



October 25, 2019

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
MICA FIELD – DOIG “B” POOL**

The Commission has reviewed the application from Venturion Oil Limited, dated October 21th, 2019, requesting exemption from Section 60(2) Drilling and Production Regulation (DPR) 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 2018/19 production year is estimated to be 3,820 m³ of oil.

Venturion was unable to optimize production for the current production year, November 1, 2018 to October 31, 2019, for the Mica Doig ‘B’ pool partially due to gas egress restriction. To improve oil recovery from the waterflood, Venturion has invested in a solution gas pipeline and compressor and drilled an additional water injector well.

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

Venturion may produce up to the daily production limit for any producing month for the 2019/20 production year. However, **this is approval is conditional upon** not exceeding the calculated monthly allowable volume for any month during the 2019/20 production year for which the FGOR value is equal to or below a value of 0.10 (daily production limit does not apply). This condition is intended to conserve pool energy to maximize ultimate reserves recovery. The monthly FGOR adjustment value in recent months has varied between 0.14 and 0.24.

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 blue ink, appearing to read 'Ron Stefik', is written over a horizontal line.

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