

PAUL D. APPEL

QUALIFICATIONS

- People oriented executive manager and leader with focus on bottom-line profitability.
- Degreed Petroleum Engineer with 35 years of oil industry experience.
- Currently working as VP Projects, Pipelines and Operations for Gulf of Mexico focused independent exploration and production company.
- Previously held senior management level positions with a major integrated E&P company (28 years) and a project management/engineering firm (4 years).

SUMMARY

Mr. Appel joined Pyramid GOM, Inc/Capco Offshore Inc. in July 2007, where he is currently employed. He previously worked for InterAct PMTI (January 2003 – July 2007), following a successful career with ConocoPhillips (and Phillips Petroleum Company) where he held numerous operations/asset management, business development, project management and engineering positions. As a result, he is well versed in operations, project management, business development, project development, property acquisitions and sales, planning and budgeting, and Health Safety and Environment (HSE).

Mr. Appel has extensive onshore and offshore oil and gas operations experience. He has worked on domestic properties in the Gulf of Mexico, California, West Texas, New Mexico, Oklahoma, Kansas, and the Rocky Mountains, and internationally in Canada, Venezuela (offshore and onshore) and the North Sea.

Through these varied experiences, he has developed a proven track record in building results oriented organizations and teams, optimizing operations for increasing revenues and controlling costs, as well as knowing when to sell/shut-down poor performing assets. He also possesses strong health/safety/environment, business development and planning/budgeting skills that compliment his operations and engineering expertise.

CAREER TRACK

- **VP Projects, Pipelines and Operations** (Pyramid GOM): Currently managing Gulf of Mexico operations, as well as platform facilities and pipelines projects, for Pyramid assets.
- **VP Operations** (Pyramid GOM/Capco Offshore): Managed Pyramid and Capco Gulf of Mexico well and facilities operations. Directed transition of Green Canyon 184 Unit and High Island 160 Unit operations from ConocoPhillips to Pyramid/Capco. Also, managed operations for WD 62, SS 144/145, EI 159 and WD 102 fields.
- **Region Manager/Team Leader/Technical Support** (InterAct): Managed InterAct Houston office. Also, directed Gulf of Mexico (Green Canyon 184 Unit) and Offshore California (Point Arguello Field) platforms and pipelines decommissioning.
- **Manager California & Canada Assets** (ConocoPhillips): Managed Offshore California (including Point Arguello Field) and Canada producing field assets.
- **General Manager – Business Services** (Phillips): Managed/Directed E&P planning/budgeting, reserves, operations analysis/accounting, portfolio modeling, and new business evaluations.
- **General Manager/Country Manager - Venezuela Operations** (Phillips): Managed three producing fields (two offshore) and planned for developing a heavy oil field (Hamaca).
- **Manager – Global Ventures (Phillips)**: Led/Directed E&P business efforts to gain/develop LNG and Improved Oil Recovery projects worldwide.
- **VP Manager - West Texas Gas Operations/Commercial** (Phillips Gas Co./GPM): Managed five gas gathering systems and gas plants gathering 550 MMCFD gas and producing over 55,000 BPD of NGL's.
- **Manager – Permian Basin Operations and Engineering** (Phillips): Managed West Texas and New Mexico properties producing 40,000 BOPD and 200 MMCFD gas.
- **Manager, Oklahoma Operations and Engineering** (Phillips): Managed Oklahoma, Kansas and North Texas operations, including oil/gas production and gas gathering/gas plant operations.

- **Drilling & Production Director** (Phillips): Provided technical support for offshore California, Rocky Mountain, and Mid-Continent drilling and production operations.
- **Engineer** (Phillips): Performed reservoir, drilling, production, and facilities engineering assignments in the North Sea (Norway), Gulf of Mexico and West Texas.

REPRESENTATIVE WORK EXPERIENCE

Operations and Project Management – Gulf of Mexico

Managed/Directed operations and major projects for Pyramid's/Capco's Gulf of Mexico assets. Projects have included: directing/coordinating operations transition of the GC 184 Unit and the HI 160 Unit from ConocoPhillips to Pyramid/Capco, directing platform structural inspection programs (including a TLP), providing technical support for \$10 MM of platform repair work following Hurricane Ike, improving GC 184 well performance through gas lift optimization, negotiating two process handling agreements with LLOG Exploration for processing their GC 141 and GC 448 production at Pyramid's GC facilities, evaluating GC 52 CPP platform for capacity increase to handle 3rd party oil/gas processing, and supporting/directing various well workovers. Through these various projects and operational optimizations, Pyramid/Capco have reduced operating costs by over 40% and production is higher today than when Pyramid/Capco took over operation of these properties.

Project Management – Decommissioning Offshore Platforms and Related Facilities

Lead and managed an InterAct team assisting ConocoPhillips in planning for the decommissioning of Gulf of Mexico Green Canyon 184 Unit platforms plus associated subsea pipelines. The work scope included: evaluation of various alternatives (new and existing technology), recommendation of preferred alternatives, development of cost estimates and schedules for the actual decommissioning work, and initiation of the permitting and regulatory approval process.

Also, lead a multi-contractor team working for Chevron in the initial phase of planning for decommissioning of three large platforms offshore California (Point Arguello Field), including pipelines and associated onshore oil and gas processing facilities. This involved recommending a preferred project execution plan, developing estimated costs and schedules, and initiating the complex federal, state and local permitting process. Gross cost of this project was estimated to be several hundred million dollars. Project was deferred due to increased oil and gas prices.

Asset Management – California and Canada Producing Properties

Managed an integrated, multi-disciplined asset team in maximizing the value of Phillips Petroleum's E&P assets in California and Canada. Responsibilities included: planning, capital budgeting, expense/operating budgeting, influencing the various working interest owners on new projects and maintaining strong cost control. Significant contributions included: 1) increased production of Canadian properties by 25% and at the same time reduced operating costs by 10%; 2) maintained flat production in the offshore California Point Arguello Field while reducing costs by 7%; and 3) developed and implemented forward business plans for both the California and Canadian properties to maximize their value through the Conoco and Phillips merger transition period.

Project Development and Operations Management – Venezuela

Developed plans, obtained approvals, built operating organization and implemented operations to redevelop three producing properties in Venezuela. These included two direct operated properties, the Ambrosio Field with several platforms in Lake Maracaibo and the La Vela Fields offshore western Venezuela, as well as the partner operated LL-652 Field in Lake Maracaibo. Capital expenditures for the three field redevelopments were over \$300 MM net to Phillips Petroleum Company.

International E&P Business Development (non-Exploration)

Built, directed and managed new E&P organization to pursue Global LNG and Improved Oil Recovery project opportunities. Team efforts led to new project opportunities in China (Coal Bed Methane Gas), Venezuela (Hamaca Heavy Oil project and three Field Reactivation projects – LL-652, Ambrosio, and La

Vela), Trinidad & Tobago (LNG licensing), Qatar (LNG project), and Australia (LNG project) within a three year period of time.

West Texas Gas Operations Management – Organization, Growth and Cost Control

Built operations and commercial groups to manage a new Gas Gathering, Processing and Marketing region within West Texas for Phillips Petroleum. Managed operations/commercial for five large gas gathering systems and eight gas processing plants. Through optimization of operations, automation of plants and systems, changes in field supervision accountability and gas purchases, grew gas volumes from 400 MMCFD to over 550 MMCFD, NGL volumes from 45,000 BPD to 55,000 BPD, and reduced operating costs by 25%.

Project and Operations Management – Restart Shut-in Gas Processing Plant

Directed the planning, justification, approval, and implementation of a project to update, restart and operate the 80 MMCFD-capacity Quarry Gas Processing Plant in central Texas. Project scope included installation of two solar turbine compressors, reinstallation and inspection of several high-pressure vessels, and reconfiguring the field gas gathering system to direct gas flow into this plant. The plant restart was accomplished without a safety or environmental incident.

West Texas/New Mexico Operations –Production Enhancement and Cost Control

Supervised drilling and production operations and engineering to arrest production decline through successful drilling and facility improvement projects. Initiated a new oil field development in New Mexico and an in-fill drilling/waterflood project at the Goldsmith Andector Unit (West Texas). Also, achieved a 10% overall reduction in operating costs.

Project Development and Operations – Coal Bed Methane Properties

Guided and directed Phillips Petroleum Co. development, start-up and early operation of San Juan Basin, New Mexico coal bed methane gas acreage. Project involved drilling over 200 wells, installing dewatering facilities and a gas gathering system. Production peaked at over 400 MMCFD gross gas volume.

Project Management – Revised Production Reporting Process (Change Management)

Led team (including outside consultants) to develop and implement a new and more efficient Lower 48 production reporting process. Collected data, strategized plan, developed step-change “report by exception” process, organized training, built credibility with operations staff and implemented new process. This was a very successful project that ultimately reduced daily production reporting and well site visitation by over 20%.

**CREDENTIALS
& EDUCATION**

Bachelor of Science, Petroleum Engineering, Montana Tech, 1975
Phillips Petroleum Advanced Management Program, 1990

**SPECIALIZED
COURSES**

SPE Decommissioning Forum – Park City, UT
Diversity Leadership – O’Mara Associates
Leadership and Strategy Series – Linkage
Asset Development and Project Management Process – ConocoPhillips Co.
International Business Develop – Cambridge Energy

Process Safety Management – Dupont
Leadership Development – Phillips Petroleum
Decision and Risk Analysis – Strategic Decisions Group

Economics and Project Evaluation – Phillips Petroleum
Oil Field Water Systems – Petrotech
Drilling Practices – Prentice & Records
Gas Lift Design and Optimization – Rike Services
Oil and Gas Well Completions and Workovers – Rike Services
Managing Construction Projects – Phillips Petroleum
Effective Negotiations – Karras
Modern Well Test Analysis – Phillips Petroleum
Problem Solving and Decision Making – Kepner Tregoe

**INDUSTRY
MEMBERSHIPS**

Society of Petroleum Engineers (SPE)

REFERENCES

References available upon request.