

August 6, 2020

Enforcement File: 2020-1038-01

Painted Pony Energy Ltd.
1200-520-3rd Avenue SW
Calgary, AB T2P 0R3

Attention: Ms. Lyza McLean, Senior Surface Land Coordinator

RE: Warning: Fail To Comply With Condition Of An Authorization

Dear Ms. McLean,

Painted Pony Energy Ltd. (Painted Pony) holds water use authorization AD 100110449 WU #5563 issued under the Water Sustainability Act. This authorization contains the following condition:

The Permit Holder must maintain accurate records of all water withdrawal activities throughout the term authorized. Water withdrawal records for each diversion point, including "0" values for months where no water was withdrawn, must be recorded monthly. Water withdrawal records must be submitted to the Commission on a quarterly basis via eSubmission. Quarterly reports are due on or before April 25, July 25, October 25 and January 25.

This condition provides the company three weeks to compile its water withdrawal volumes and to submit a report to the Oil and Gas Commission (Commission). A report for the months of April, May and June for WU #5563 was due no later than July 25, 2020.

The Commission received the required report on July 27, 2020, 2 days past the due date.

Late reporting may result in issuance of a violation ticket. The Commission notes Painted Pony has no non-compliance history related to late water reporting.

Given the circumstances, Painted Pony is hereby issued a warning only for the following:

Painted Pony, on or about July 26, 2020, at or near Fort St. John in the Province of BC, did fail to comply with the condition of an authorization contrary to Section 106(3)(k) of the Water Sustainability Act.

If Painted Pony has any questions about this matter please feel free to contact the undersigned.

Sincerely,

<original signed by>

Oil and Gas Commission