

Wapiti Area Synergy Partnership Presentation

April 9, 2019



**kelt** exploration

[www.keltexploration.com](http://www.keltexploration.com)

## Kelt Attendees

- Doug MacArthur – VP of Operations
- John Metcalfe – Manager of Production, HSE&R
- Carrie Petrie – Manager of Surface Land
- David Durda – Coordinator of HSE&R
- Eric Lang – Area Foreman (GP)
- Mark Gillespie – Sr. Field Safety Advisor (GP)
- Ward Nicholson – Sr. Surface Landman

# About

## WHO ARE WE?

- **Kelt has been operational since 2012**
- **Kelt Executive team previously managed Celtic Exploration Ltd.**
- **Kelt successfully acquired large contiguous tracts of Montney acreage in both Alberta and British Columbia – the Company currently holds over 500,000 acres of Montney rights.**
- **Kelt has assembled a team of experienced and qualified personnel and we are well positioned to act quickly on new opportunities**
- **60 staff in Calgary Office**
- **60 staff in Grande Prairie and Fort St. John offices**

# Core Areas

## Fort St. John ( BC ) :

### Inga/Fireweed & Oak/Flatrock

- Stacked Montney light oil and condensate-rich gas
- Doig condensate-rich gas

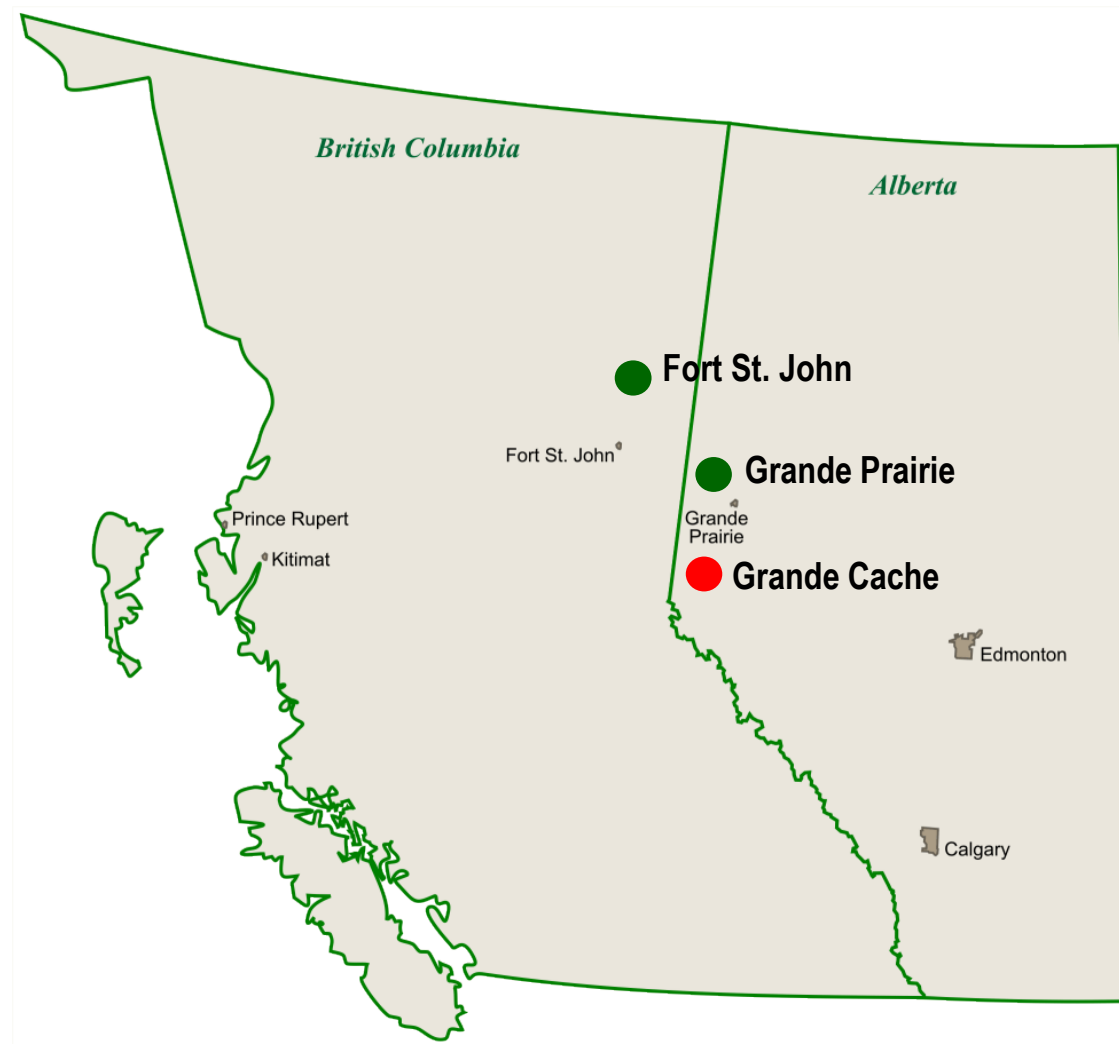
## Grande Prairie ( AB ) :

### Pouce Coupe/Progress, Valhalla/La Glace & Pipestone/Wembley

- Stacked Montney light oil
- Montney/Doig gas
- Charlie Lake light oil
- Halfway light oil

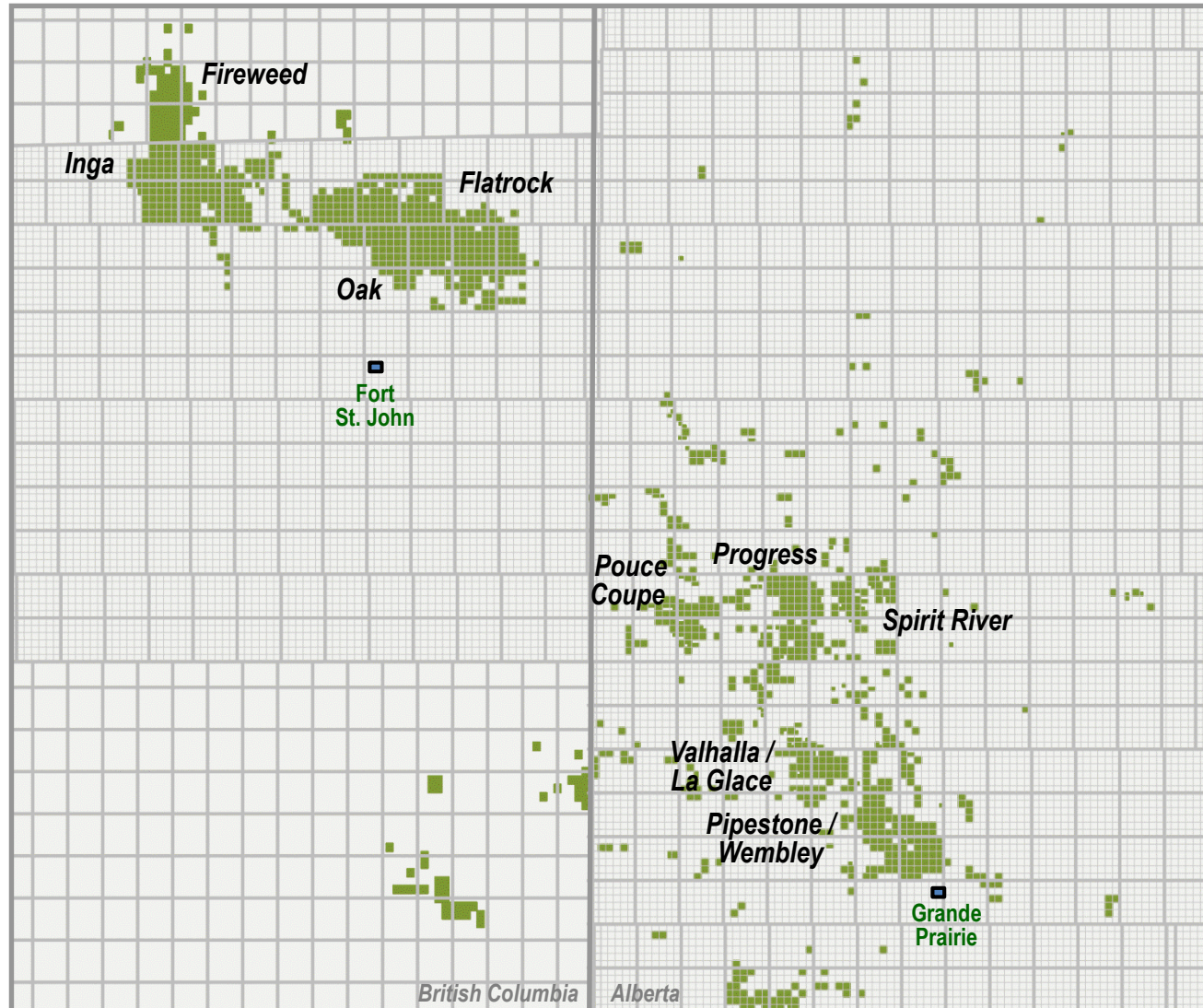
## Grande Cache ( AB ) :

- Cretaceous gas





# Kelt Land Fairway



■ Kelt Lands

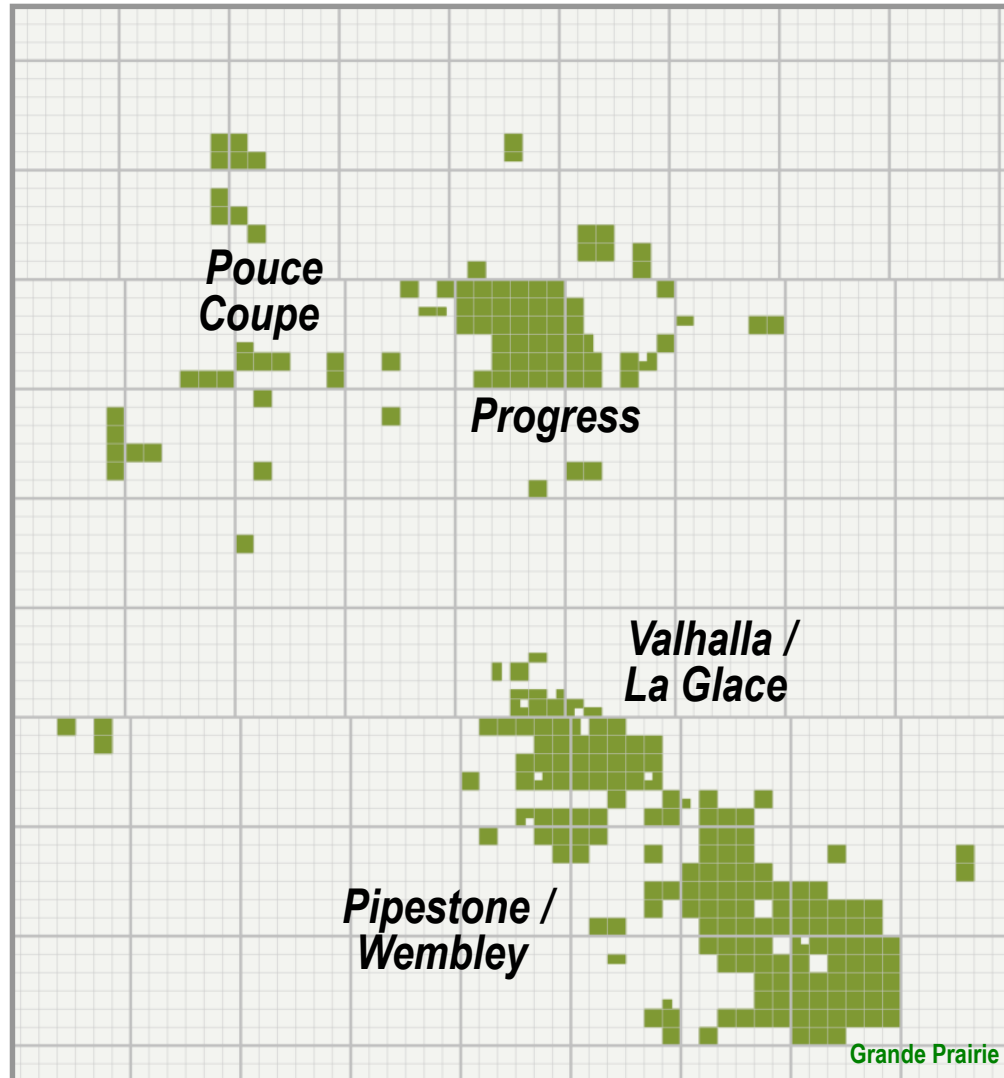
## Corporate Land Holdings

February 2019	Net Acres	Net Sections
Developed	225,797	353
Undeveloped	596,895	933
<b>Total</b>	<b>822,692</b>	<b>1,286</b>

## Montney Rights

	Net Acres	Net Sections
British Columbia	363,852	569
Alberta	146,719	229
<b>Total</b>	<b>510,571</b>	<b>798</b>

# Alberta Montney Lands



■ Kelt Lands

## LAND

### Montney Rights:

**Gross: 171,200 acres ( 268 sections )**

**Net: 147,999 acres ( 231 sections )**

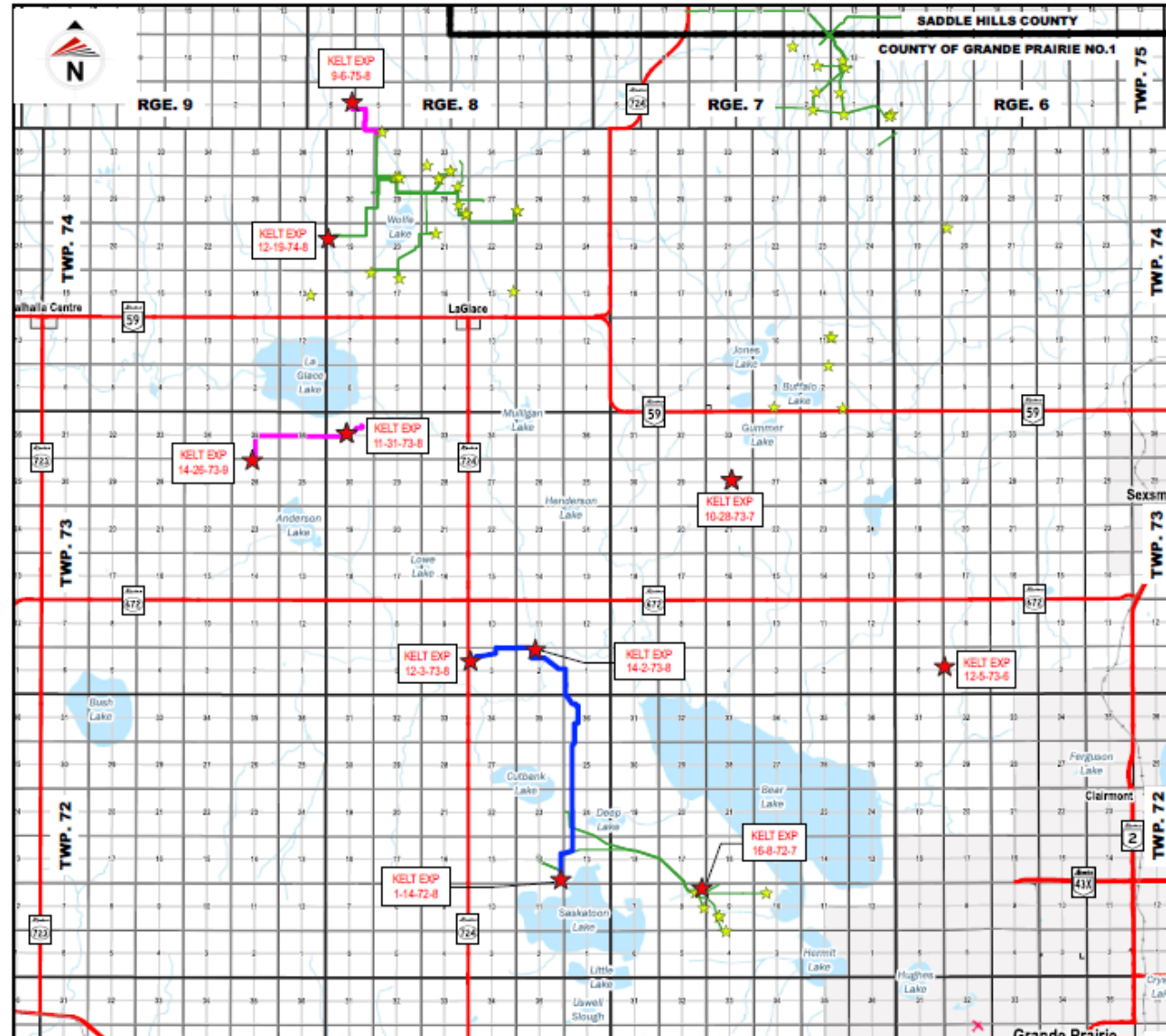
# Drilling Program

<b>Drills</b>	<b>2018 Gross Wells</b>	<b>2019 Budget Gross Wells</b>
<b>Alberta</b>	<b>16</b>	<b>8</b>
<b>British Columbia</b>	<b>17</b>	<b>25</b>
<b>Total</b>	<b>33</b>	<b>33</b>
<b>Completions</b>	<b>2018 Gross Wells</b>	<b>2019 Budget Gross Wells</b>
<b>Alberta</b>	<b>21</b>	<b>8</b>
<b>British Columbia</b>	<b>8</b>	<b>28</b>
<b>Total</b>	<b>29</b>	<b>36</b>

# Drilling Locations – Montney Play

## Kelt 2017/18 Development drilling

- 1-14-72-8W6M (North side Saskatoon Lake TWP 722 RR81)
- 9-4-73-6W6M (TWP730 RR65)
- 12-3-73-8W6M (Hiway #724, Emerson Trail)
- 14-2-73-8W6M (Emerson Trail RR82)
- 10-28-73-7W6M (TWP 734 RR73 South of Gummer Lake)
- 11-31-73-8W6M (TWP 735 RR85, South of La Glace Lake)
- 14-26-73-9W6M (TWP 735 RR91 NW of Anderson Lake)



## Kelt 2019 Development Drilling

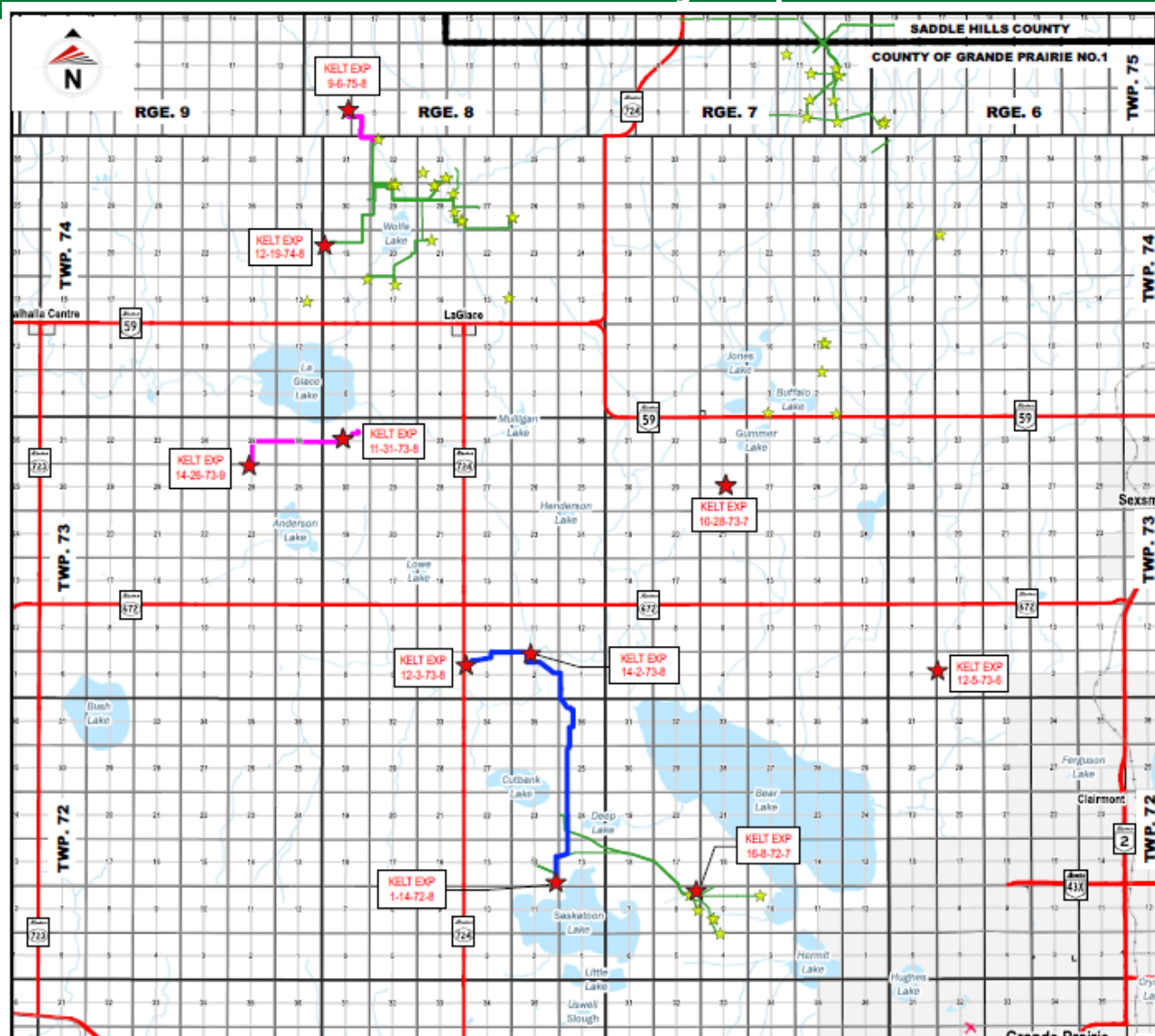
- 16-8-72-7W6M (TWP 722 Grandview Rd.)
- 3 additional wells drilled from 1-14-72-8W6M
- 3 additional wells from 12-3-73-8W6M
- 1 new pad NE of Bear Lake



# 2019 Production Outlook

	2017	2018	2019 Budget	2019/2018 Change
Oil ( bbls/d )	6,634	8,403	11,200 – 11,800	33% – 40%
NGLs ( bbls/d )	2,608	3,186	4,300 – 4,600	35% – 44%
Gas ( Mcf/d )	77,330	92,502	105,000 – 112,000	14% – 21%
Combined ( BOE/d )	22,130	27,006	33,500 – 34,500	24% – 28%

# Valhalla / La Glace/ Wembley Op's



## PRODUCTION OPERATIONS

- Ownership in pipeline infrastructure, minor interests in gas plants and 100% interest in the Kelt La Glace Facility which has a handling capacity of 3,500 bbls/d of oil and 20 MMcf/d of gas (14-29-74-8W6M, Rosvold)
- Kelt has entered into an agreement with Tidewater Midstream and Infrastructure Ltd. for firm processing at Pipestone Sour Deep-Cut Gas Processing Plant that is currently under construction and which is expected to be on-stream by 3<sup>rd</sup> ¼ 2019.
- 14-26-73-9(Rude) to 11-31-73-8 to 10-31-73-8 2019 Construction, 4.5km line
- 12-3 to 14-2-73-8 to Tidewater tie in at 1-14-72-8. Proposed 12km pipeline, 3<sup>rd</sup> ¼ 2019 Construction

# Environment

## LAND CONSERVATION

- **Kelt ensures best practices when contributing to the oil and gas industry's footprint. This includes creating an optimal path to reduce the size and duration of the footprint.**
- **Kelt works with industry by utilizing roads with multiple permit holders, landowner consultation, remediation of watercourse crossings, and construction of multi-well pads (versus single well sites) to maintain biodiversity, and to greatly reduce surface impacts and the effect of the ecosystem.**
- **Kelt's objective is to return sites back to a sustainable landscape that meets all abandonment and reclamation regulatory assessment requirements, which includes stabilization, contouring, maintenance, condition, reconstruction and revegetation.**

## Environment – Water Management

- **Kelt is committed to ensuring that our operational activities comply with all environmental regulatory standards and requirements.**
- **As a producer we ensure water conservation is mitigated and managed at all levels.**
- **Kelt aims to source as much water from private landowners and dugouts for its operations.**
- **Kelt continues to meet all regulatory application and reporting requirements for water diversion activities.**



## Health & Safety

- **Safety is paramount in Kelt's culture. We are committed to safe and environmentally responsible operations for the benefit of our employees, contractors and the communities we work in.**
- **We have established effective policies, systems and procedures to ensure Kelt takes all reasonable care by avoiding, minimizing and/or eliminating any negative consequences to the environment.**

# Emergency Response Management

- **Kelt is focused on developing and maintaining quality Emergency Response Plans (ERP) and ensures that all the emergency response procedures are consistent across the company.**
- **All personnel are trained to properly activate ERP's.**
- **Protecting the public, our employees, and the environment is of utmost importance to Kelt.**

# Community & Stakeholder Engagement

- **Kelt believes that engaging our stakeholders and the community in positive dialogue create stronger partnerships, new and innovative ways of doing business and better understanding of values and priorities, which achieves far greater outcomes for both sides.**
- **Kelt is also finding ways to give back to the community in the form of funding or employment opportunities and believes in giving back to the community in meaningful ways. Kelt has contributed to a number of local community projects, including over \$700k to County of Grande Prairie tax base in 2018.**



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THANK YOU

# Questions & Answers



# Wapiti Area Synergy Partnership Presentation



# kelt exploration

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