

October 30, 2020

5860-4900-59070-04

Glen Johnson, P.Geol.
Venturion Oil Limited
1600, 500 – 4th Ave S.W.
CALGARY, AB T2P 3V6

Dear Mr. Johnson:

**RE: REQUEST FOR CARRY FORWARD OF UNDERPRODUCTION
2020/21 PRODUCTION YEAR
MICA FIELD – DOIG “B” POOL**

The Commission has reviewed the application from Venturion Oil Limited, dated October 21st, 2020, requesting exemption from section 60(2) of the Drilling and Production Regulation (DPR), which prohibits the carry forward of allowable underproduction to the next production year, for the Mica Doig “B” pool. The cumulative underproduction estimated to the end of the current production year is approximately 4,168.0 m³ of oil. This amount includes both past approved carry forward volume and an estimated 634 m³ for the current 2019/20 production year.

The Commission understands that pool production optimization for the current production year, November 1, 2019 to October 31, 2020, was challenged by several factors. To improve oil recovery from the waterflood, Venturion continued water injection during a period of voluntary shut-in of the pool, resulting in stabilizing the pool pressure and enhancing oil recovery after production resumed. The monthly pool GOR has been decreasing in recent months, indicating a positive response to waterflood management.

Approval is hereby granted under section 4(1)(t) of the Drilling and Production Regulation to carry forward the production allowable underproduction value for both the 2018/19 and the 2019/20 production year to the 2020/21 production year.

Section 1 of the DPR defines daily production limit as:

"daily production limit" means a volume equal to 125% of the daily oil allowable or daily gas allowable

Production is restricted to the daily production limit for any producing month for the 2020/21 production year. However, **this approval is conditional upon** not exceeding the calculated monthly allowable volume for any month during the production year for which the applied FGOR value is equal to or below a value of 0.15 (i.e. the daily production limit does not apply). This condition is intended to conserve pool energy to maximize ultimate reserves recovery.

Should you have any questions, please contact Petra Kriescher-Trudgeon at (250) 419-4415 or the undersigned at (250) 419-4430.

Sincerely,



Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission