

December Updates

Brittany Kelsey

Manager, Development and Administration

Art Gallery of Grande Prairie

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The Wembley Community Society has an online 50/50 that is raising funds for a new playground at the Wembley Elementary School that is over 30 years old! > https://www.rafflebox.ca/raffle/wembleycs <

If anyone is interested in supporting this great cause, they can contact the society > wembleycommunitysociety@gmail.com <

Ovintiv WASP Update

Monica Koeksal Lead, Surface Land AB t 403 645 2780

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Drilling/Completions Activities 14-27-72-9 W6 (RR 92 &TWP 724)

• Currently completing wells

8-11-71-9W6

- 2 Rigs Drilling until early January
- Completion activity to begin in the new year shortly thereafter

04-31-71-8W6

• 1 Rig - Drilling scheduled to start early January

06-06-72-8W6

• 1 Rig - Drilling scheduled to start early January

Pipeline construction

No current activity

Water

Bush Lake TDL

Ovintiv has applied for and received a TDL from the Regulator to withdraw water from Bush lake when permitted outside of Trumpeter Swan timing and appropriate water levels. We are currently transferring water to Ovintiv storage locations north of Saskatoon Mountain to support our completions activity in the area.



Beaverlodge River Water TDL

Ovintiv has applied for and received a TDL from the Regulator to withdraw water from the Beaverlodge River when permitted by appropriate water levels

Wapiti River Water TDL

Ovintiv has applied for and received a TDL from the Regulator to withdraw water from the Wapiti River when permitted by appropriate water levels

08-11-71-9W6

Temporary water lines to support completions activities will be placed in county ditches starting mid-January

CNRL Update

Gary Valiquette, Canadian Natural Resources Limited Wembley Production Foreman Office 780-513-1662, Cell 780-814-3655

We have completions on our 02-31-72-08W6 pad location flowing back the wells inline. Should be wrapped up by the end of the week. This is 2 miles west on Twp Rd 724 and then 1 mile North on RR 85 or alternatively south on RR85 for 3 miles off the Emerson Trail.

We have a drilling rig at 13-01-72-09W6 drilling 4 wells. They are just wrapping up the final well and the rig will be gone by the end of the week. Completions will start after January. This is 2.75 miles North of Highway 43 on RR91.

"To develop people to work together to create value for the company's shareholders by doing it right with fun and integrity"

Ridgeback Update

Terry Willoughby, twilloughby@ridgeback.com

Continued drilling and Frac operations in Wembley/Beaverlodge Area. Facility construction ongoing at 06-28-071-09w6.



AER Update

Brian Lieverse

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Alberta Energy Regulator

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AER finalizes new requirements to manage oil and gas liability

December 1, 2021... The Alberta Energy Regulator (AER) has finalized new <u>requirements</u> to manage oil and gas liability. The introduction of these new tools marks a major milestone for Alberta in implementing a new approach to manage liability in the province.

"The Government of Alberta has given us the tools we need to begin to move the needle on liability in Alberta," said AER President and CEO Laurie Pushor. "With these new requirements, we're pushing industry to clean up their sites sooner and ensuring the cost and responsibility of the clean-up rests on the shoulders of industry – where it should be."

The AER's new <u>Directive 088: Licensee Life-Cycle Management</u> is now in effect and introduces new requirements to better identify if companies have the means to clean up throughout the life of their projects. The directive includes the following:

- A holistic assessment of the licensee: considers more than 40 different factors, including those listed in section 4.5 of *Directive 067*, and the licensee capability assessment, which includes the remaining lifespan of the resource, the company's financial and liability risk, and the company's administrative, operational, and closure performance.
- Inventory reduction program: sets mandatory industry-wide closure <u>spend targets</u> (including a target of \$422 million in 2022) and company-specific targets to complete closure work.
- Licensee management program: identifies companies at risk of not being able to meet their responsibilities, including site cleanup, and intervenes when necessary to ensure their obligations are addressed.

The new directive strengthens the AER's application requirements for transferring oil and gas licences between companies. Going forward, applications to transfer licences will trigger a holistic assessment of both companies by the AER to ensure the receiving company can safely operate the infrastructure and reclaim it when it is no longer in use.

With these new requirements, the AER can also require a company to pay security at any point during the life cycle of energy development to ensure the cost of closing infrastructure remains with industry. The AER is also working on a new approach to collecting security that will replace existing requirements. Additional details on the new approach will be shared in 2022.



"Historically, liability has not been managed sufficiently to slow the growth of inactive sites, and requirements have been largely reactive – coming in at the end of development," said David Hardie, AER's director of liability management. "The programs we are introducing now apply throughout the entire life cycle, which allows us to proactively identify potential issues, develop timely solutions, and increase closure work done at all stages of development."

In June, the AER released a draft version of *Directive 088* for feedback. A summary of the feedback received is available on our website.

The AER ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

Background

As of November 2021, the AER regulates

- 156 926 active wells,
- 95 524 inactive wells,
- 76 372 decommissioned ("abandoned") wells,
- 92 205 reclamation certified wells, and
- 36 758 reclamation certificate exempt wells.

In 2020, industry closed 6503 wells and 625 facilities while 2666 sites were reclamation certified by the AER. In addition, 61 companies participated in the AER's voluntary <u>Area Based Closure Program</u> in 2020, representing \$291 million in closure work.

In April 2021, the AER released a new edition of <u>Directive 067</u>, which increases the scrutiny the AER can apply when determining if a company has the financial capacity to hold a licence and properly close their energy infrastructure.

The release of these requirements is the latest step taken by the AER to implement the Government of Alberta's <u>Liability Management Framework</u>. Visit the AER's website to learn more about <u>liability management</u>, <u>well classification</u>, and <u>how wells are suspended</u>.



CNRL Update

Gary Valiquette, Canadian Natural Resources Limited Wembley Production Foreman Office 780-513-1662 Cell 780-814-3655

We have completions on our 02-31-72-08W6 pad location flowing back the wells inline. Facilities also working on location. This is 2 miles west on Twp Rd 724 and then 1 mile North on RR 85 or alternatively south on RR85 for 3 miles off the Emerson Trail.

Our 05-31-73-09W6 pad we have our Fracs complete and facilitates is starting construction. Flowbacks will be happening inline mid-month. This is 3.4 miles north of the Emerson Trail on Secondary Highway 723 and right into location.

We have a drilling rig at 13-01-72-09W6 drilling 4 wells. It is on the second well. This is 2.75 miles North of Highway 43 on RR91.

"To develop people to work together to create value for the company's shareholders by doing it right with fun and integrity"

Keyera Update

Vanessa Cartwright

Community Affairs Coordinator

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• No new updates for this month

Pipestone Energy Corp Update

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Lease Construction:

SE (LSD 2) 25-70-8W6M pad site for multi-well pad Location East of RR 82 North off TWP 704

• Constructed (LSD 2) section 25-70-8W6 pad site in preparation for drilling rig

Drilling:

SE (LSD 2) section 31-70-7W6M pad site Location: South of TWP 710 on RR 80

• Drilling a 6 well pad through to December

(LSD 6) section 30-71-7W6 pad site



Location: North of HWY 43 on RR 80

• Drilling 3 wells, second phase of pad through to December

Completions:

SE (LSD 2) 31-70-7W6M pad site with 6 wells

Location: South of TWP 710 on RR 80

• Completion operations expected to commence December 28th

Pipeline Work:

No pipeline work currently planned in December

Wellsite facilities:

(LSD 16) 30-71-7W6M padsite

Location: North of HWY 43 on RR 75

• Wellsite facility installation on single well pad site

Kelt Exploration Update

Ward Nicholson Manager, Surface Land 403-861-2147

Drilling

• Building a 4 well pad site at 4-20-74-8W6M (TWP 744 and RR 85) North of La Glace. First well to spud Mid December 2021.

Completions

No Completions planned till Q1 of 2022.

Pipeline/Facilities

- Building Phase One of 14 km of pipeline gathering system from 10-28-73-7W6M (TWP 734 and RR 73) to 14-9-73-7W6M (Emerson Trail and RR 73) to existing pad at 14-2-73-8W6M (TWP 730 and RR 82). This pipeline will bring Kelts Wembley East production into its existing pipeline system that is tied into the Tidewater Pipestone Plant.
- Phase Two which will gather drilled and completed pad sites at 12-5-73-6WM (TWP 730 and RR 65), 16-26-73-7W6M (TWP 730 and RR 71) and 11-34-73-7W6M (TWP 730 and RR 73) is presently in the Public Consultation/Acquisition phase. Anticipated construction of the 14km project is January 2022 pending regulatory approvals. This production will be processed at the Tidewater Pipestone Plant.



Tidewater Midstream Update

Chris Walsh

Stakeholder, Community and Indigenous Relations C: (780) 831-6932 Grande Prairie, AB www.tidewatermidstream.com

Pipestone Gas Plant RR92 and TWP RD 710 (NW35-070-09W6)

- Plant operations steady
- Continuous improvement initiatives are ongoing with 9 completed so far this year.
- An inlet separator was delivered to the site on Sept 3rd and is operating as intended.
- There are about 10 trucks per day hauling condensate into the plant on RR92.
- We have reduced hauling of produced water away from the plant.

Pipestone Sweet Gas Storage Facility RR71 North of TWP RD 715 (05-36-071-07W6)

- Plant Operations are steady and injection as well as withdrawal are ongoing.
- One additional compressor was added to the site in October.

Pipelines

- All Tidewater area pipelines are commissioned and operational.
- Post Construction Reclamation Assessments for pipelines built in 2019 and 2020 are 100% completed, minor surface soil issues were been identified and have been repaired.

Wells

• A service rig will be moving to the Gas Plant injection well Dec 10th to 17th to do some follow up maintenance work on the well. Landowners within the Emergency Protection Zone of 1.78km have been notified.



Birchcliff Energy Ltd. Update

Andrew Fulford, Surface Land Manager

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Birchcliff Energy Ltd. 1000, 600 – 3rd Avenue SW, Calgary, Alberta, T2P 0G5

Birchcliff recently conducted an evaluation and casing integrity testing of our directionally drilled well BIRCHCLIFF 1-30 SINCLAIR 5-29-71-11, the evaluation and testing was satisfactory, a new bridge plug was installed and the well remains in suspension.

No other activity is planned in the area for the 2022 drilling season.