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CORPORATION COMMISSION
OF OKLAHOMA

February 26, 2021

Ms. Robyn Strickland
Director, Oil & Gas Conservation Division
Oklahoma Corporation Commission

Subject: Cause CD No. 202002102, Statewide proration formula for unallocated gas wells for the period April, 2021, through March, 2022

Dear Ms. Strickland:

Ovintiv Mid-Continent Inc. ("Ovintiv") appreciates the opportunity to comment on the statewide proration formula for unallocated gas wells during the next proration period, April 1, 2020 – March 31, 2022. Ovintiv operates approximately 932 wells and has approximately 354,000 net acres under lease. We have offices in Oklahoma City, Okarche, and Foster. We also have one of the largest drilling programs in Oklahoma and are one of the largest producers in the state, producing approximately 166,000 BOE/d. The Oklahoma Corporation Commission's ("OCC") regulations and policies have a significant impact on our investment in the state.

The Oil & Gas Conservation Division staff has devoted significant effort to working with a broad industry group to review and potentially revise the regulations related to gas proration, the minimum gas well allowable, and well testing requirements. Ovintiv greatly appreciates the collaborative effort and believes there is potentially a path forward for consensus reforms. The changes would help remove regulatory hurdles to future investment in gas wells in Oklahoma.

As a fundamental principle, Ovintiv opposes governments intervening in free markets to influence commodity price. We also recognize that the OCC's proration formula is required by Oklahoma statute and that the OCC is attempting to strike a reasonable balance on the gas proration formula. As such, Ovintiv supports a proration formula of the greater of 75% absolute open flow potential or 3,000 mcf/d during the upcoming proration period. Thank you again for the opportunity to provide comment on the statewide proration formula for unallocated gas wells.

Sincerely,

A handwritten signature in blue ink that reads "Matthew Most".

Matthew Most
Vice President, Government Relations