

NuVista Energy Ltd. Announces First Quarter 2014 Results

14.05.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - May 13, 2014) - [NuVista Energy Ltd.](#) ("NuVista") (TSX:NVA) is pleased to announce results for the three months ended March 31, 2014 and provide an update on its future business plans. The first quarter has been an active one with record exploration and development spending for NuVista, and one where our key objectives have been advanced materially. Our first quarter drilling was focused mainly upon development of the condensate-rich Bilbo (South) block in preparation for the upcoming production capacity ramp which will be created by the startup of our new Bilbo block compressor station and the associated pipelines to the Keyera Simonette plant. In addition, we have continued our successful delineation and land expiry management program in the Wapiti area, improved corporate netbacks and prudently managed our balance sheet. Financially, we also benefited tremendously from strong natural gas and condensate prices during the quarter.

We have positioned the company to provide strong long-term profitable growth in a \$3.00 to \$3.50/GJ AECO natural gas price environment due to the material and growing high value condensate production and also due to the continuous improvement of our capital and operating efficiencies. The fiscal environment has improved significantly due to the recent gas price increase in late 2013 and early 2014 and there is a reasonable probability this strength will continue throughout 2014 due to very low gas storage levels driven by the cold winter across North America. As a result of the recent price strength, we have increased our commodity hedge positions to ensure a strong baseline price underpinning our capital plans and economic threshold. For the remainder of 2014 approximately 60% of our gas production is hedged with floor prices above \$3.70/Mcf and approximately 50% of production has a ceiling price of C\$3.82/Mcf. For 2015, close to 30% of our gas production is hedged with floor prices above \$4.00/Mcf. Beyond 2014, we expect natural gas prices could moderate somewhat over today's price but are confident there should be a higher base price compared to the environment of 2012 and 2013. In this scenario, NuVista continues to be in an excellent position to deliver growth and profitability.

Significant highlights for the first quarter of 2014 include:

- Continued to reach IP30's on additional wells since our last announcement on March 6, 2014 including a Northeast Wapiti Montney delineation well and an uphole sweet cretaceous Falher horizontal well as shown in the following table. We have seven additional Wapiti Montney wells which have now been completed with results as expected. They are ready for production but have yet to be brought on line to achieve IP30's as they await the startup of our Bilbo block facilities;

New Well IP30 Results*

Well	Raw Gas (MMcf/d)	Liquid Hydrocarbons (Bbls/d)	Total Sales (Boe/d)	CGR C5+/Raw (Bbls/MMcf)
Average Wapiti Montney delineation well typecurve	5.8	261 Condensate	1,222	45
Well 19 (Northeast Delineation) Location: 16-19-67-6 W6M	6.8	397 Condensate	1,527	58
Average Falher horizontal well typecurve	6.5	390 NGL's	1,330	N/A
New 9-19-65-6W6 Falher well (choked downhole for restricted rate)	6.3**	385 NGL's	1,265	N/A

* Well numbering for the Montney refers to the numbered wells in our corporate presentation available on our website. They are effectively in chronological order since our inception in the play. All numbers shown are based on field estimate data.

** This well has now entered month three of production at 7.7 MMcf/d raw and 1,550 Boe/d after removal of the downhole choke.

- Achieved first quarter 2014 production of 17,823 Boe/d after entering 2014 at approximately 16,500 Boe/d, an increase of over 8%. This compares to 14,903 Boe/d for the first quarter of 2013, an increase of 20% before taking account of the 2013 divestitures of 2,300 Boe/d. After accounting for the effect of divestitures the growth rate is 41%;

- Increased our Wapiti Montney production to 8,057 Boe/d in the first quarter of 2014 compared to 6,292 Boe/d in the fourth quarter of 2013 and 1,830 Boe/d in the first quarter of 2013;
- Our recently announced well in the North block (well 16) which had an IP30 of 2,115 Boe/d has now been on production for just over 4 months and has already achieved impressive cumulative raw gas production of 1 Bcf, a record initial cumulative rate for NuVista. The well will reach payout this month, achieving a total payout period of less than 6 months;
- Achieved funds from operations of \$30.9 million (\$0.23/share, basic) for the three months ended March 31, 2014, a 166% increase from \$11.6 million (\$0.10/share, basic) for the three months ended March 31, 2013 despite fourth quarter 2013 dispositions. The increase in funds from operations is largely due to an increased contribution of higher netback Wapiti Montney volumes and stronger commodity pricing;
- Achieved corporate netbacks for the three months ended March 31, 2014 of \$19.26/Boe as compared to \$8.67/Boe for the same period in 2013, and \$12.99/Boe for the preceding quarter. Montney operating netbacks achieved in the first quarter of 2014 were \$38.28/Boe. Corporate netbacks are expected to continue to rise assuming a flat commodity price environment as the higher netback Wapiti Montney production increasingly dominates our corporate production;
- Successfully executed a total capital program of \$126.6 million in the quarter. Drilled 9 wells (9 net), 8 in our Montney condensate rich resource play and one sweet Falher zone horizontal cretaceous well for 100% success rate while completing spending on our Bilbo (South) block compressor station and trunk pipelines;
- Managed net debt to \$146.5 million, including working capital deficiency for a ratio of net debt to annualized first quarter funds from operations of 1.2x; and
- Updated the Borrowing Base under our credit facility to \$240 million versus bank debt at the close of the first quarter of 2014 of \$87 million.

Wapiti Montney Progress

NuVista's Wapiti Montney play and key corporate goals were progressed significantly through the first quarter of 2014. In addition to exceeding our original internal targets for first quarter production and cash flow, we have added seven wells to date which are now behind pipe awaiting the startup of our new Bilbo (South) compressor station and the downstream third party facilities. Our policy is to release only IP30 data and not test rates but all wells that were tested performed at least as anticipated and as such we are confident that our production rates will meet or exceed original internal expectations upon startup of these facilities. Drilling activity has continued through spring breakup for two of our three rigs as a result of proactive pad drilling and nearby access to high-grade roads. Completions for wells drilled in April and May will resume post break-up. In addition, we are pleased with the gradual continuation of our land consolidation and swap process in the Wapiti area.

The newest IP30 (Well #19) is another exciting result for NuVista given the significant distance from existing development. Gas rates and liquid yields met our typecurve expectations. The well, which is located between the Bilbo and Elmworth development blocks, provides continued encouragement toward material expansion of development drilling areas which will underpin even longer-term development certainty than we currently have. We plan to follow this delineation success with another horizontal test in 2014.

Our new Bilbo (South) compressor station continues on budget and on schedule for startup late in the second quarter of 2014. The Keyera liquids and gas pipelines to Simonette Gas Plant are behind schedule due to contractor and spring breakup related weather issues, with startup now anticipated in the third quarter depending on weather conditions. However, we still anticipate startup of our new Bilbo compressor station on time due to the benefit of various third party pipeline interconnections and the availability of processing capacity at other gas plants in the area.

2014 Production Guidance Re-Affirmed

The second quarter of 2014 brings facility outages for work previously planned at the Keyera Simonette and SemCams K3 plants and pipelines, and an unplanned outage at Pembina Pipelines. During this period, we will continue to build new volumes behind pipe to be brought on-stream upon the resumption of facility capacity being available. Due to uncertainty in the outages noted above, we anticipate a production range of 13,000 to 14,000 Boe/d after accounting for an expected total outage impact of 5,000 to 6,000 Boe/d in the quarter. Production will ramp up considerably in the third quarter following the startup of these facilities. Since the majority of the 2014 facility outages were anticipated, we remain confident in our previously released annual production and cash flow guidance of 17,500 to 18,500 Boe/d for the full year of 2014 with cash flow of approximately \$130 to \$140 million. Based on our confidence in recent well results, production

for the fourth quarter of 2014 is still anticipated to average 20,000 to 21,000 Boe/d despite the minor delay in the major pipeline construction.

2014 Capital Guidance and 2015 Production Guidance Increased

As a result of our successful first quarter drilling program and favorable commodity pricing through spring breakup thus far, we are modestly increasing our capital spending for 2014 to a range of \$300 to \$315 million, increasing our expected new well count by three wells including two additional delineation/land expiry locations. Within this range we have also made provisions for an increased land budget and the pre-ordering of long lead facility equipment targeting additional future projects. We currently have 19 Montney wells on production, and we anticipate having approximately 35 total wells on production by the end of 2014. All facets of our Bilbo compressor station and the Keyera Simonette projects are expected to be operational by 2015, and as a result we are increasing our prior guidance from 23,000 to a range of 23,500 to 25,000 Boe/d for 2015.

With corporate netbacks and production rising quickly, and efficiencies continuing to build in every aspect of our Wapiti Montney play, NuVista is confident to continue accelerating the pace of activity in the future. We will continue to work with area midstream companies to provide incremental facility capacity to underpin long-term profitable growth. We would like to thank our shareholders for their continued support, and our dedicated and talented staff for their significant contributions to the bright future we are delivering together.

Please refer to the corporate presentation on our website which will be updated on or before May 14, 2014 to include further details and context regarding the information in this press release.

Corporate Highlights	Three months ended March 31	
(\$ thousands, except per share)	2014	2013
Financial		
Oil and natural gas revenue	68,897	41,748
Funds from operations ⁽¹⁾	30,893	11,629
Per basic share	0.23	0.10
Per diluted share	0.23	0.10
Net earnings (loss)	(4,358)	(4,061)
Per basic share	(0.03)	(0.03)
Per diluted share	(0.03)	(0.03)
Adjusted net earnings (loss) ⁽¹⁾	2,667	(8,621)
Per basic share	0.02	(0.07)
Per diluted share	0.02	(0.07)
Total assets	1,017,837	926,852
Long-term debt, net of adjusted working capital ⁽¹⁾	146,503	79,556
Capital expenditures	126,569	68,789
Dispositions	-	12,596
Weighted average common shares outstanding (thousands):		
Basic	135,135	118,620
Diluted	135,135	118,620
Operating		
Production		
Natural gas (MMcf/d)	70.4	62.8
Condensate (Bbls/d)	2,803	990
Butane (Bbls/d)	577	370
Propane (Bbls/d)	983	586
Ethane (Bbls/d)	859	760
Oil (Bbls/d)	866	1,732
Total oil equivalent (Boe/d)	17,823	14,903
Average product prices ⁽²⁾		
Natural gas (\$/Mcf)	4.50	3.24
Condensate (\$/Bbl)	95.29	103.28
Butane (\$/Bbl)	59.54	63.19
Propane (\$/Bbl)	57.46	25.07
Ethane (\$/Bbl)	15.61	5.59
Oil (\$/Bbl)	89.28	66.65
Operating expenses		

Natural gas and natural gas liquids (\$/Mcf)	1.74	1.86
Oil (\$/Bbl)	19.48	20.12
Total oil equivalent (\$/Boe)	10.87	12.20
Operating netback (\$/Boe)	24.60	14.02
Funds from operations netback (\$/Boe) ⁽¹⁾	19.26	8.67

NOTES:

- (1) Funds from operations, revenue, funds from operations per share, funds from operations netback, operating netback, adjusted net earnings, adjusted net earnings per share and adjusted working capital are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations are based on cash flow from operating activities as per the statement of cash flows before changes in non-cash working capital and asset retirement expenditures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net earnings (loss) per share. Funds from operations netback equals the total of revenues including realized commodity derivative gains/losses less royalties, transportation, operating, general and administrative, restricted stock units, interest expenses and cash taxes calculated on a Boe basis. Adjusted net earnings equals net earnings excluding after tax unrealized gains (losses) on commodity derivatives, impairments, impairment reversals, goodwill impairments and gains (losses) on property divestments. Operating netback equals the total of revenues including realized commodity derivative gains/losses less royalties, transportation and operating expenses calculated on a Boe basis. Adjusted working capital excludes the current portions of the commodity derivative asset or liability. Total Boe is calculated by multiplying the daily production by the number of days in the period. For more details on non-GAAP measures, including reconciliation to GAAP measures refer to NuVista's "Management's Discussion and Analysis".
- (2) Product prices exclude realized gains/losses on commodity derivatives.

CONSOLIDATED FINANCIAL STATEMENTS AND MD&A

First quarter 2014 condensed interim consolidated financial statements and notes to the consolidated financial statements and Management's Discussion and Analysis for [NuVista Energy Ltd.](http://www.nuvistaenergy.com) have been filed on SEDAR (www.sedar.com) under [NuVista Energy Ltd.](http://www.nuvistaenergy.com) and can also be accessed on NuVista's website at www.nuvistaenergy.com.

ADVISORY REGARDING OIL AND GAS INFORMATION

This news release contains the terms barrels of oil equivalent ("Boe"), millions of barrels of oil equivalent ("MMBoe") and thousand cubic feet equivalent ("Mcf") and trillion cubic feet equivalent ("Tcfe"). Natural gas is converted to a Boe using six thousand cubic feet of gas to one barrel of oil. In certain circumstances natural gas liquid volumes have been converted to a Mcfe on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes, MMBoes, Mcfes and Tcfes may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As well, given that the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

ADVISORY REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, including management's assessment of: NuVista's future strategy, plans, focus, opportunities, growth initiatives and operations; plans and expectations regarding facility construction and infrastructure development, the timing thereof and the benefits to be obtained therefrom; plans relating to future access to processing facilities, transportation and markets; expectations of future results, including long-term profitable growth, cash flow, production, production mix, netbacks, continued improvement of our capital and operating efficiencies, drilling, development, completion and tie-in plans, expectations regarding well performance and economics; anticipated production capacity of a new compressor station; planned and unplanned facility outages; the amount, timing, allocation and efficiency of NuVista's capital program and the results therefrom; targeted debt levels.

NuVista's risk management strategy; expectations regarding future commodity prices and netbacks; industry conditions and the timing of release of future results. By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond NuVista's control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and funds from operations, the timing, allocation and amount of capital expenditures and the

results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, access to infrastructure and markets, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties, the ability to access sufficient capital from internal sources and bank and equity markets; and including, without limitation, those risks considered under "Risk Factors" in our Annual Information Form. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements in this press release in order to provide readers with a more complete perspective on NuVista's future operations and such information may not be appropriate for other purposes. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Contact

[NuVista Energy Ltd.](#)

Jonathan A. Wright
President and CEO
(403) 538-8501

[NuVista Energy Ltd.](#)

Robert F. Froese
VP, Finance and CFO
(403) 538-8530

www.nuvistaenergy.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/173481--NuVista-Energy-Ltd.-Announces-First-Quarter-2014-Results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).