NuVista Energy Ltd. Announces Pipestone North Egress and Processing Agreements

01.11.2018 | GlobeNewswire

CALGARY, Nov. 01, 2018 - NuVista Energy Ltd. (“NuVista” or the “Company”) (TSX:NVA) is pleased to announce that it has entered into an agreement as anchor tenant with Veresen Midstream Limited Partnership (“Veresen” or “VMLP”) for firm transportation and processing of 100 MMcf/d of raw gas from our newly acquired Pipestone North block of lands. The processing capacity will be added in two incremental steps of 50 MMcf/d, each commencing in late 2020 and late 2021. NuVista has the flexibility to push the timing of half of the 2021 tranche to 2022 if desired. The 15 year agreement is underpinned by 80% take-or-pay terms which provides flexibility to produce above or below these firmly contracted amounts. The capacity will be provided by the expansion of the Veresen owned Hythe Gas Plant to accommodate an additional 100 MMcf/d of raw gas, and the construction of a new sour gas pipeline connecting a portion of NuVista’s Pipestone North production to the Hythe Gas Plant.

In addition, NuVista has entered into an agreement with a third party shipper for firm transportation service on Alliance Pipeline to Chicago for natural gas sales volumes from the first tranche of raw processing capacity starting late 2020 for a minimum period of 10 years at posted tolls. Natural gas transportation for the second tranche of processing commencing in 2021 is expected to be provided on the NGTL system with normal three-year advance application timing. Pembina will also provide transportation of all NuVista C3+ and C5+ (condensate) on intra-provincial pipelines for delivery into the Edmonton area from both the Veresen Hythe and SemCAMS Wapiti plants as well as our NuVista compressor stations in those areas. Additionally, Pembina will provide associated processing services for the C3+ at the Redwater Fractionation and Storage facilities, all at competitive rates.

In order to supply these agreements, NuVista will construct and operate a 100 MMcf/d compression and dehydration facility on the Pipestone North lands with a size and design similar to our existing Bilbo or Elmworth facilities. In pursuit of maintaining maximum balance sheet flexibility, NuVista has retained an option to have the capital cost of this facility funded by VMLP. When added to our existing capacity, this agreement will expand NuVista's total area firm processing capacity to approximately 420 MMcf/d of raw gas by the end of 2021 with firm egress for all sales natural gas, condensate, and C3+ liquid products. This corresponds to growing the total NuVista firmly contracted processing and egress capacity from approximately 70,000 to 90,000 Boe/d.

These agreements represent another important milestone on our planned journey to 110,000 Boe/d, with enough timely capacity additions to meet (if we choose) the high growth cases provided for 2019 and 2020 when NuVista issued the press release for the Pipestone North acquisition on August 9th of this year. In addition, these steps are consistent with our ongoing strategy to proactively optimize the value of our resources through minimizing reliance on AECO natural gas pricing and ensuring geographic and market diversification of our natural gas sales.

The terms for the preceding have been confirmed by a binding letter agreement which is subject to approval of the facilities by the Alberta Energy Regulator. We look forward to providing an update on NuVista’s growth plans and 2019 budget when our third quarter 2018 results are released on November 12th.

NuVista has top quality assets and every team member is focused upon relentless improvement. We are excited to continue to extend our growth plan to 110,000 Boe/d while adding greater value per share. We would like to thank our staff, contractors, and suppliers for their continued dedication and delivery, and we thank our board of directors and our shareholders for their continued guidance and support.

Advisory Regarding Oil and Gas Information

The terms Boe (barrels of oil equivalent) is used throughout this press release. Such terms may be

misleading, particularly if used in isolation. The conversion ratio of six thousand cubic feet per barrel (6 Mcf:1 Bbl) of natural gas to one barrel of oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion 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", "may", "expects", "believe", "plans", "potential", "continue", "guidance", “outlook”, and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, with respect to: management's assessment of: NuVista's future focus, strategy, plans, opportunities and operations; expectations with respect to the timing and amount of processing capacity to be added pursuant to the planned expansion of the Veresen Hythe Gas Plan; expectations with respect to the transportation of NuVista's products; plans to build a Pipestone North compression and dehydration facility; future firm processing and egress capacity; expectations with respect to the receipt of all necessary Alberta Energy Regulator approvals; and NuVista's production growth plan.

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, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and resources and the imprecision of reserve and resource 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; completion of the construction of the Pipestone North compressor and dehydration facility and the expansion of the Veresen Hythe Gas Plant and related infrastructure on the timing and terms contemplated, receipt of the necessary Alberta Energy Regulator approvals and on the timing contemplated and including, without limitation, those risks considered under "Risk Factors" in NuVista's 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.

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Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/312285--NuVista-Energy-Ltd.-AnnouncesPipestone-North-Egress-andProcessing-Agreements.html

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