

# Journey Energy Inc. Provides Update on Encouraging Results from Two New Duvernay Wells

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Calgary, January 6, 2025 - [Journey Energy Inc.](#) (TSX: JOY) (OTCQX: JRNGF) ("Journey" or the "Company") is pleased to provide an update on its Duvernay Joint Venture (the "Joint Venture") operations, including the excellent initial test rates achieved by the first two wells.

## Duvernay Joint Venture Operational Update

On May 7, 2024 Journey announced its participation in a 128 section, Joint Venture in the Duvernay. Journey's current working interest in the Joint Venture is 31.38%. The partners currently control 104 sections.

Two Joint Venture wells have been drilled to date from the 05-18-042-03W5 surface location. The 03-26-042-04W5 well has a stimulated lateral length of 3,511 meters and was completed with 71 stages involving 6,395 tonnes of sand. The 09-05-042-03W5 well has a stimulated lateral length of 3,650 meters and was completed with 74 stages involving 6,582 tonnes of sand. Both wells were tied into the Journey operated gas processing facility at 01-04-042-03W5 and began flowing through testers on November 25, 2024. Individual well drilling and completion costs (excluding testing and surface facility costs) are projected to be well below the originally estimated costs.

## Production Summary:

	09-05-042-03W5/00	03-26-042-03W5/00
Total to Date:		
Flowing Time (days) <sup>(1)</sup>	30	30
Oil (bbls/d)	865	1,019
Oil Gravity (&#8304;API)	48	48
Natural gas (mcf/d)	800	700
Natural gas liquids (bbls/d)	31	28
Barrels of oil equivalent (boe/d)	1,029	1,166
Per cent oil and NGL's	87%	90%

(1) Production volumes in the table are based on Field Notes from Testers. These volumes represent the highest 30-day average rates achieved since November 25, 2024. Final reported volumes may differ from test volumes.

The above production rates continue to significantly exceed internal type curve expectations which were originally based upon the initial wells drilled and completed in 2019 by another operator. Both wells continue to be restricted.

Although these represent preliminary results, and comparisons with the original wells on the Joint Venture will be more representative in late January after 60 producing days, current oil flow rates are materially better than the flow rates of the original wells drilled in 2018 and 2019. This result has prompted an increase in Journey's type curve expectations for Duvernay wells with a stimulated lateral length of 3,600 meters. The new type curve features a small increase in recoverable reserves, but a more substantial increase in initial productivity rates. Because of this, Management expects this to result in a corresponding increase in the rate of return, and a decrease in the payout period from the on-production date. Shareholders are directed to Journey's December corporate presentation for updated type curves.

Journey's share of expenditures for the first two wells were primarily funded through the closing of the financing on March 20, 2024. Initial gross capital expenditures for the Joint Venture are capped at gross amounts of \$30 million for 2024 and \$100 million for 2025. The cap on expenditures can be increased by mutual agreement of both parties. The first two wells are strategically located to satisfy drilling commitments for the retention of freehold lands. The position of the wells is expected to allow for the booking of approximately 40 gross (12 net) additional proved plus probable offset locations in Journey's 2024 year-end reserve report.

Management believes they have found a quality Joint Venture partner to help benefit from the economies of scale while minimizing the risk of single events on the Company's business plan. Journey's working interest position in the Joint Venture is enough to support 60 net 2.5 mile wells on azimuth locations.

#### Future Update and Further Information

Journey's preliminary plans for the Joint Venture in 2025 are to participate in 6-8 wells (1.8-2.4 net). The majority of these locations will be drilled from three well pads in order to maximize operational efficiencies and minimize well costs. Journey plans to provide additional production data, full year capital, production, and adjusted funds flow guidance, and its funding plans toward the end of January 2025 as capital phasing and on-stream dates are currently being refined by the partners.

Journey management views 2025 as a pivotal year for the company as the groundwork laid in previous years begins to materialize. Journey's management remains focused on long-term value creation for all stakeholders and are available to address shareholder inquiries upon request.

#### About the Company

Journey is a Canadian exploration and production company focused on conventional, oil-weighted operations in Alberta, Canada. Journey's strategy is to grow its production base by drilling on its existing core lands, implementing secondary and tertiary flood projects on its existing lands, and by executing on accretive acquisitions. In conjunction with its joint venture partner, the Company has recently begun development of its Duvernay light oil resource play. In addition, Journey is continuing with its plans to grow its power generation business through its projects at Gilby and Mazeppa.

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#### ADVISORIES

This press release contains forward-looking statements and forward-looking information (collectively

"forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of the anticipated future operations, management focus, strategies, financial, operating and production results, industry conditions, commodity prices and business opportunities. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding decline rates, anticipated netbacks, drilling inventory, estimated average drill, complete and equip and tie-in costs, anticipated potential of the Assets including, but not limited to, EOR performance and opportunities, capacity of infrastructure, potential reduction in operating costs, production guidance, total payout ratio, capital program and allocation thereof, future production, decline rates, funds flow, net debt, net debt to funds flow, exchange rates, reserve life, development and drilling plans, well economics, future cost reductions, potential growth, and the source of funding Journey's capital spending. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by management, including expectations and assumptions concerning prevailing commodity prices and differentials, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; the ability to efficiently integrate assets and employees acquired through acquisitions, including the Acquisition, the ability to market oil and natural gas successfully and the ability to access capital. Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Journey can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedarplus.ca](http://www.sedarplus.ca)). These forward-looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Journeys prospective results of operations, funds flow, netbacks, debt, payout ratio well economics and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date of this press release and was provided for providing further information about Journey's anticipated future business operations. Journey disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein. Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, which involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Journey, including, without limitation, those listed under "Risk Factors" and "Forward-Looking Statements" in the Annual Information Form filed on [www.sedarplus.ca](http://www.sedarplus.ca) on March 28, 2024. Forward-looking information may relate to the future outlook and anticipated events or results and may include statements regarding the business strategy and plans and objectives. Particularly, forward-looking information in this press release includes, but is not limited to, information concerning Journey's drilling and other operational plans, production rates, and long-term objectives. Journey cautions investors in Journey's securities about important factors that could cause Journey's actual results to differ materially from those projected in any forward-looking statements included in this press release. Information in this press release about Journey's prospective funds flows and financial position is based on assumptions about future events, including economic conditions and courses of action, based on management's assessment of the relevant

information currently available. Readers are cautioned that information regarding Journey's financial outlook should not be used for purposes other than those disclosed herein. Forward-looking information contained in this press release is based on current estimates, expectations and projections, which we believe are reasonable as of the current date. No assurance can be given that the expectations set out in the Prospectus or herein will prove to be correct and accordingly, you should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time except as required by applicable securities law.

**Drilling Locations:** This press release refers to currently unbooked drilling locations. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have specifically been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, and engineering, production and reserves data on prospective acreage and geologic formations. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristic of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

## Measurements

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

Where amounts are expressed in a barrel of oil equivalent ("BOE"), or barrel of oil equivalent per day ("BOE/d"), natural gas volumes have been converted to barrels of oil equivalent at six (6) thousand cubic feet ("Mcf") to one (1) barrel. Use of the term BOE may be misleading particularly if used in isolation. The BOE conversion ratio of 6 Mcf to 1 barrel ("Bbl") of oil or natural gas liquids is based on an energy equivalency conversion methodology primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms to the Canadian Securities Regulators' National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

## Oil and Gas Measures and Metrics

The Company uses the following metrics in assessing its performance and comparing itself to other companies in the oil and gas industry. These terms do not have a standardized meaning and therefore may not be comparable with the calculation of similar measures by other companies:

1. Corporate Decline is the rate at which production from a grouping of assets falls from the beginning of a fiscal year to the end of that year.
2. IP 30 is the average daily production rate of a well in its first full calendar month of production expressed in boe's.

## Select Abbreviations and Definitions

bbl	barrel
bbls	barrels
GOR	gas to oil ratio
GORR	gross over-riding royalty
kPaG	Kilopascal gauge
m	meters
Mbbls	Thousand barrels
MMBtu	million British thermal units
NGLs	natural gas liquids
Mcf	thousand cubic feet at standard conditions

Mmcf million cubic feet at standard conditions  
Mmcf/d million cubic feet per day at standard conditions  
Boe barrel of oil equivalent  
Mboe thousand boe  
\$M thousands of dollars

No securities regulatory authority has either approved or disapproved of the contents of this press release.

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