reporting Services

SPL brings third-party credibility and peace-of-mind to mission-critical reporting functions such as allocation and regulatory reporting. Bringing everything together with expert veterans of navigating advanced reporting, we can ensure superior confidence in reporting accuracy.

- Measurement Production Allocation
- Data Management
- Governmental
- Regulatory
- Certificates of Analysis

SPL Total Confidence™

The SPL Total Confidence™ program delivers total lifecycle measurement, analysis, and reporting of hydrocarbon data on a turnkey basis, ensuring end-to-end accuracy from the wellhead to the point of sale. All with the peace of mind that comes with a single, objective third party managing it for you. SPL Total Confidence™ is a completely new approach toward ensuring hydrocarbon data confidence —and it's only brought to you by SPL.

- Get 100% turnkey outsourcing of hydrocarbon data measurement, analysis, and reporting.
- Customize a program based **on your operation's specific needs.**
- Lower risk exposure to litigation, regulatory fines, operational delays, or missed revenue opportunities.
- Ensure unbiased, third-party credibility with a name that the industry has trusted for more than 70 years.
- Get instant access to all of the resources you need for complete program management, including hundreds of pieces of field equipment, 50+ analytical chemists, the ability to perform 250 tests, and more.

Call SPL today and learn more about how we can help lower risk and improve efficiency through end-to-end hydrocarbon data optimization.

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