



May 8, 2019

5860-4545-59070-04

Brian Goodfellow, P.Eng.
Vice President Production and Operations
Venturion Oil Limited
1600, 500 – 4th Ave S.W.
CALGARY, AB T2P 3V6

Dear Mr. Goodfellow:

**RE: REQUEST FOR CARRY FORWARD OF UNDERPRODUCTION
MICA FIELD – DOIG “B” POOL**

The Commission has reviewed the application dated April 25th, 2019 requesting under Section 4(1) (t) of the Drilling and Production Regulation an exemption of Section 60(2) for the Mica Doig “B” pool, which prohibits the carry forward of production allowable underproduction to the next production year. The cumulative underproduction for the 2017/ 18 production year equates to 4253.9 m³ of oil.

The Commission evaluated the Daily Oil Allowable (DOA) production for the current production year, November 1, 2018 to October 31, 2019 and found that between Nov 2018 and February 2019 the pool produced 13.8 m³ of oil and 0.1 e³m³ of gas resulting in a cumulative underproduction to March 31 of 3511.1 m³ of oil. The Drilling and Production Regulation section 55 (b) refers to a daily production limit that is defined as:

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

Venturion may increase production for any producing month to 125% of calculated value. The current FGOR varies between 0.17 and 0.22. Using a FGOR of 0.22 reduces the allowable from 5058 m³/month to 1113 m³/month. An increase of 25% would allow Venturion to produce an additional 278 m³ of oil per month. This amount, 278 m³/ month, will not allow Venturion to retire the current underproduction of 3511.1 m³ within the remaining six months of the current production period. Therefore, the application to transfer the previous year underproduction, 1926.8 m³, is declined.

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

Sincerely,

A handwritten signature in black ink, appearing to read "R. Stefik", written over a horizontal line.

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