

# Presley Montney Liquid Rich Gas Project

[ MKS INVESTMENTS LTD. ]

November 2021



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# I. Overview

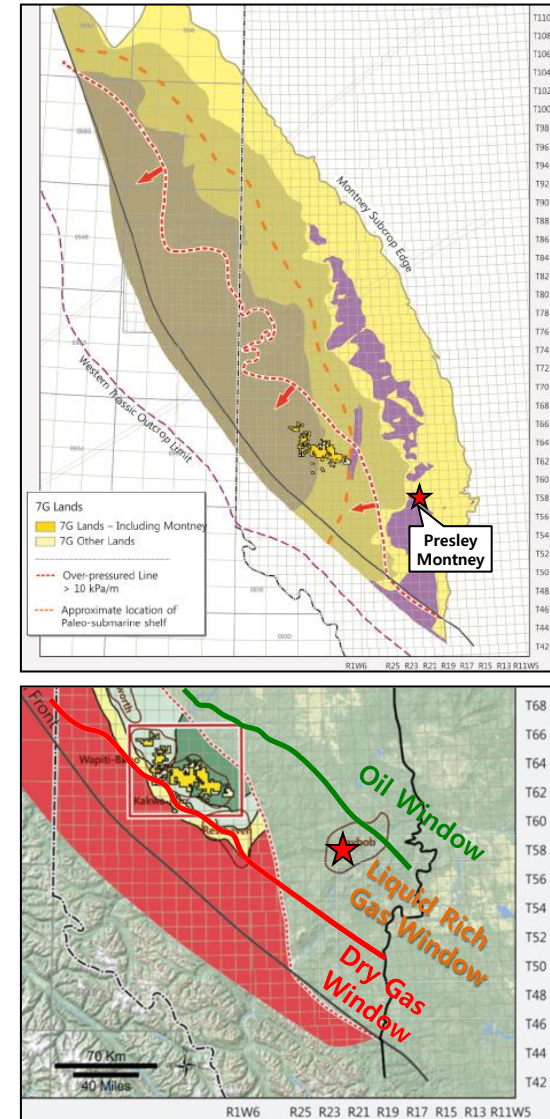
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## ■ Geological Overview – Triassic Montney Formation

The Montney formation is a sedimentary wedge deposited on the western margin of the exposed North American craton during earliest Triassic time, 232-245 MYA. The Montney depositional fairway stretched over 55,000 square miles from north-east British Columbia to north-west Alberta. To the west, the Montney formation is exposed and outcrops within the Rocky Mountain chain, while to the east it sub-crops where it was eroded during the late Jurassic and early Cretaceous periods. The entire sedimentary wedge dips from the NE to the SW, and reached its lowest elevations in NW Alberta. The Montney unconformably overlies the Pembina Belloy formation and is unconformably overlain by Triassic to Cretaceous sediments. The formation ranges from less than 1 meter in thickness at the easterly sub-crop, to over 350 m to the west.

The Montney sequence can generally be divided into two main depositional systems, one dominated by proximal shoreface deposits (to the east) and the other dominated by deposits (to the west). These depositional systems are controlled by their relative position to the paleo-submarine shelf edge that runs through the middle of the Montney fairway from the SE to the NW. Proximal Montney deposits, east of the paleo-geographic shelf, are dominated by shoreface sandstones, dolomitized coquinas, and lower shoreface siltstones. The Montney is a well-established producing horizon for both oil and gas throughout western Alberta and northern British Columbia. In recent years horizontal drilling technology and multi-stage fracturing of horizontal wells have allowed for significant additional development of the Montney formation beyond the confines of the conventionally trapped pools that were commercially exploitable with vertical wells.



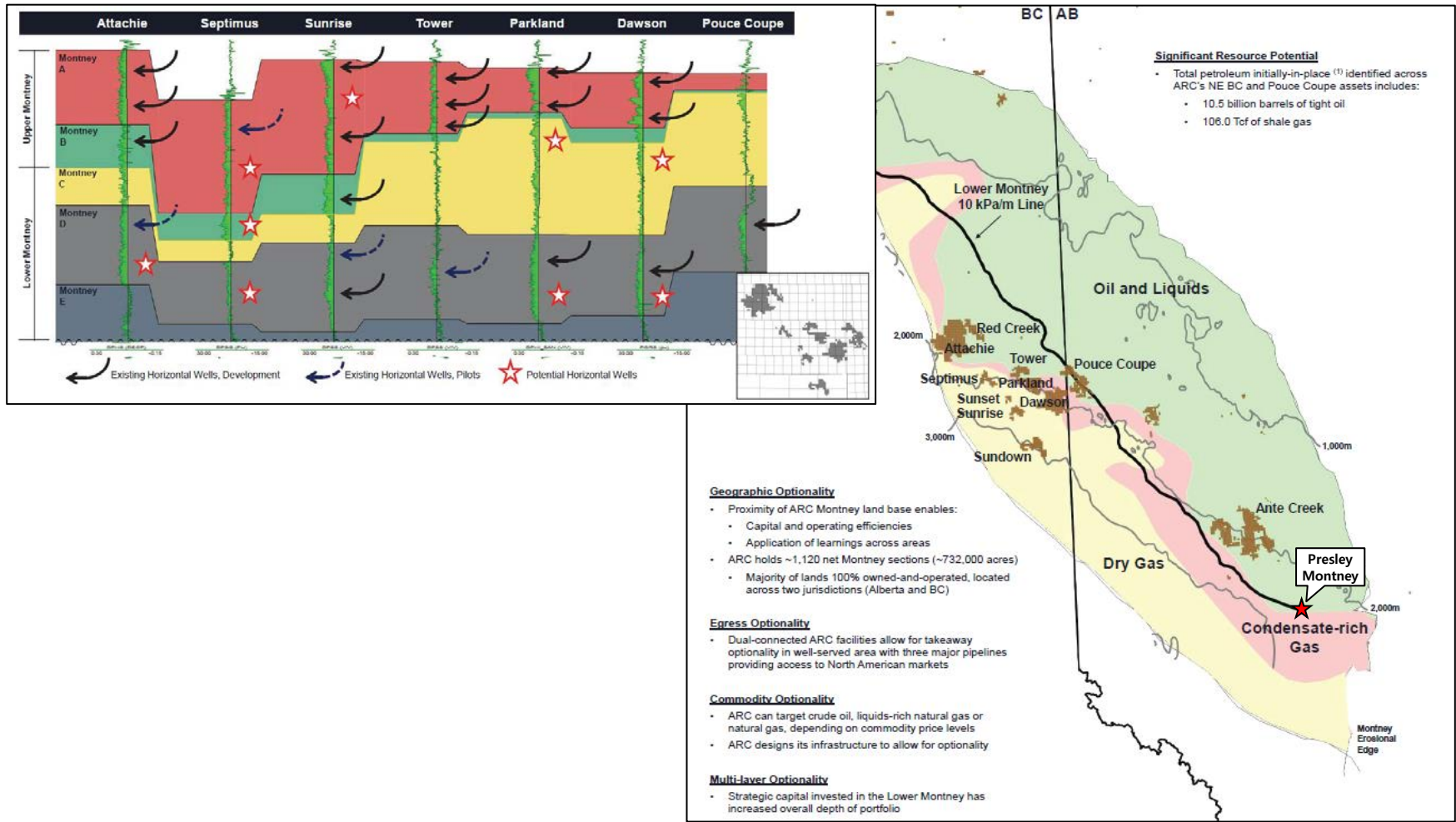
\* source : SPE 162824, Liquids rich unconventional Montney : The geology and the forecast

# I. Overview

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## Opportunity in the Montney



\* source : ARC Resources, December 2018



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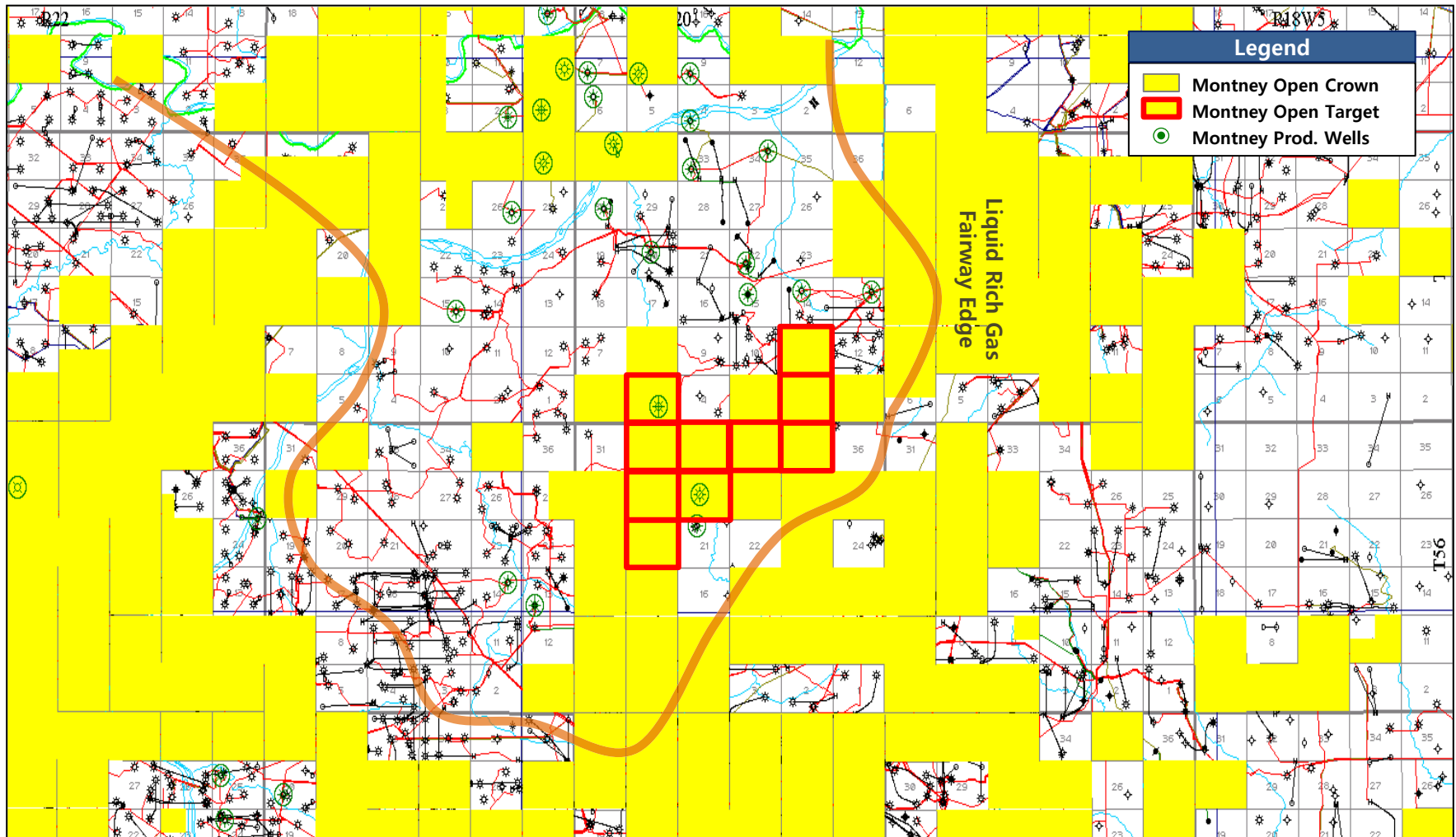
## II. Target Land

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### ■ Presley Montney Open Crown and Target Location

- Target open crown land located in the Presley Montney producing trend with offsetting horizontal development





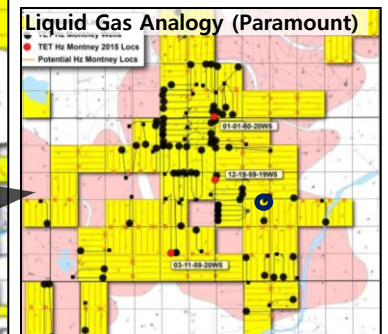
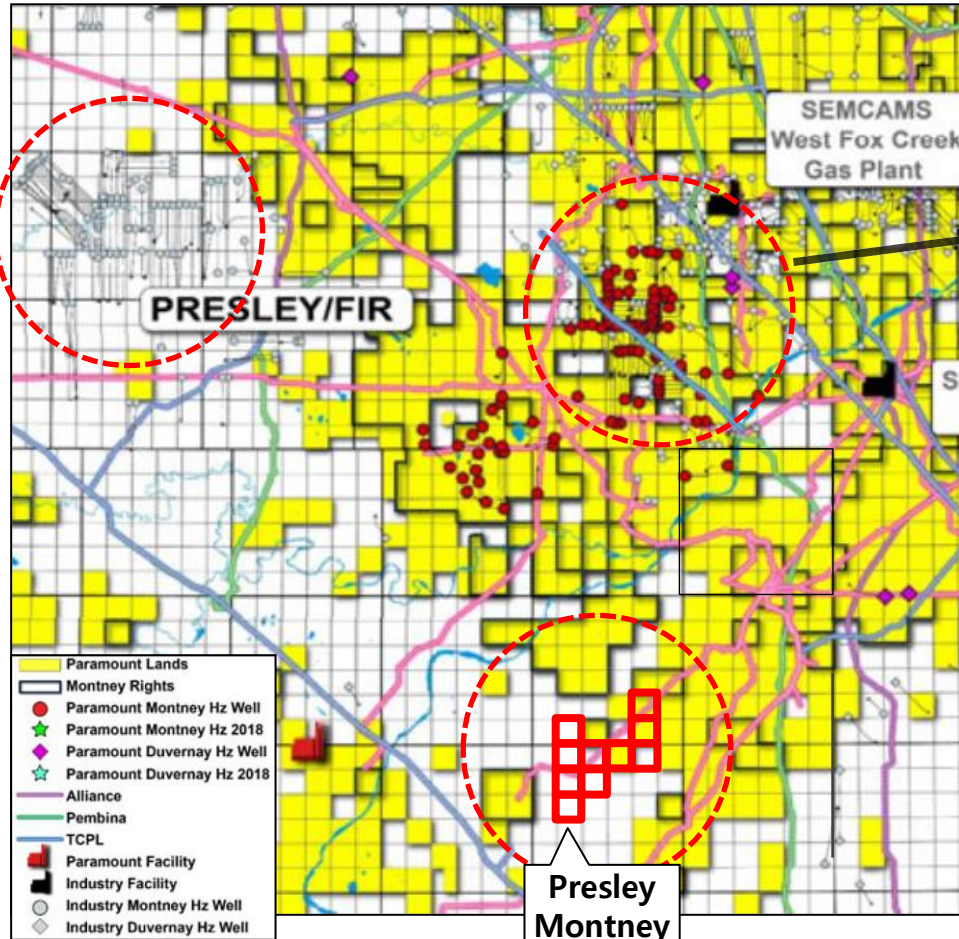
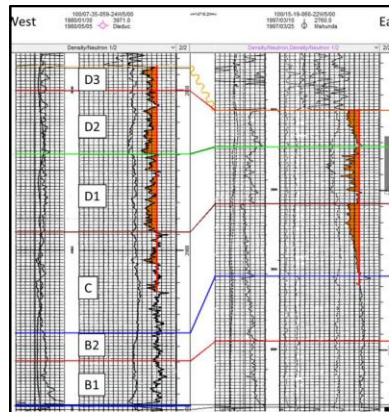
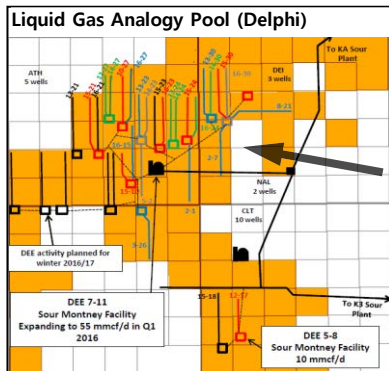
# II. Target Land

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## ■ Offsetting Montney Development

- Extended Montney liquid rich gas trend from Paramount Resources lands in the north of acquired land position
- High development potential based on geological evaluation with thick dolostone with coquina



- Approximately 60 net sections with DGIIP estimate of 10 - 15 Bcf per section<sup>(1)</sup>
- 5 Hz wells/section: ~ 300 potential drilling locations
- 79 horizontal wells drilled as of December 31, 2014
- Horizontal well: ~\$4.3 MM/well D/C/T
- Liquids-rich gas: 3 Bcf/well, ~15 Bbl/MMcf
- Average F&D: ~\$8.00/Boe
- Potential recoverable reserves <sup>(1)</sup> of > 500 Bcf raw gas and 15 MMBbl NGLs
- 2.5 net wells drilled in 2015
- Long-reach horizontal wells have had positive results

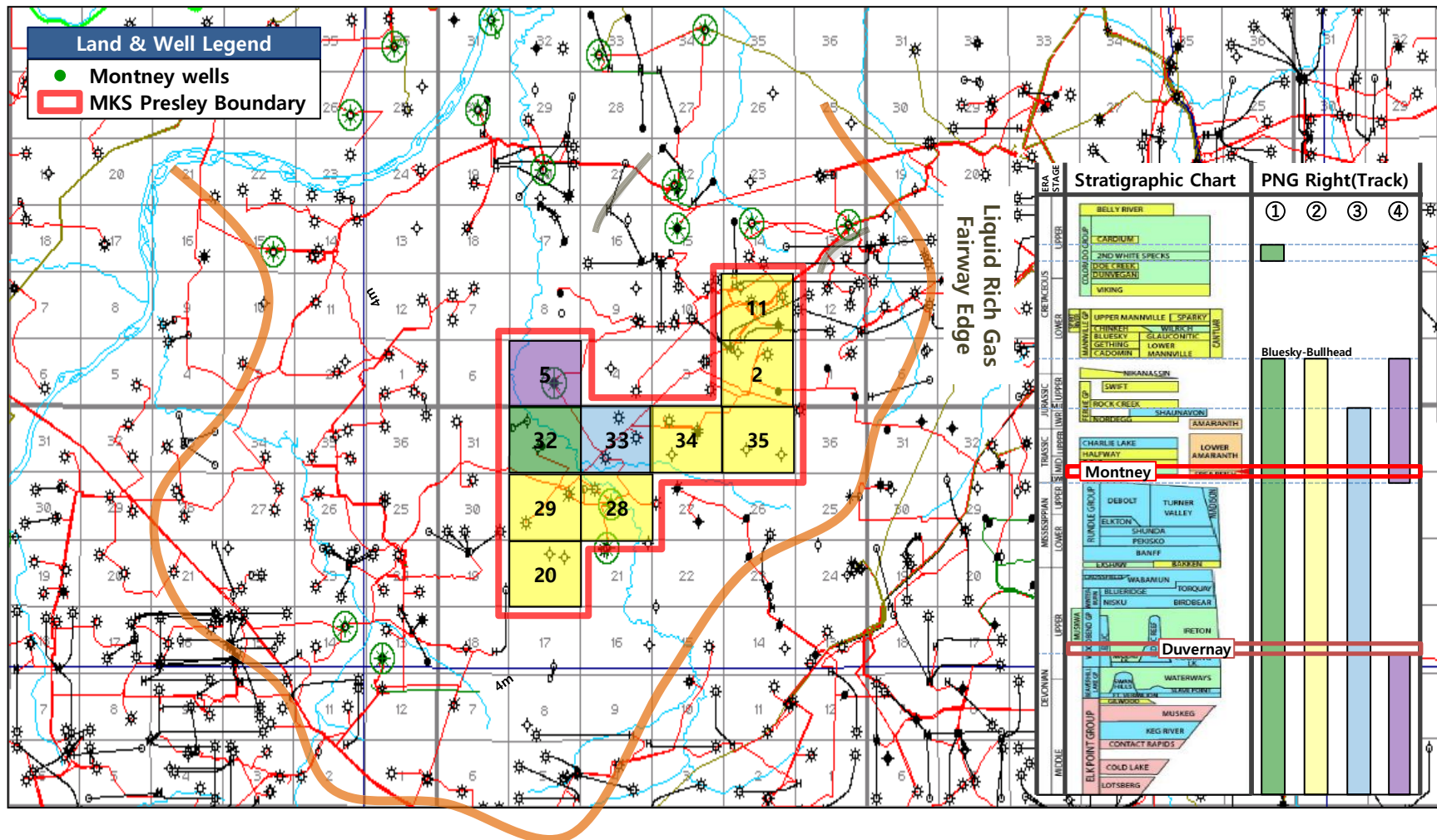
\* Trilogy (Jan. 2016)

\* source : Trilogy / Delphi (Jan. 2016) and Paramount (Aug., 2018)

## II. Target Land

### ■ MKS PNG right and Offsetting Activities

- 10 sections (expiry at July, 25 2023) : 10 sections of Montney Right and 9 sections of Durvenay Right
- Solid 10 sections for future horizontal development and facilities tie-in.





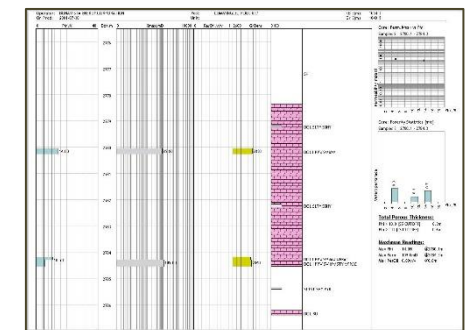
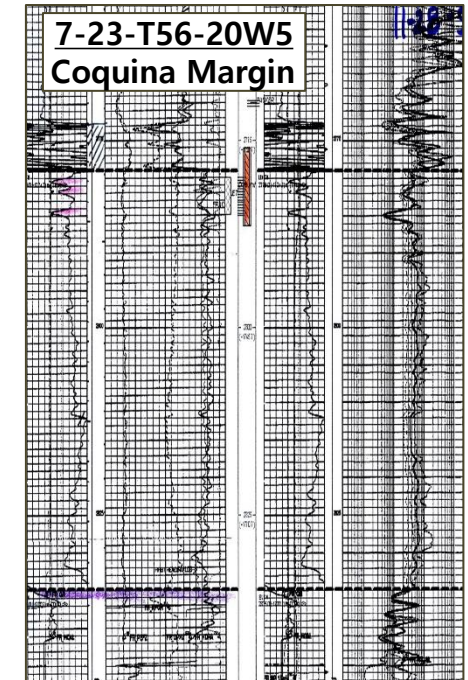
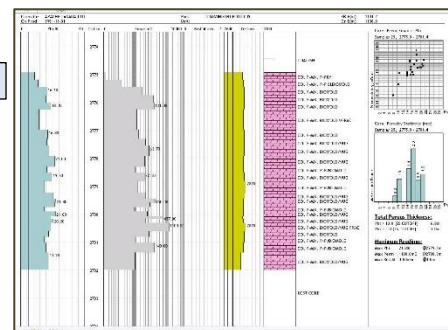
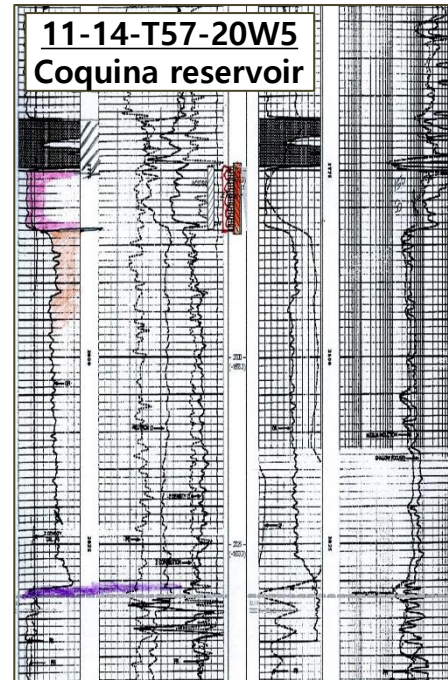
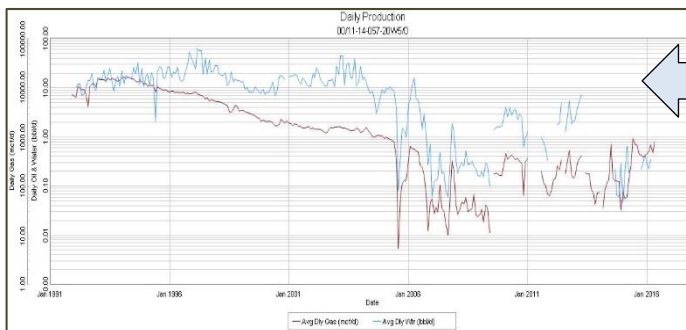
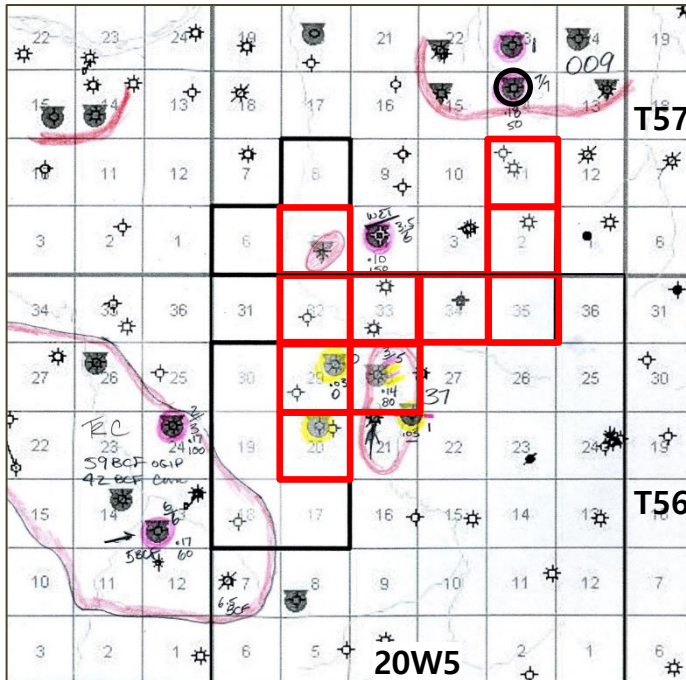
# III. Technical Evaluation

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## Target Land Geology

- Superior gas production with Coquina reservoir from vertical gas wells







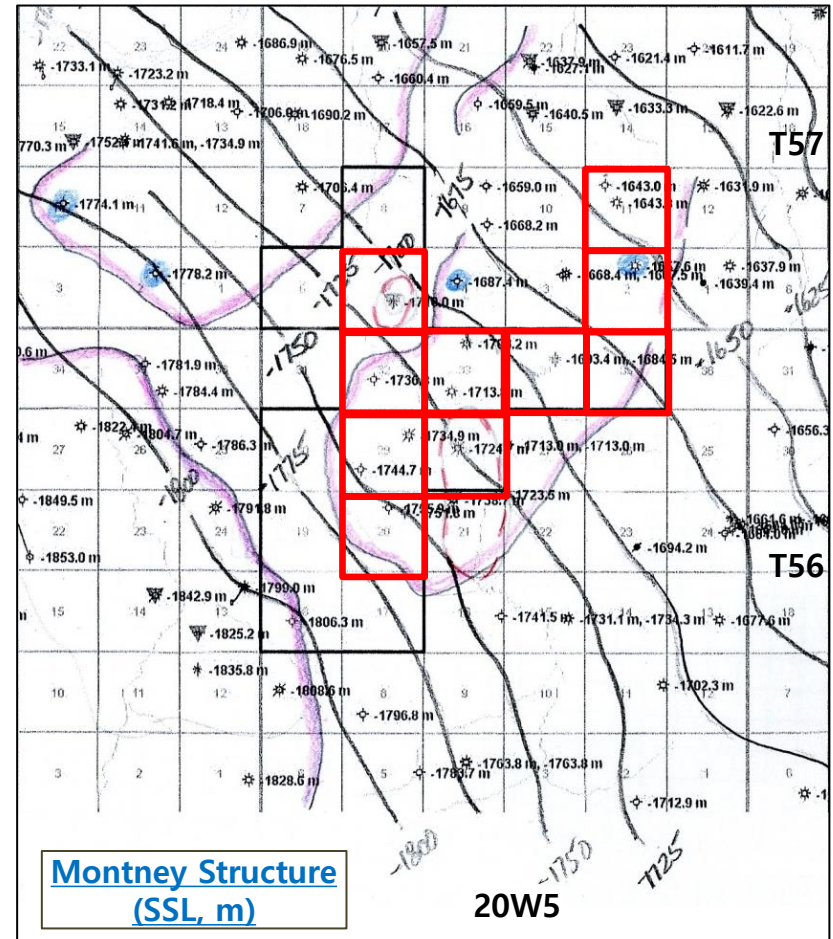
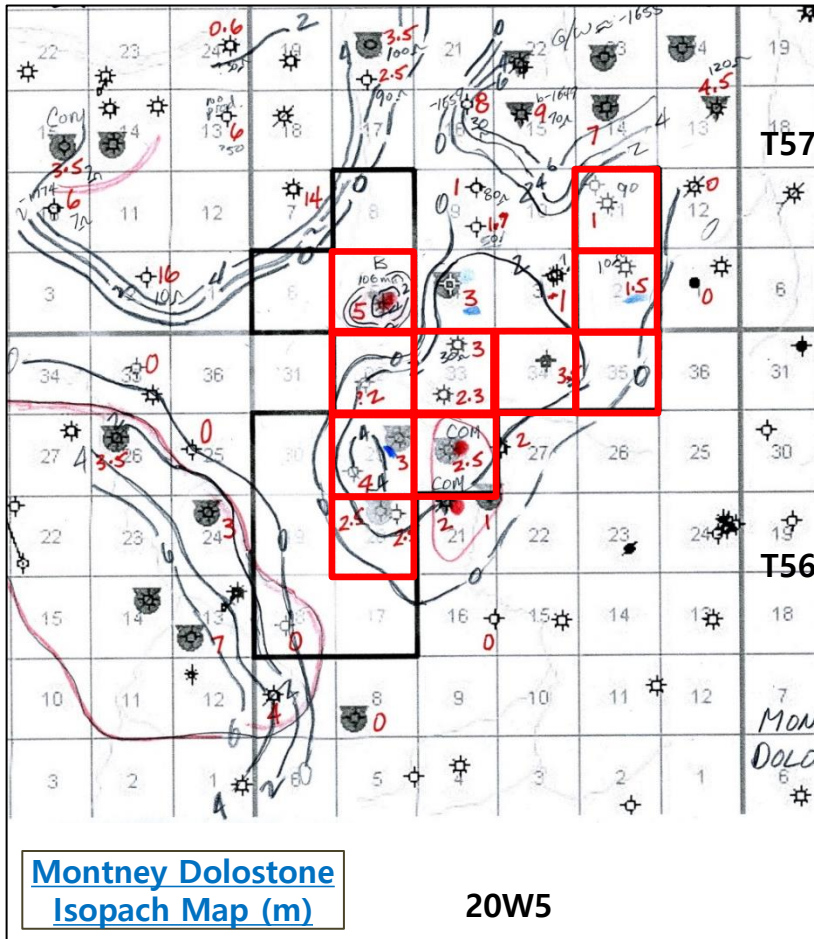
### III. Technical Evaluation

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#### ■ Presley Montney Net Pay and Montney Structure

- Maximum 14 meters of thick Montney Dolostone reservoir
- Max Montney net pay up to 5 meters based on the porosity cut of 6 % (Delphi use 0 % porosity cut)





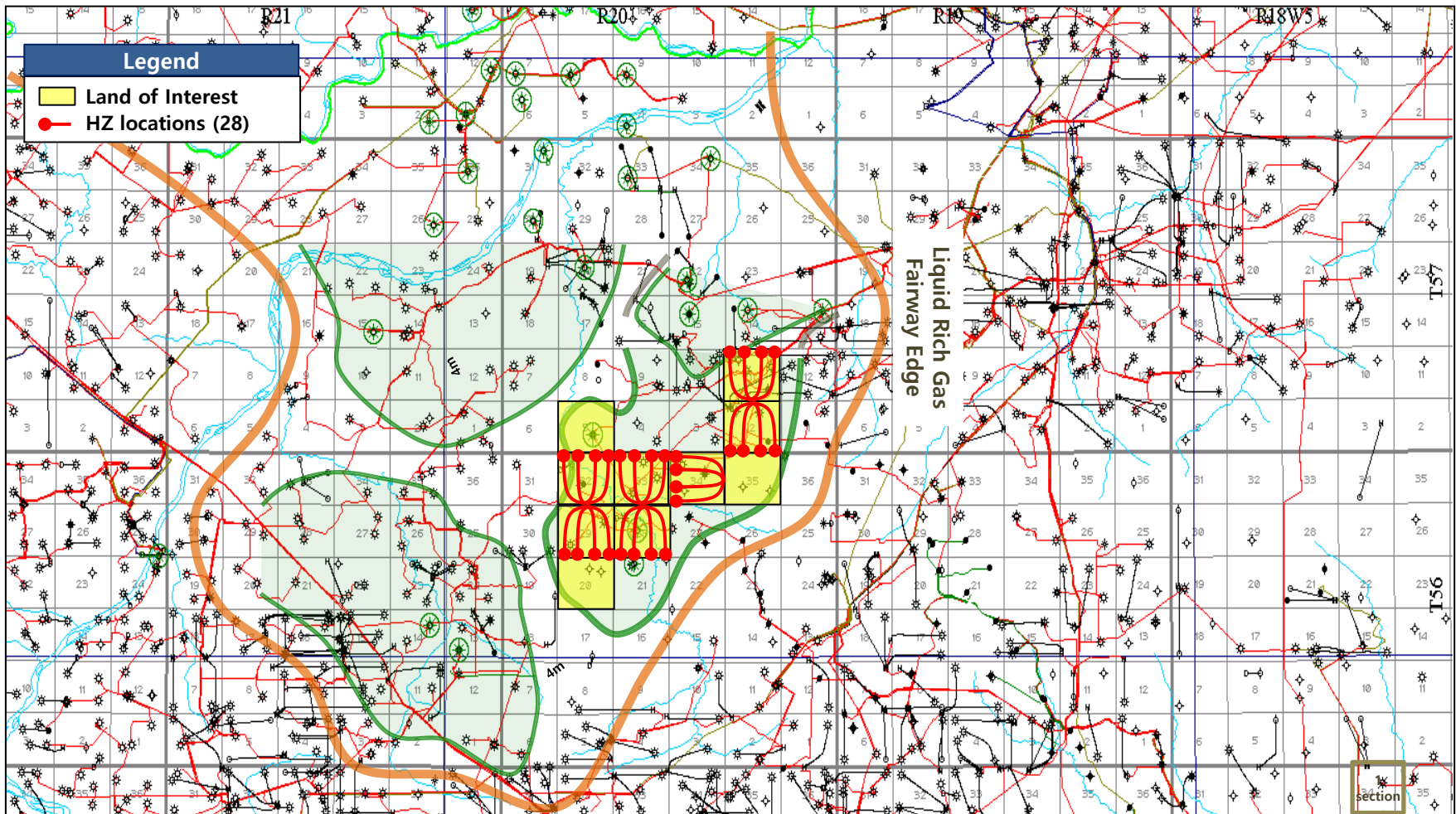
# IV. Development

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## ■ Presley Montney Development Plan

- Target land of Montney net pay zone → 10 sections of land for 28 HZ drilling program
- Future land expansion potential to offsetting crown lands in Montney producing trend





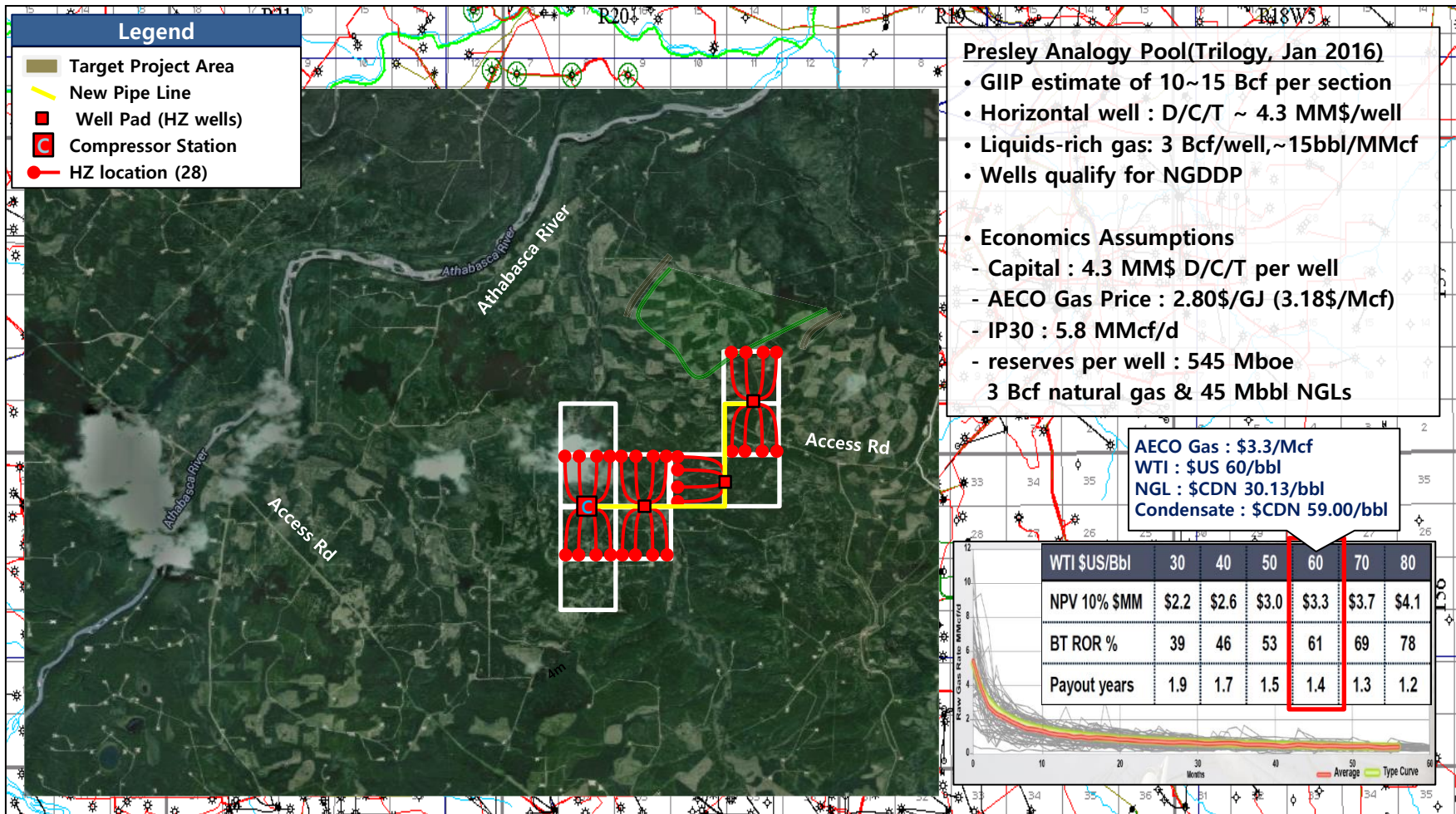
# IV. Development

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## ■ Presley Montney Development Plan

- Drill 28 HZ wells, install 1 compressor station and 11 km of pipeline for full development



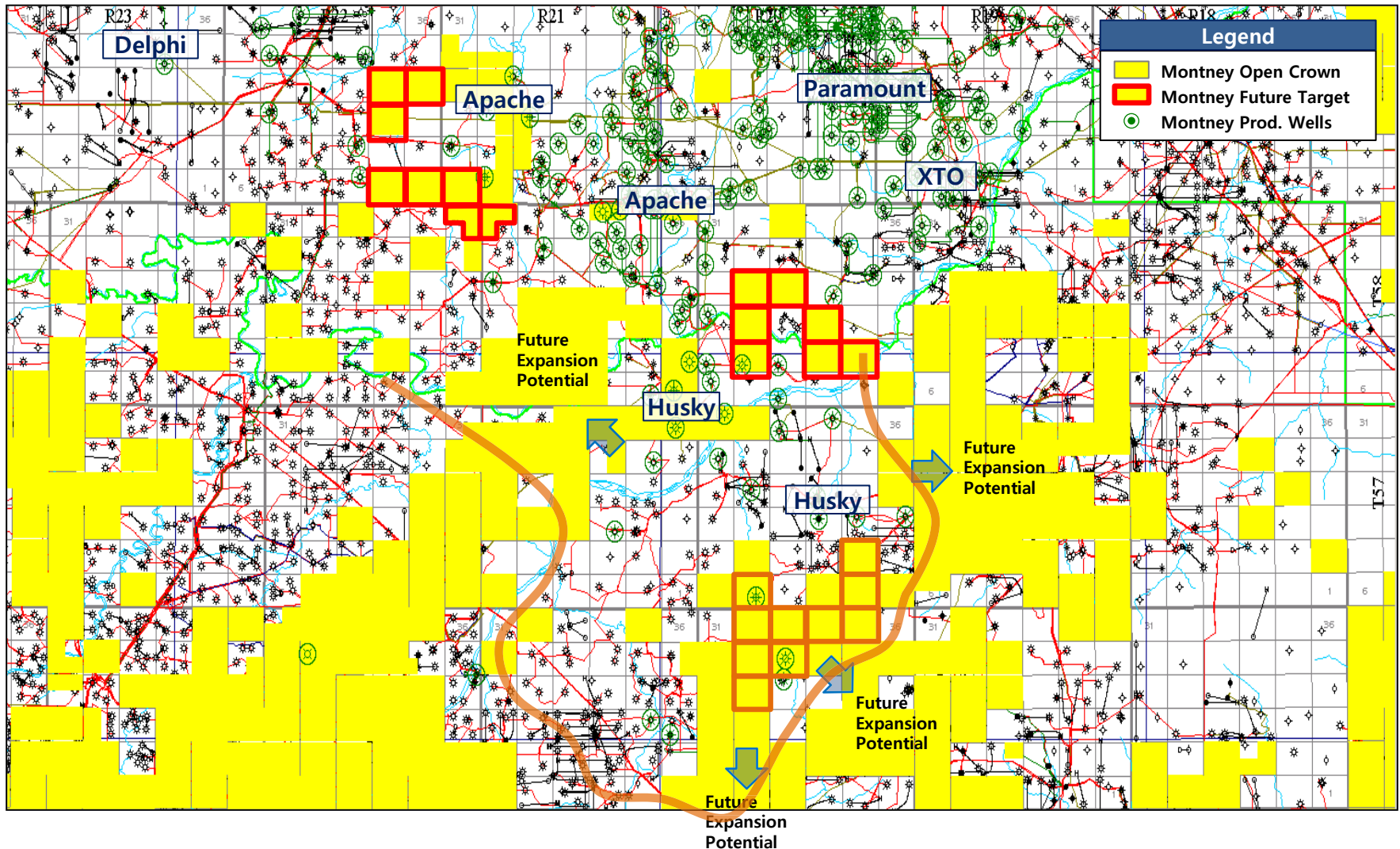
## IV. Development

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### ■ Presley Montney Upside Potential

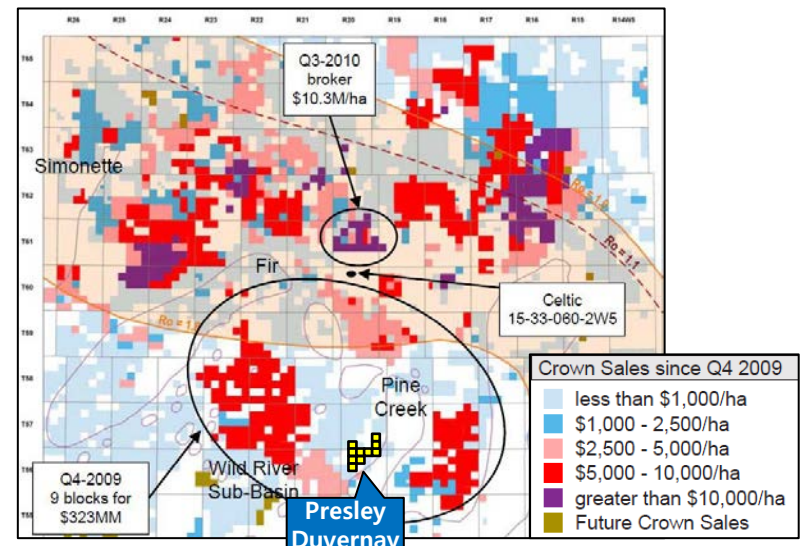
- Additional huge open Crown PNG right acquisition upside in the heart of Montney liquid rich gas producing trend





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- 9 sections of Duvernay right in the heart of Liquid rich gas fairway tested by offsetting operators such as Husky, Talisman etc



\* source : ERCB (2012), Macquarie (2011), BMO (2012)



The background features several thin, wavy lines in shades of blue and grey. Scattered across the upper half are several small squares, some solid blue and some outlined in blue.

End of Documents

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