

Managing Water Resources

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MANAGING WATER RESOURCES 

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MANAGING WATER RESOURCES

Outline

Water Strategy

- o Vision, Objectives and Accountabilities
- o Key Partners

Water Sustainability

- o Drought Preparedness

Water Management

- o Challenges and Opportunities
- o Water Demand and Forecasts
- o Stakeholder Engagement

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Water Management Strategy

VISION

A leader in **sustainable water management**, ensuring **safe and efficient access to water resources** for the Canadian Operations Area

OBJECTIVES

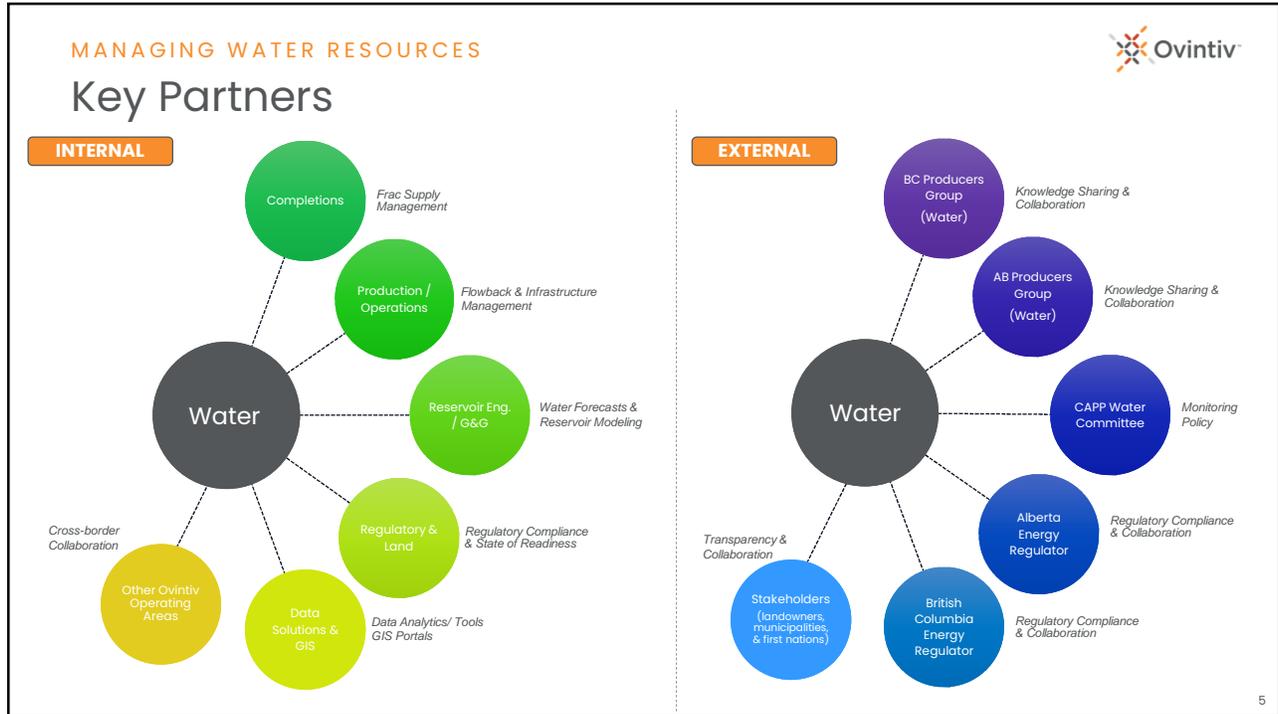
Environment, Health and Safety	Production Optimization (↑ Oil bbls & Gas m ³)
Water Sustainability (↑ Recycled Water ↓ Fresh Water)	Capital Efficiency (↓ Water \$/m ³)
Stakeholder Communication and Engagement	Well and Infrastructure Reliability
Regulatory Compliance	Innovation

ACCOUNTABILITIES

- Water Supply Management
- Water Flowback Management
- Water Volume/ Cost Tracking, Reporting & Forecasting
- Regulatory Compliance (Testing & Reporting)
- Disposal/ Source Well Oversight & Maintenance
- Infrastructure Modelling
- Water Supply Licensing
- Concurrent Operations/ Competitor Activity
- Innovation
- Industry Collaboration
- Water Supply and Handling Planning (2Y to 5Y+)
- Acid Gas Disposal
- Development Growth Strategy

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Drought Preparedness

How is industry taking action to prepare for water shortages?

- Increasing **reuse of recycled water**
- Actively increasing use of **alternative water sources**
- Timing **operations schedules** to maximize water reuse
- Using **groundwater resources** for well drilling and completions
- Optimizing **water storage** and use within operating areas
- Investigating **treatment of sour water** for reuse
- **Sharing recycled water** with other operators
- Advocating for **regulatory pathways to enable sharing** of water between operators

[Drought Preparedness - CAPP | A Unified Voice for Canada's Upstream Oil and Gas Industry](#)

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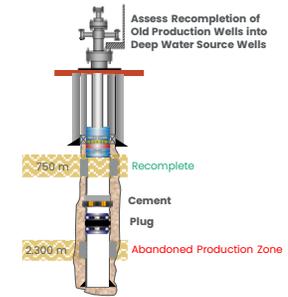
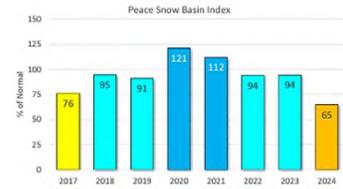


Drought Preparedness

How is Ovintiv taking actions internally to prepare for water shortages?

Internal Initiatives

- Monitoring multiple datasets relative to snowpack, potential runoff, hydrometric station flows, and climate
 - Communicating potential drought conditions – increasing internal awareness and water management planning initiatives.
- Review of water requirements and planning for the year
 - Assessing timing, locations, water sources, and available options.
- Set corporate sustainability water metrics
 - Annual review of water sourcing and sustainability, helps assess water sources and set targets for increased sustainable water management.
- Cross-border knowledge sharing across Ovintiv’s assets in Canada and the USA
 - enhanced sharing of water recycling knowledge and technology.
- Assessment of water source options with a reduced risk to surface water sources



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Drought Preparedness

How is Ovintiv taking actions externally to prepare for water shortages?

External Initiatives

- Communications with BC Energy Regulator water usage data and planned water needs and sources for 2024
 - Supports BCER in assessing short-term water demand beyond the volumes listed in the license terms.
 - Supports BCER in assessing sustainable water use development and areas of improvement.
- Member of BC Montney Operators Group
 - Operators meet regularly to coordinate on water sharing opportunities and possible scheduling.
- Member of CAPP Water Committee
- Member of CAPP Drought Task Group
 - Providing industry awareness of drought conditions and possible water management requirements
- Petroleum Technology Alliance Canada
 - Alberta Upstream Petroleum Research Fund
 - Water Innovation Planning Committee (Energy Regulator, Environmental Regulator, Operators)



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Water Management

We promote responsible and innovative water management processes and solutions

Overcoming Challenges

- ✓ Induced seismicity
- ✓ Reservoir pressure limitations
- ✓ Operations supply rate limitations
- ✓ Storage limitations
- ✓ Montney water compatibility
- ✓ Internal competing objectives

Reservoir Challenges

- Scope increase
- Reservoir pressure increase
- Induced seismicity

Introduction of Reservoir Management Best Practices

- Collaboration with regulator
- Developed pressure management protocols
- Improved SWD reliability

Focus on Optimization

- FR use in transfer pipe
- FR pilot in lower Montney

Realizing Full Potential of Water Infrastructure

- Environmental stewardship
- Reliable source & disposal
- Water sharing opportunity

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Water Demand and Forecasts

We are fully committed to fresh water conservation and environmental stewardship

-20% in Total Water
 -55% in Total Fresh Water
 +35% in Total Recycled and Non-Fresh Water

Year	Wells	Total Water (m³/well)	Fresh Water (m³/well)	Recycled and Non-Fresh Water (m³/well)
2021	56	34,000	23,500	10,500
2022	29	33,000	9,800	23,200
2023	61	28,000	12,700	15,300
2024 - Budget	66	26,500	10,300	16,200

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Multi-Basin Advantage

We leverage cross-border water management processes, technologies and learnings



Ovintiv Currently Operates in Four Different Unconventional Resource Plays

Feb-2024 Ovintiv Water Teams Cross-Border Strategy Session and Field Tour
 3-day strategy session and field tour
 35+ attendees from five offices including office and field

Topics Discussed

- EH&S | Integrity Management | Spills Prevention, Detection and Response
- Capital and Production Efficiency | Drought Management | Water Supply and Handling
- Innovation | New Ideas and Technologies
- Data Management | Tools and Workflows



Ovintiv Cross-border Water Strategy Session – February 2024

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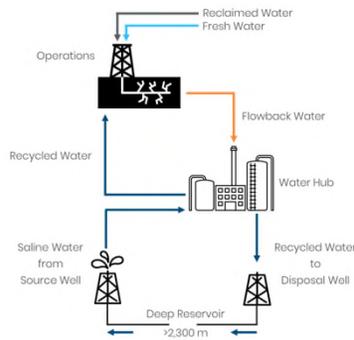
Water Resource Hubs

We invest in industry-leading water management and handling infrastructure



16-36-078-17W6 Farmington Water Resource Hub

Our water hubs in British Columbia operate as a **closed-loop water handling and recycling system** that runs on hydroelectric power.



Definitions:

- Fresh Water:** natural water from water bodies and ground water aquifers
- Reclaimed Water:** municipal wastewater
- Saline Water:** naturally occurring non-potable water in deep formations
- Flowback Water:** water from operations that flows back to surface
- Recycled Water:** re-usable water delivered to our operations by our facilities
- Disposal Well:** stores recycled water into deep geological reservoirs
- Source Well:** recovers non-potable saline water from deep geological reservoirs

- 1.5 Billion** Gallons of Water Recycled
- 450+** Wells Completed with 85%+ Recycled Water
- 0 Ponds** with Saline Water

Since starting operation of the hubs in 2016, we have conserved approximately **1.5 billion gallons** of fresh water, equivalent to the average annual water use of approximately **10,500 households**.

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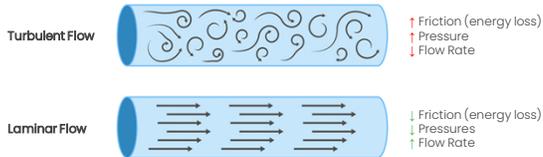


Water Friction Reducer

Trusted downhole fluids provide significant advantages for recycled water supply rates at surface



Through our continued **focus on innovation** and **fresh water conservation**, we recently upgraded one of our water hubs with a friction reducer injection vessel. This upgrade allowed us to deliver **up to 50% higher rates of recycled water** to our operations, conserving an additional **40 million gallons** of fresh water in 2023 alone, equivalent to the average annual water use of **280 households**.



Friction reducers, also referred to as drag reducing agents (DRA), are introduced to **reduce the friction drag experienced by fluids** as they flow in or over surfaces (like pipes or conduits). This allows fluids to glide more easily along the walls of the pipe which results in **less energy loss** due to friction, **lower pipe pressures** and **higher flow rates**.

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Stakeholder Engagement

We firmly believe in increasing transparency and awareness around responsible water management

BRITISH COLUMBIA ENERGY
Responsible Water Management

Ovintiv is a leading North American oil and gas producer with a proud history of safely developing sustainable environmental resources.

We acknowledge that water is a valuable resource and we take responsibility for the water we use. We're fully committed to responsible water management practices, including water conservation, recycling, and reusing water.

We recognize the significance of fresh water for people and the environment and take our water management responsibilities seriously. Ovintiv's water management program considers location, resources, regulations, water stress, cost and operational need when planning water systems.

We are wholeheartedly committed to responsible water management and reducing our fresh water use in our operations.

Protecting Water Resources

The protection of water resources is of utmost importance to Ovintiv's operations, and it starts with an effective wellbore design and the proper execution of wellbore construction procedures. Every well has an engineered steel casing system that is cemented externally to prevent any operational fluids from reaching surface groundwater supplies.

A regulatory-compliant casing and cementing program is designed for all types of welling operations that we employ across oil and gas fields and cement present in our oil and gas from recycling well use to an additional layer of steel and cement between groundwater and the wellbore. Proper wellbore design and collaboration between geoscientists and drilling teams ensure water resources are protected throughout the development process and life of the well.

Fresh Water Conservation

We are fully committed to fresh water conservation and environmental stewardship. Our industry-leading water hub in British Columbia operates a closed-loop water handling and recycling system that cuts on hydrocarbon process.

Our water hub's recycled water system is primarily composed of recycled water from our operations (also referred to as "blended water"). This water is stored in closed geological reservoirs and is then used for surface or groundwater supplies. When water is required to recover wellbore fluids, we use designated reservoirs via source wells. Recycled oil water hubs and other technologies are being deployed across our operations. This eliminates the need for any other water paths to the surface. Since starting operations at the hubs in 2018, we have conserved approximately 15 billion gallons of fresh water, equivalent to the average annual water use of approximately 150,000 households.

Through our continued focus on innovation and fresh water conservation, we recently upgraded one of our water hubs with a water friction reducer facility. This upgrade allowed us to deliver up to 50% higher rates of recycled water to our operations, conserving an additional 40 million gallons of fresh water in 2023 alone, equivalent to the average annual water use of 280 households.

15 Billion gallons of fresh water conserved

450+ Wells equipped with water friction reducers

0 Pounds of fresh water used

170 Million gallons of fresh water conserved

Contacts
If you're looking for the following Ovintiv information, you have a dedicated contact:
Ovintiv@ovintiv.com
 800.444.4444

Additional Online Resources
Global Water Stewardship
www.ovintiv.com/water-stewardship
British Columbia Energy Regulator
www.bceq.ca/
Canadian Association of Petroleum Producers
www.capp.ca/
Water and Environmental Stewardship
www.ovintiv.com/water-stewardship/

Ovintiv Two-Page Responsible Water Management Stakeholder Hand-out

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