

## STACK/Merge Leasehold & Production

Meagher Energy Advisors (“MEA”) has been exclusively retained by Beacon E&P Resources LLC (“Beacon”) to solicit offers for certain leasehold and wells. Beacon will entertain offers for the entire package or individual areas. The effective date is November 1<sup>st</sup>, 2019 with bids due November 5<sup>th</sup>, 2019. Beacon will furnish a purchase and sale agreement and anticipates executing the agreement in November with a December closing.

### Highlights

Meramec, Woodford, Osage and Red Fork Non-Operated Wells

Consistent Cashflow

New Wells Recently Online

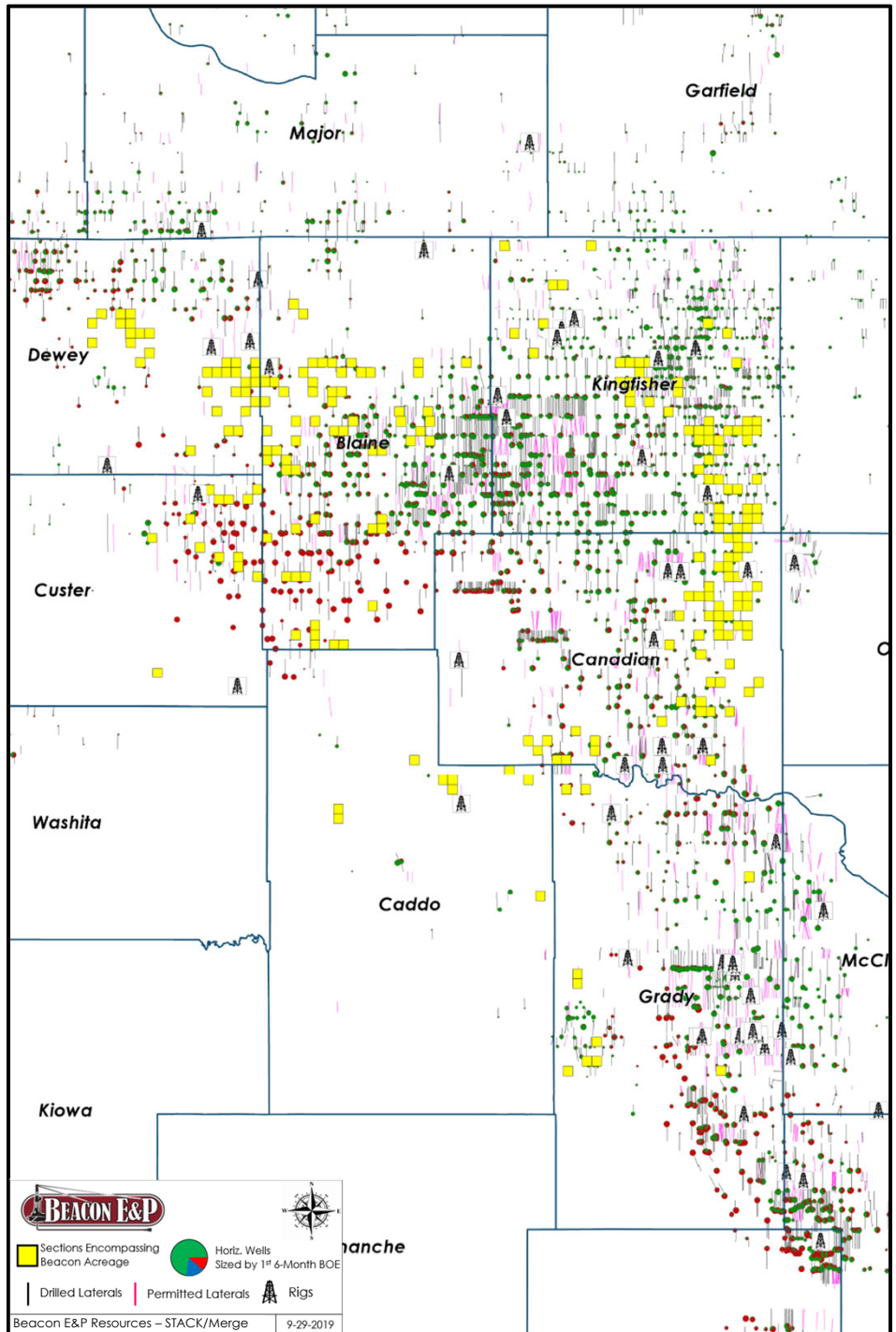
Core Acreage Position

Highly Undeveloped

Cashflow Covers Future Drilling

- ▲ **\$1,219,000/month cashflow and 1,501 net BOE/day historic 12-month average**
- ▲ **486 Net BOPD, 3,678 Net MCFD, & 347 Net Bbls NGL/day November forecast**
- ▲ Interests in 310 non-operated wells with 34 horizontals put on production in 2019
- ▲ 33 permitted/proposed horizontal wells and an additional 16 wells waiting on completion, set casing or currently being drilled
- ▲ **Over 1,100 additional horizontal locations in Meramec, Woodford, and Osage**
- ▲ Primary operators include Cimarex, Continental, Newfield-Encana, Red Bluff Resources, and Unit Petroleum

- ▲ **8,081 net acres in Kingfisher, Blaine, Canadian, Grady, Dewey, Custer, and Caddo Counties. 80% HBP or Minerals (665 NMA)**
- ▲ Meramec/Osage and Woodford comprise 6,802 and 6,611 net acres respectively
- ▲ HBP and Mineral acreage approximately 72% undeveloped in Mississippian and Woodford formations
- ▲ **37 rigs drilling on or within one township of Beacon sections**



**Aaron Hugen, P.E.**  
**Engineering Manager**  
 Direct 303.721.6354 x228  
[ahugen@meagheradvisors.com](mailto:ahugen@meagheradvisors.com)

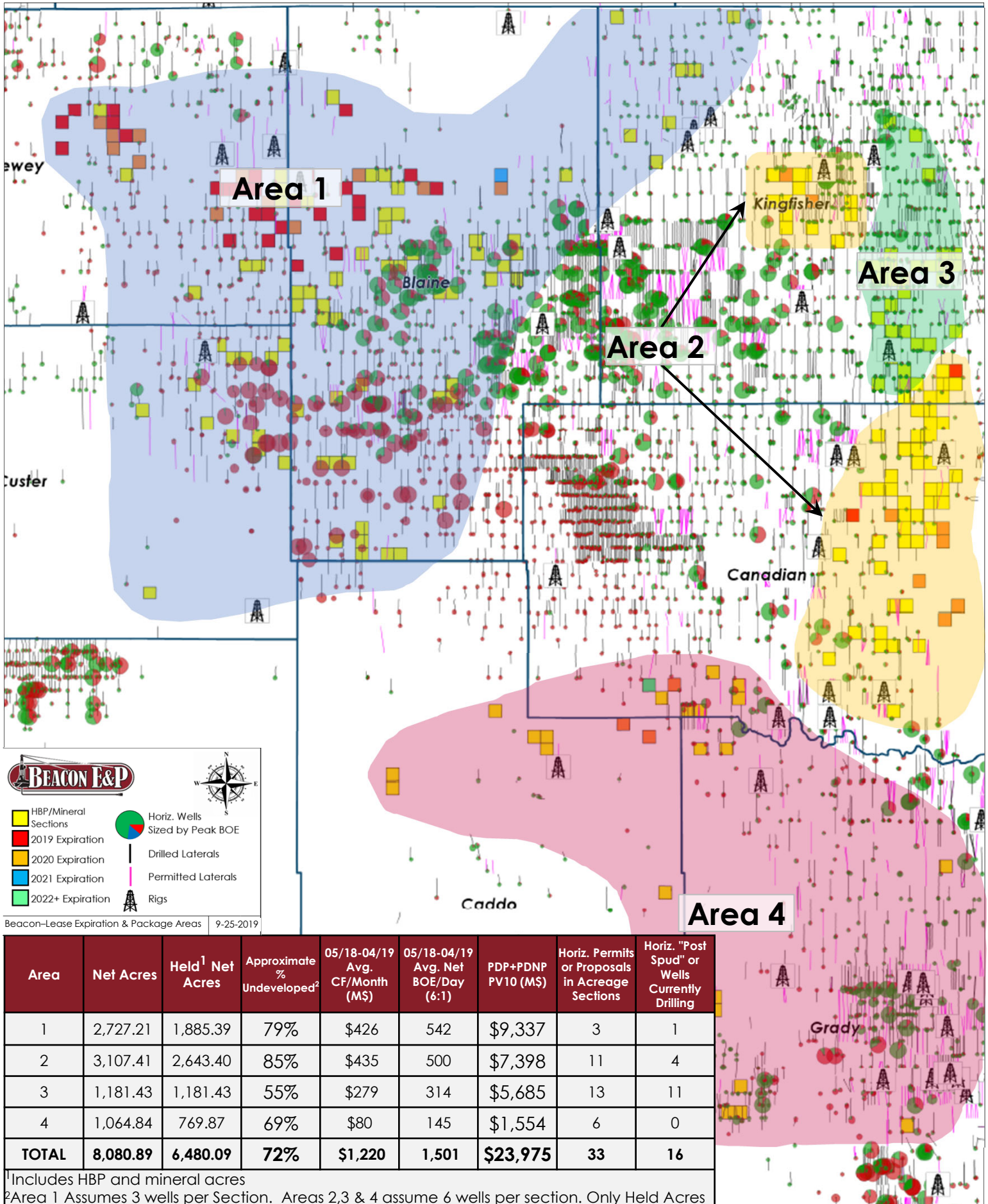
**Nicholas H. Asher**  
**VP Business Development**  
 Direct 303.721.9781  
[nasher@meagheradvisors.com](mailto:nasher@meagheradvisors.com)

**Teri Williams**  
**Chief Operating Officer**  
 Direct 918.481.5900 x224  
[twilliams@meagheradvisors.com](mailto:twilliams@meagheradvisors.com)

**Christopher J. McCarthy, P.E.**  
**Executive Vice President**  
 Direct 303.721.6354 x224  
[cmccarthy@meagheradvisors.com](mailto:cmccarthy@meagheradvisors.com)

# Overview

Assets packaged into four different areas based on development, production and aerial extent. Beacon will entertain offers for the entire package or individual areas.



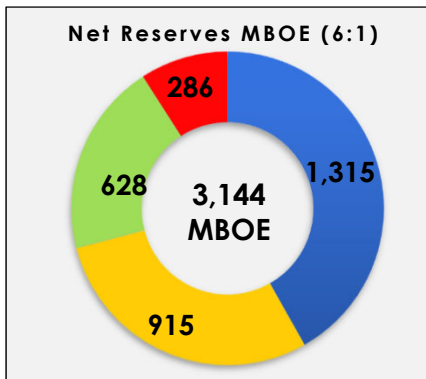
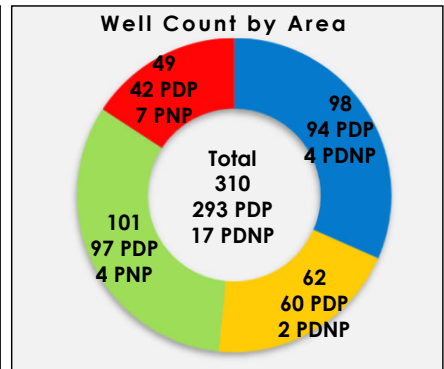
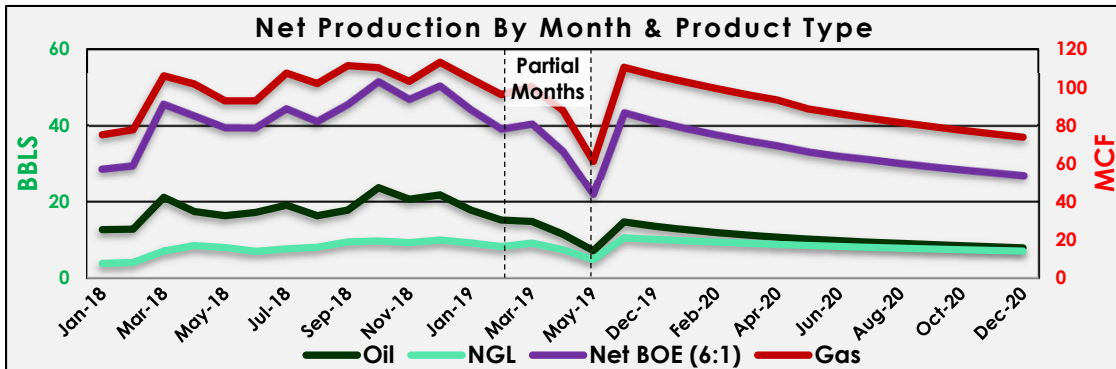
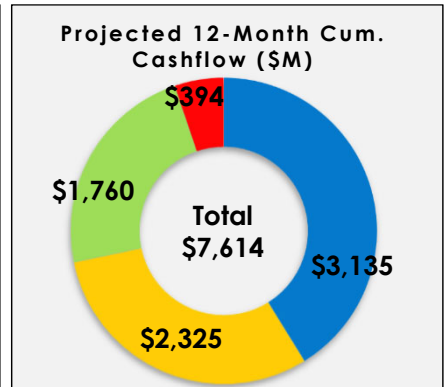
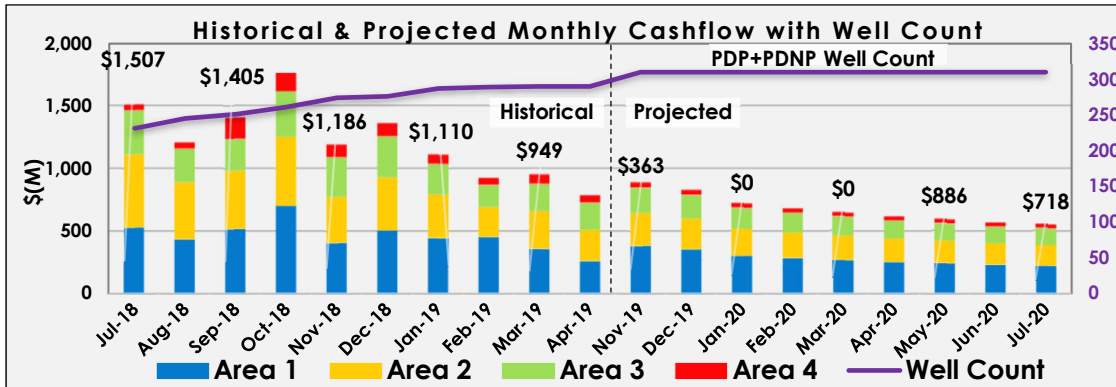
# Land

Net Acres by Type and Area						Net Acres by Formation and Area (Not Additive)					Net Acres by Expiration Year					
Lease Status	Area 1	Area 2	Area 3	Area 4	TOTAL	Formation	Area 1	Area 2	Area 3	Area 4	Exp Yr	Area1	Area2	Area3	Area4	TOTAL
HBP	1,862	2,431	752	770	5,815	Penn	2,434	2,808	1,157	1,039	2019	469	5	0	0	474
Unleased Minerals	0	42	4	0	46	Oswego	2,434	2,808	1,175	1,039	2020	281	440	0	70	791
Leased Minerals	23	170	426	0	619	Miss	2,109	2,796	1,017	880	2021	92	19	0	0	111
Non Producing (Term)	722	355	0	276	1,353	Wood	2,049	2,838	852	871	2022+	0	0	0	225	225
Term Assignment	120	109	0	19	248	Hunt	2,081	2,807	846	839	Total	842	464	0	295	1,601
<b>Total</b>	<b>2,727</b>	<b>3,107</b>	<b>1,182</b>	<b>1,065</b>	<b>8,081</b>											

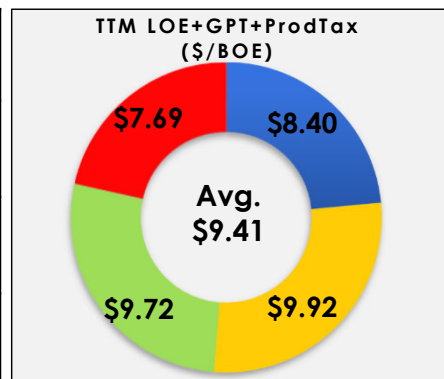
## Financial and Economic

Included in the data package are PhdWin and Aries economic databases with summary economics. PDP production forecasts have been updated to reflect the latest rate-time trends. Undeveloped cases are not explicitly modeled in the economic databases due to uncertain timing across numerous operators. Therefore, upside is identified according to type curve economics with an associated number of locations and undeveloped net acres.

Future prices are annual averages of the NYMEX 5-year strips, as of September 23<sup>rd</sup> starting at \$58.53/bbl and \$2.63/MMBtu for the remainder of the 2019 calendar year. Prices are held flat after five years and adjusted for historic differentials to NYMEX. Beacon provided ownership interests for producing and non-producing wells. Beacon's lease operating statement is the basis for all well inputs. For undrilled locations, drilling and completion costs, operating expenses, pricing differentials, NGL yields, and shrinks are area averages. MEA applies no escalations to modeled parameters. Reserves and economic data are tabulated below.

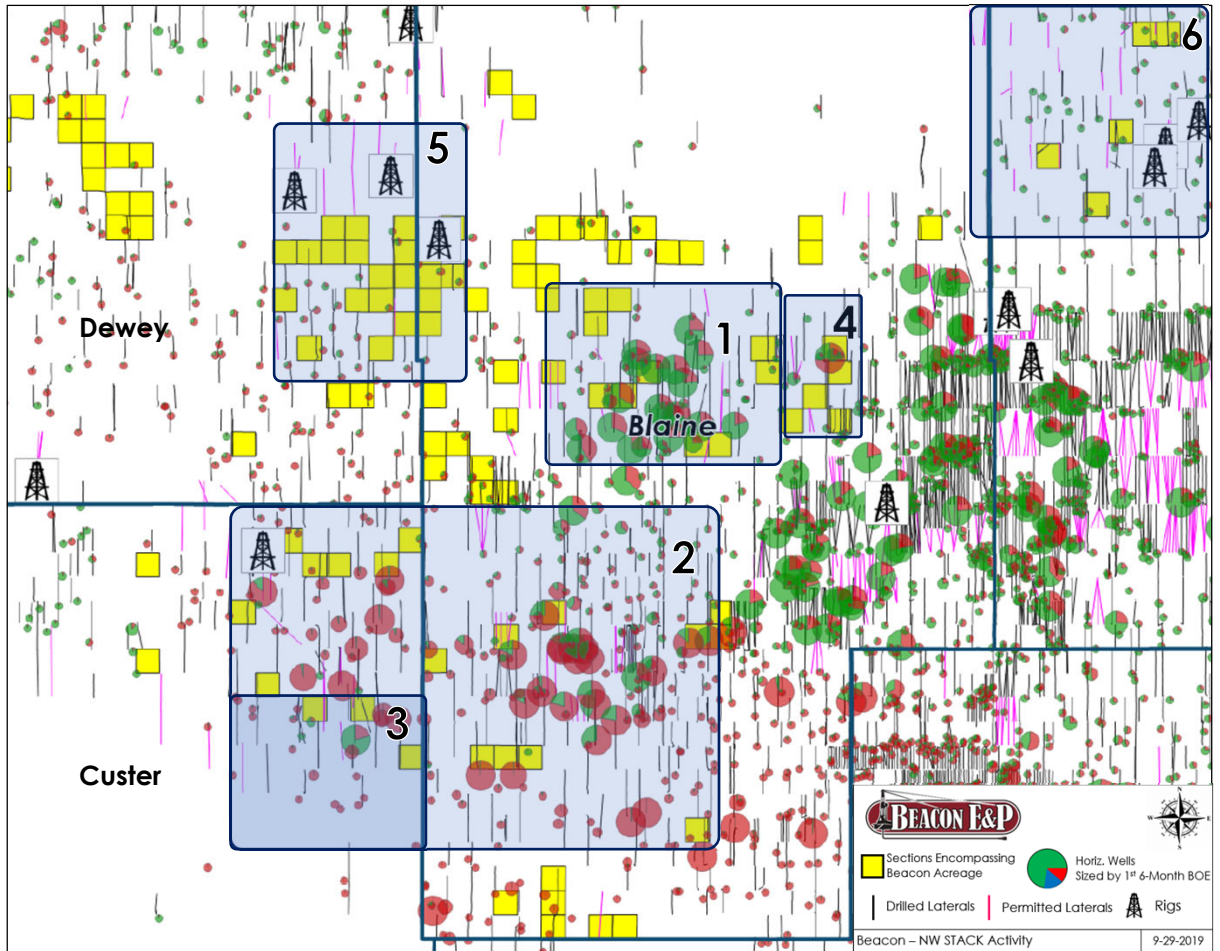


Present Value by Area and Discount Rate (M\$)					
Rate	Area 1	Area 2	Area 3	Area 4	Total
PV8	\$10,078	\$7,983	\$6,133	\$1,709	\$25,902
PV10	\$9,337	\$7,398	\$5,685	\$1,554	\$23,975



# Area 1 – NW STACK – Overview and Activity

- 1** Devon, Continental, Cimarex  
Low GOR Meramec  
500MBO & 1.35BCF Type Curve\*  
Several wells indicate 1MMBOE EURs  
212 MBO & 203 MMCF
- 2** Continental  
High GOR Meramec & Woodford  
10BCFE EUR for 2mi lateral wells  
Moses Trust 1-24-13XH - 3.4BCF in 6 Months  
Potential for Red Fork Upside
- 3** Unif Petroleum  
Low GOR Red Fork  
Schrock 2215 1HX  
6-Month Cum - 162MBO & 504MMCF  
Saratoga 1720 1HX  
30 day IP - 55MBO & 74MMCF
- 4** Marathon  
Meramec – 1st Prod. 03/2017  
Calf Rope 1611 1-1-12MXH  
6-Month Cum - 101MBO & 2.3BCF  
Cum - 191MBO & 8BCF
- 5** 3 Rigs offset acreage  
Derby Exploration – 2 Rigs  
Woodford tests spud in Aug. & Sept.  
Acacia Energy Partners – 1 Rig  
1mi lateral Meramec Spud in Aug
- 6** 3 Rigs offset acreage  
Chisolm/Gastar – 3 Rigs  
1mi Meramec wells spud in Sept.  
Doris 1808 19-1MH  
Philww 1808 17-1MH  
Phoenix 1808 16-1MH



- Area 1 – NW STACK**
- 1,885 Held Net Acres, ~79% undeveloped
  - 98 Wells (94 PDP, 4 PDNP) 97 Undeveloped Locations
  - 202 Net BOPD, 1,773 Net MCFD, & 141 Net Bbls
  - NGL/day November forecast
  - \$382K/month net forecast
  - November cashflow

**BEACON E&P**

Sections Encompassing Beacon Acreage

Drilled Laterals | Permitted Laterals | Rigs

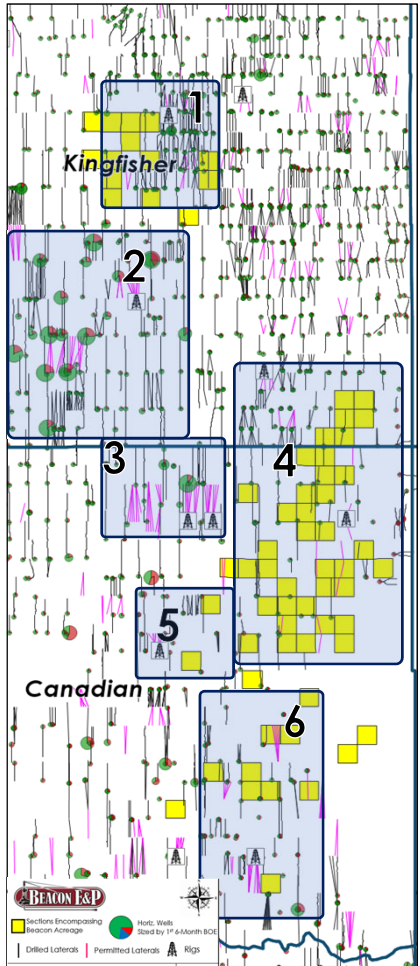
Horiz. Wells Sized by 1<sup>st</sup> 6-Month BOE

Beacon – NW STACK Activity

9-29-2019

# Area 2 – Eastern STACK – Lightly Developed

- 1** Chaparral Rig  
Osage | Low Valley Pad | 2 Permits  
Chesapeake Bullis 1-17-7 Pad | 3 Wells  
Avg. Peak - 36MBOE/Mo (85% Oil)  
6-Month Cum - ~160MBO
- 2** Newfield Meramec Development  
Peak Cum Often >60MBOE  
6-Month Cum Often >200MBOE  
Freeman 10H-14UMX-186MBOE in 6 Months  
Operators permitting 6 wells/section
- 3** 30 Newfield Permits  
2 Rigs | WM Wallace & Slash C Pads  
Woodford & Meramec Development  
Jackson 1406 | Newfield 2mi Meramec  
Estimated EUR >1,000MBOE (92% Oil)
- 4** Red Bluff Resources  
Recent Osage 1mi Horizontals  
Several wells drilled since 2017  
6-Month Cums - ~40MBO & 120MMCF  
EURs range from 200MBOE to 500MBOE  
Red Bluff drilling their Bromlow 1405 7-21MH
- 5** Chaparral Rig  
Cutbow 1307 Pad | Meramec  
2 Wells | Currently Drilling 5SMH-26  
Spud 9-5-2019  
4 Wells Permitted in the Section
- 6** Primarily Woodford and Meramec  
Recent Jones Energy MRMC Wells  
Type Curve EUR ~300MBOE (67% Oil)  
3 Woodford & 2 Meramec Permits On Acreage  
Roan Resources Rig | Earl, Skywalker, Tater Pads  
14 Wells Permitted | 7 Woodford & 7 Meramec



- Area 2 – Eastern STACK**
- 2,643 Held Net Acres, ~85% undeveloped
  - 62 Wells (60 PDP, 2 PDNP) & 605 Undeveloped Locations
  - 144 Net BOPD, 1,003 Net MCFD, & 96 Net Bbls
  - NGL/day November forecast
  - \$263K/month net forecast
  - November cashflow

**BEACON E&P**

Sections Encompassing Beacon Acreage

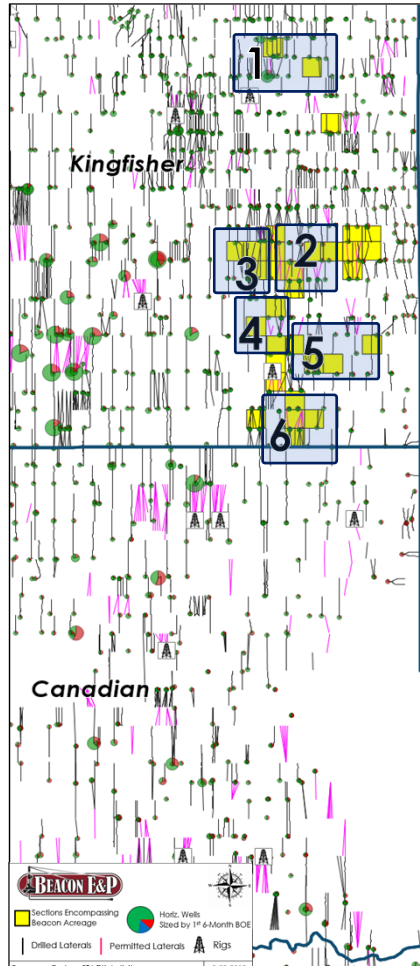
Drilled Laterals | Permitted Laterals | Rigs

Horiz. Wells Sized by 1<sup>st</sup> 6-Month BOE

Beacon – Eastern STACK Activity

9-29-2019

# Area 3 – Eastern STACK – Highly Developed



- 1** Koopa 23 05H | 1mi Lateral  
Osage | Stone Creek Operating  
1<sup>st</sup> Production 10-1-2018  
1<sup>st</sup> 6-Month Cums – 143MBO & 264MMCF  
Peak Month IP – 34MBO & 51MMCF
- 2** Bunker Buster 16061-13MH | 1mi Lateral  
Osage | OK Energy Acquisitions  
1<sup>st</sup> Production 3-1-2018  
1<sup>st</sup> 6-Month Cums – 96MBO & 360MMCF  
Peak Month IP – 27MBO & 82MMCF
- 3** Ruth 15-16-63HC | 2mi Lateral  
Osage | Chesapeake  
1<sup>st</sup> Production 11-1-2018  
1<sup>st</sup> 6-Month Cums – 121MBO & 132MMCF  
Peak Month IP – 32MBO & 30MMCF
- 4** Sadiebug 16061-35MH | 1mi Lateral  
Mississippian | OK Energy Acquisitions  
1<sup>st</sup> Production 7-1-2017  
1<sup>st</sup> 6-Month Cums – 75MBO & 210MMCF  
Peak Month IP – 22MBO & 45MMCF
- 5** OK Energy Acquisitions Rig  
Valhalla 1506 Pad | Mississippian  
2 Wells | Currently Drilling 5-14MH  
Spud 9-3-2019  
2 other "Post Spud" in Section
- 6** Walrus 15061-36MH | 1mi Lateral  
Osage | OK Energy Acquisitions  
1<sup>st</sup> Production 12-1-2017  
1<sup>st</sup> 6-Month Cums – 81MBO & 120MMCF  
Peak Month IP – 21MBO & 31MMCF

- Area 3 – Eastern STACK**
- 1,181 Held Net Acres, ~55% undeveloped
  - 101 Wells (97 PDP, 4 PDNP) & 318 Undeveloped Locations
  - 121 Net BOPD, 550 Net MCFD, & 79 Net Bbls
  - NGL/day November forecast
  - \$199K/month net forecast
  - November cashflow

**BEACON E&P**

Sections Encompassing Beacon Acreage

Drilled Laterals | Permitted Laterals | Rigs

Horiz. Wells Sized by 1<sup>st</sup> 6-Month BOE

Beacon – Eastern STACK Activity

9-29-2019

# Area 4- Merge - Overview and Activity

**1** Cimarex 2mi Woodford Wells  
1<sup>st</sup> Production Q2 2018  
4-5BCF Type Curve  
6 Roan Resources Permits  
4 Woodford & 2 Meramec

**2** Camino Natural Resources  
Troy Aikman 1007 30-19 1MH  
2mi Test Well  
Spud 9-5-2019  
Unclear whether Miss. or Woodford

**3** Roan & Chaparral Development  
4 Active Rigs  
43 Permits | Mississippian & Woodford  
Additional Hunton Permits  
>500MBOE EUR Miss. & WDFD Wells

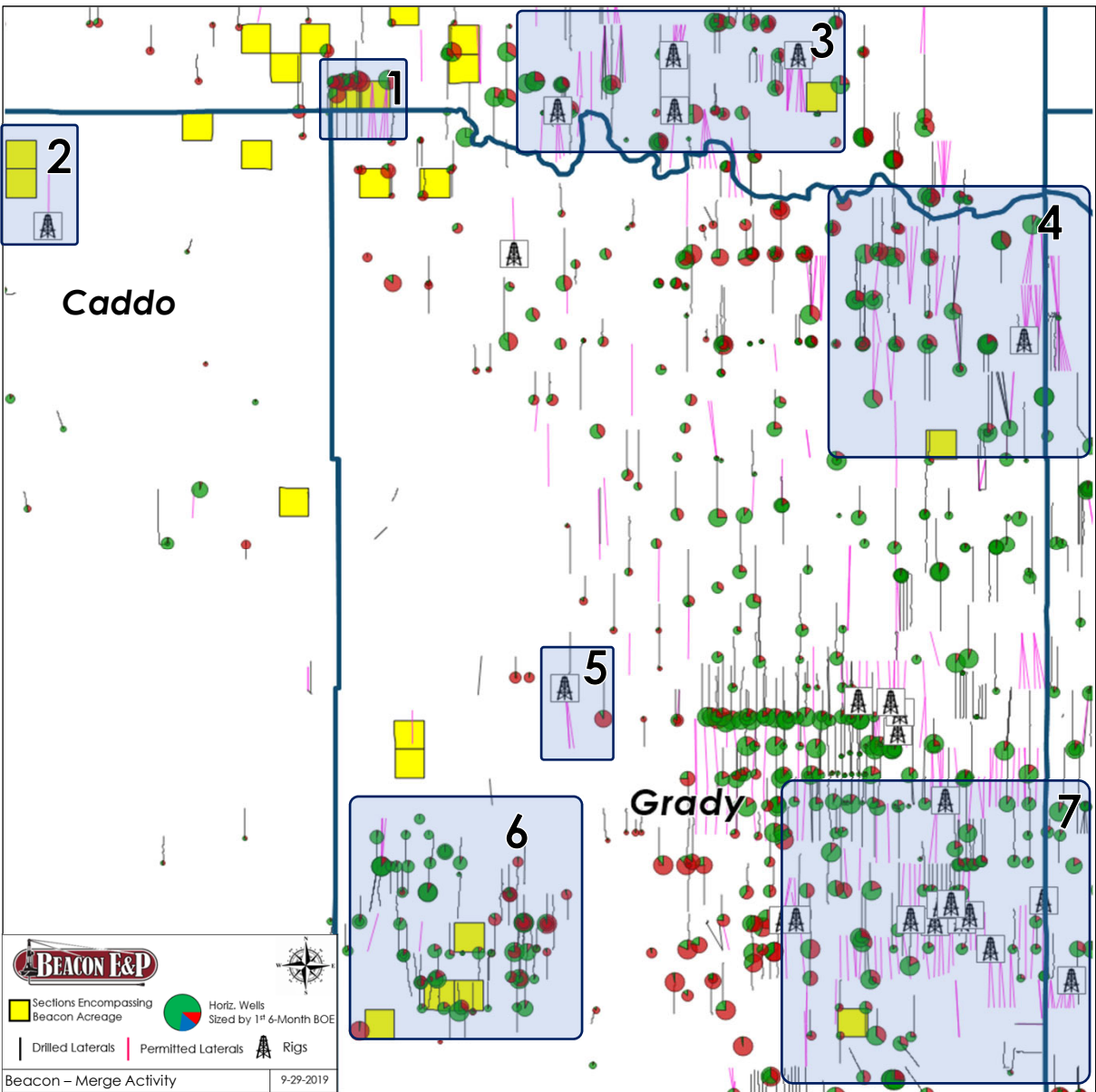
**4** Roan Resources  
Woodford and Mississippian Wells  
Collins 11-2-9-5 1XH  
6-Mo Cum-177MBO,523MMCF | EUR >800MBOE  
Rosemary 2H-1-36  
6-Mo Cum-133MBO,408MMCF | EUR >800MBOE

**5** Camino Natural Resources Rig  
Drilling Kimber 0707 17-20-1MH  
Spud 8-2-2019  
2nd Permit, Holden 0707 16-21-1WH  
2mi Test Wells  
Unclear whether Miss. or Woodford

**6** Unit Petroleum Development  
Hoxbar development  
Development primarily '13-'15  
Well drilled 01/18, Schenk Trust 1-17HXL  
Cum Production | 282MBO & 313MMCF

**7** Continental & Marathon Development  
16 Active Rigs  
184 Permits | Springer & Woodford  
Additional Hunton Permits  
1MMBOE EUR Springer Wells

**Area 4 - Merge**  
• 770 Held Net Acres, ~69% undeveloped  
• 49 Wells (42 PDP, 7 PDNP) & 16 Undeveloped Locations  
• 19 Net BOPD, 352 Net MCFD, & 31 Net Bbls NGL/day  
November forecast  
• \$42K/month net forecast  
November cashflow



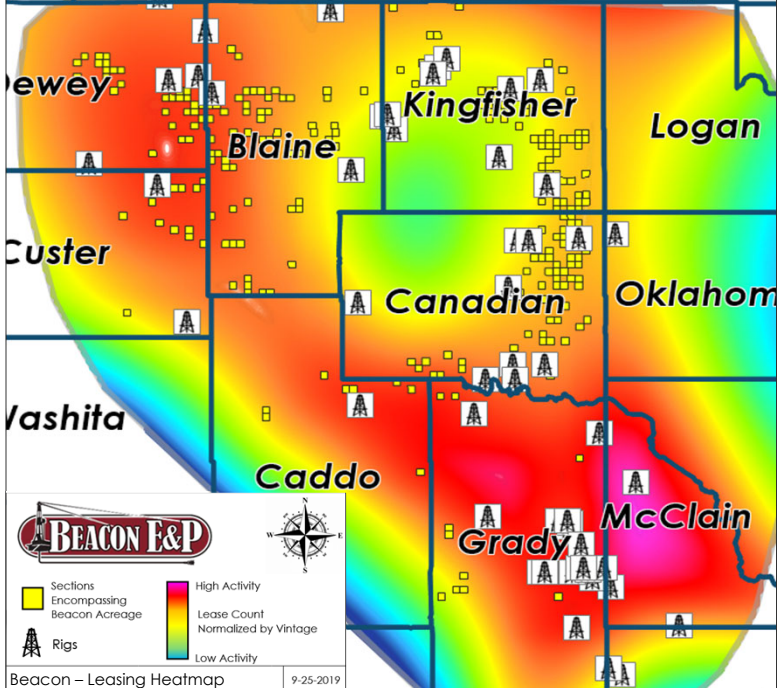
**BEACON E&P**

Sections Encompassing Beacon Acreage  
Drilled Laterals | Permitted Laterals | Rigs

Horiz. Wells Sized by 1<sup>st</sup> 6-Month BOE

Beacon - Merge Activity 9-29-2019

## Leasing Heatmap



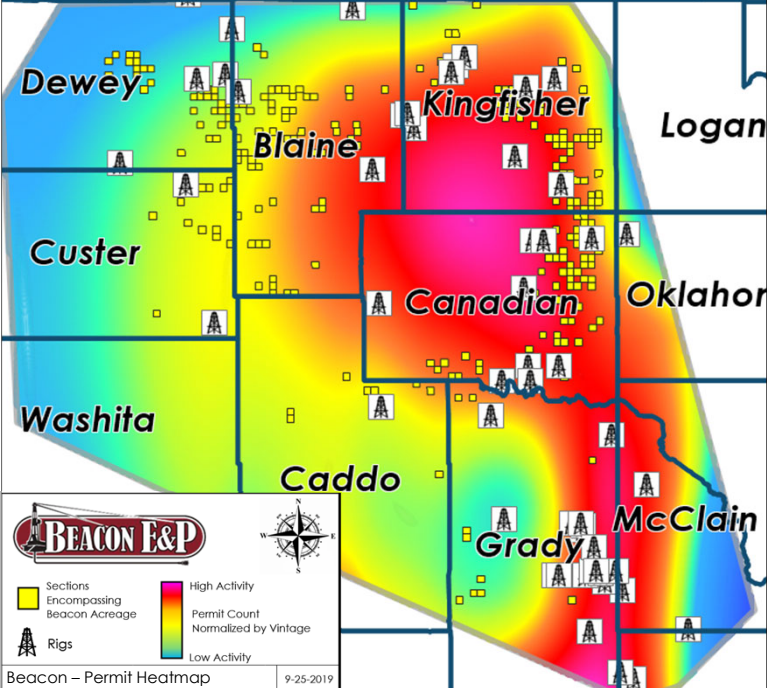
**BEACON E&P**

Sections Encompassing Beacon Acreage  
Rigs

High Activity  
Lease Count Normalized by Vintage  
Low Activity

Beacon - Leasing Heatmap 9-25-2019

## Permit Heatmap



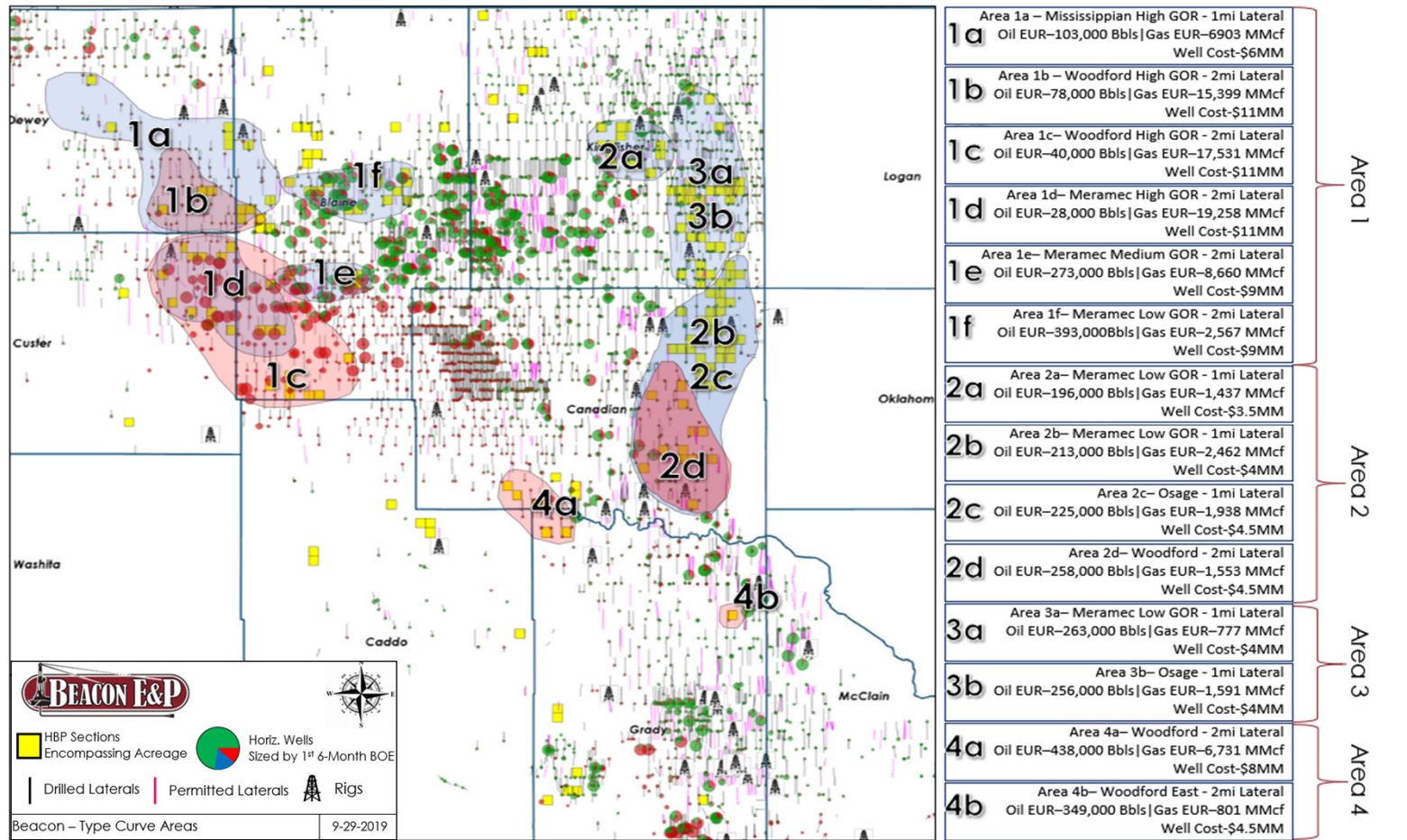
**BEACON E&P**

Sections Encompassing Beacon Acreage  
Rigs

High Activity  
Permit Count Normalized by Vintage  
Low Activity

Beacon - Permit Heatmap 9-25-2019

# Upside

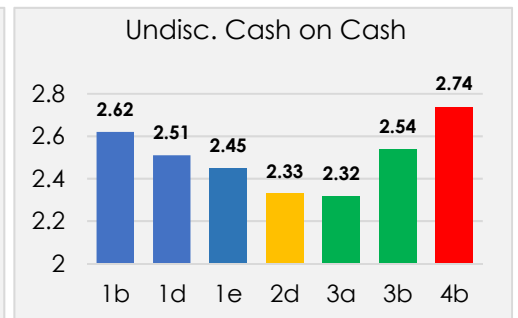
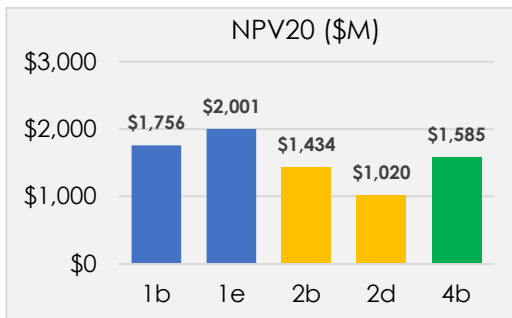
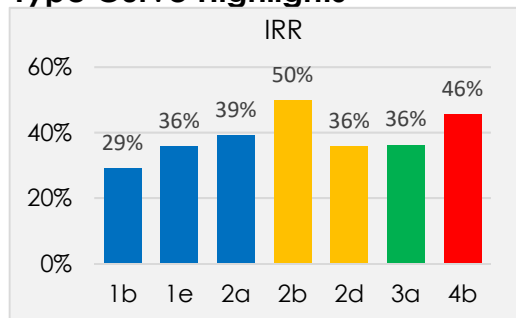


## Upside Economics\* - Areas with adequate well density & performance to support a localized type curve

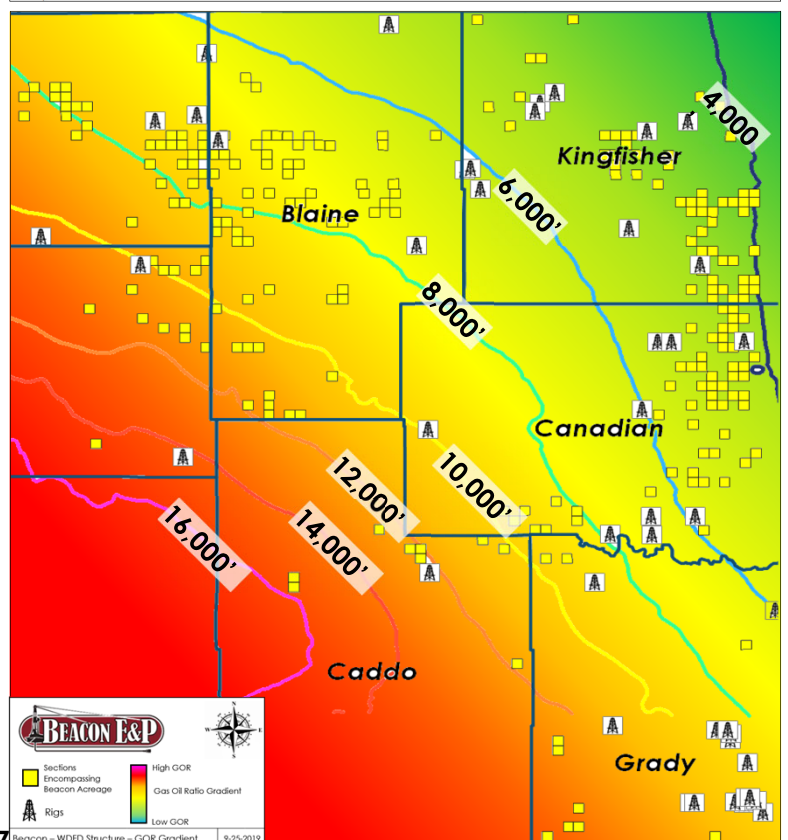
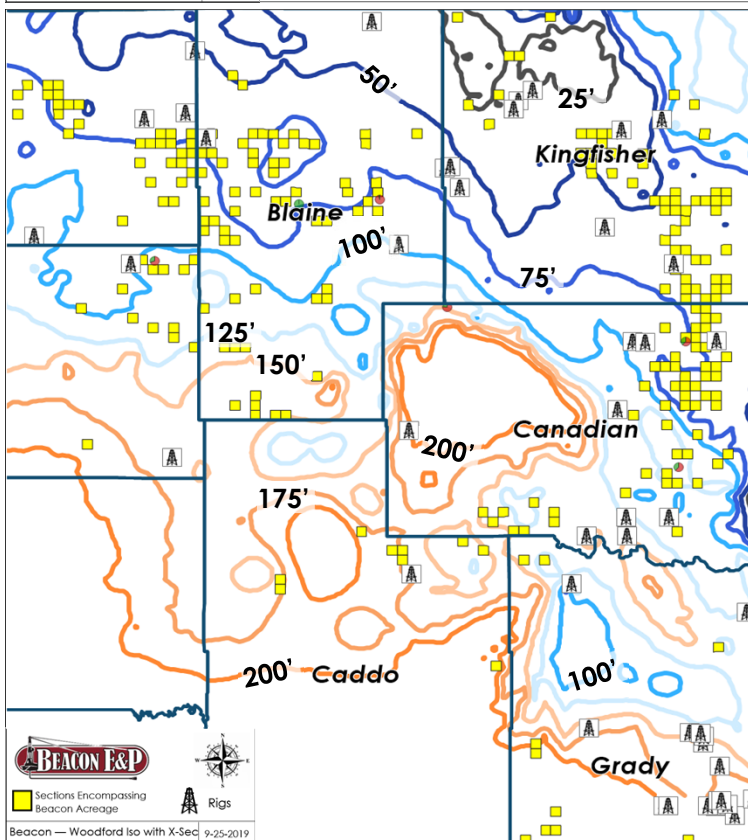
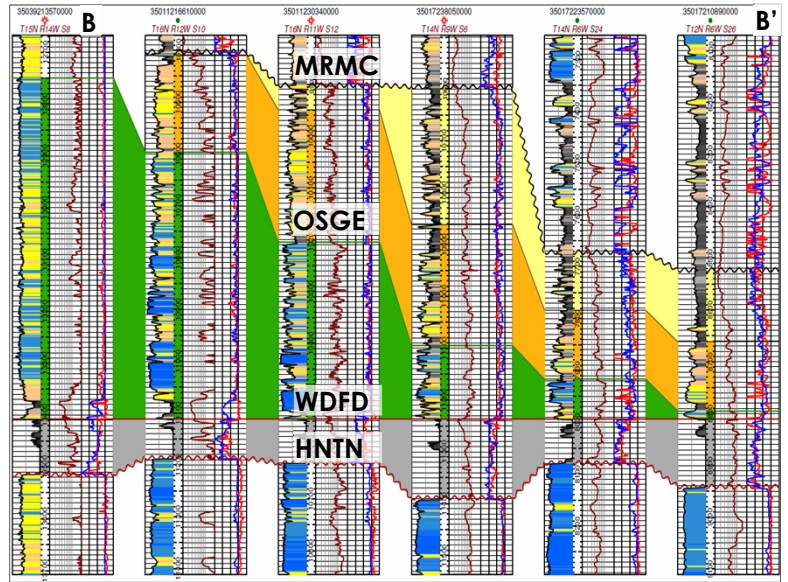
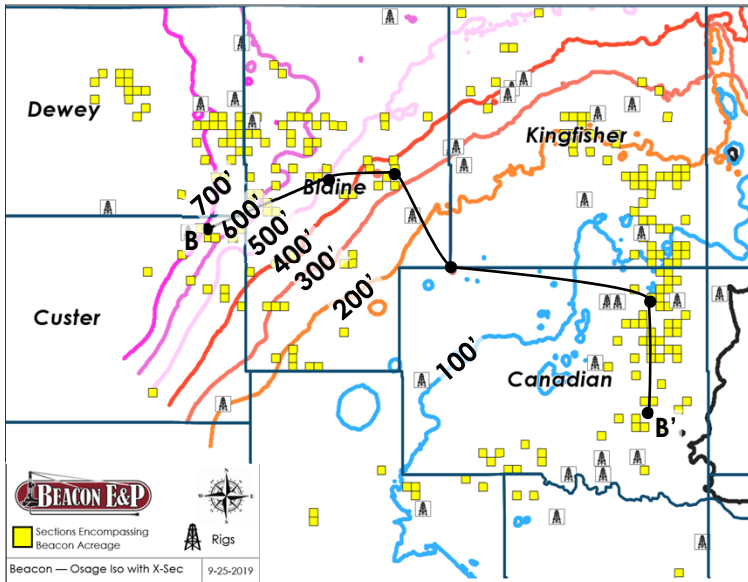
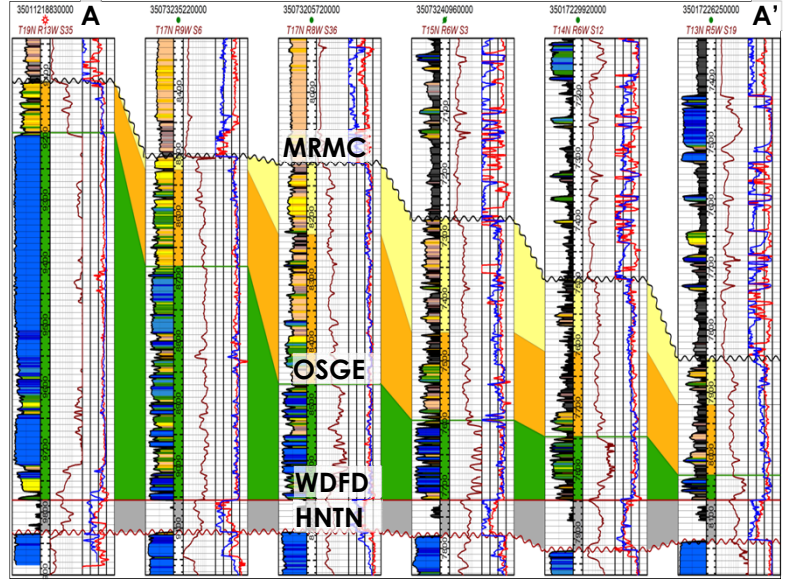
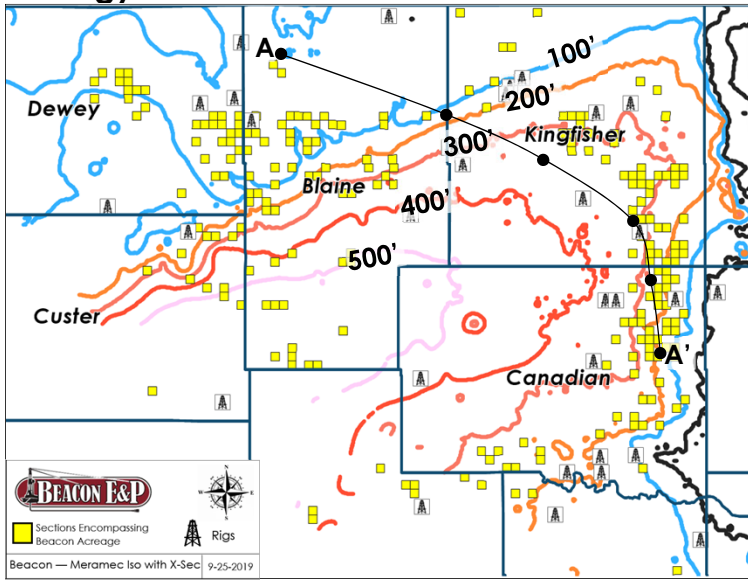
Area	Type Curve Name	Number of Gross/Net Locations	Spacing per DSU <sup>1</sup>	Number of Permits + Proposals / Drilling+Post Spud	Drill & Complete Cost (MSM)	Oil EUR (Mbbbl)	Gas EUR (MMCF)	Payout (Months)	PV10 (M\$)	PV20 (M\$)	IRR	Undisc. Cash on Cash
1	Area 1a - Miss. High GOR	33/0.52	3	1/0	\$6.0	103	6,903	51	\$902		15.96%	1.76
	Area 1b - Woodford High GOR	18/0.2	3	0/0	\$11.0	78	15,399	33	\$5,474	\$1,756	29.06%	2.62
	Area 1c - Woodford High GOR	64/1.21	3	0/0	\$11.0	40	17,531	47	\$2,761		19.17%	2.14
	Area 1d - Meramec High GOR	41/0.67	3	0/1	\$11.0	28	19,258	39	\$4,419	\$767	23.50%	2.51
	Area 1e - Meramec Med GOR	13/0.27	4	0/0	\$9.0	273	8,660	27	\$4,692	\$2,001	35.88%	2.45
	Area 1f - Meramec Low GOR	27/0.48	3	1/0	\$9.0	393	2,567	33	\$2,001	\$430	24.24%	1.68
2	Area 2a - Meramec Low GOR	67/0.7	6	0/0	\$3.5	196	1,437	24	\$1,757	\$826	39.29%	2.21
	Area 2b - Meramec Low GOR	253/19.77	6	8/4	\$4.0	213	2,462	20	\$2,630	\$1,434	49.90%	2.29
	Area 2c - Osage	255/20.14	6	0/0	\$4.5	225	1,938	42	\$1,313	\$99	21.25%	2.09
	Area 2d - Woodford	30/2.18	6	3/0	\$4.5	258	1,553	27	\$2,345	\$1,020	35.82%	2.33
3	Area 3a - Meramec Low GOR	167/8.78	6	13/6	\$4.0	263	777	26	\$2,040	\$890	36.27%	2.32
	Area 3b - Osage	151/8.04	6	0/5	\$4.0	256	1,591	35	\$1,910	\$559	27.70%	2.54
4	Area 4a - Woodford	14/1.83	6	6/0	\$8.0	438	6,731	44	\$2,374	\$83	20.54%	2.20
	Area 4b - Woodford East	2/0.58	6	0/0	\$4.5	349	801	23	\$3,154	\$1,585	45.53%	2.74

\*Inputs: \$60/Bbl, \$2.65/Mcf, 82.5% NRI, 7% Tax | Expense, D&C Cost, Price Differentials are PDP averages by Type Curve Area | Only HBP & Mineral Acres used for Gross/Net Locations  
<sup>1</sup>Assumes 640 acre DSU for 1mi laterals and 1,280 acre DSU for 2mi laterals

## Type Curve Highlights



# Geology Overview



Beacon - WDFD Structure - GOR Gradient 9-25-2019

## Data Room Process

- Executed Confidentiality Agreements should be returned to Nick Asher at [nasher@meagheradvisors.com](mailto:nasher@meagheradvisors.com). Access will be granted to the virtual data room and will be available for download at [www.meagheradvisors.com](http://www.meagheradvisors.com)
  - Included in the VDR are key files including but not limited to:
    - Lease Operating Statement
    - Lease Schedule
    - Engineering Databases (PhdWin and Aries)
    - Contract and Agreement Summary
    - Summary Maps
- Technical questions should be directed to Aaron Hugen at [ahugen@meagheradvisors.com](mailto:ahugen@meagheradvisors.com)

Teaser Sent	Data Room Open	Effective Date	Bids Due	PSA Execution	Closing
-------------	----------------	----------------	----------	---------------	---------

October						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

November						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Effective Date: 11/1/2019

Bids Due: 11/5/2019

PSA Execution: 11/22/2019

Closing: 12/20/2019

December						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

**Aaron Hugen, P.E.**  
**Engineering Manager**  
 Direct 303.721.6354 x228  
[ahugen@meagheradvisors.com](mailto:ahugen@meagheradvisors.com)

**Nicholas H. Asher**  
**Vice President, Business Development**  
 Direct 303.721.9781  
[nasher@meagheradvisors.com](mailto:nasher@meagheradvisors.com)

**Teri Williams**  
**Chief Operating Officer**  
 Direct 918.481.5900 x224  
[twilliams@meagheradvisors.com](mailto:twilliams@meagheradvisors.com)

**Christopher J. McCarthy, P.E.**  
**Executive Vice President**  
 Direct 303.721.6354 x224  
[cmccarthy@meagheradvisors.com](mailto:cmccarthy@meagheradvisors.com)

## Forward Looking Statements

The reserves included in this document and related virtual data room package materials ("materials") and any other forward-looking statement are estimates only and should not be construed as exact quantities. No representation or warranty is given as to the reasonableness or achievability of any projection, forecast or other forward-looking statement contained in this document and materials. Beacon E&P Resources assumes no responsibility or liability to the materials or any duty to update or revise this presentation or to inform any prospective purchaser(s) of any matter that may affect anything represented in this document or materials. Any projection, forecast, estimate, expectation, target, goal or other forward-looking statement contained in this document and materials may or may not differ from Beacon E&P Resources' internal and/or audited financial statements, reserves, or other related documents. In all cases, interested parties should conduct their own investigation and analysis of the properties.

For the purposes of this report, neither a field inspection of the properties has been performed nor has the mechanical operation or condition of the wells and their related facilities been examined. MEA has not investigated any possible environmental liability related to the properties; therefore, these estimates do not include any costs, which may be incurred due to such possible liability. Also, these estimates do not include any salvage value for the lease and well equipment or the cost of abandoning the properties. This is a common practice in industry.

In evaluating the information at MEA's disposal, MEA excluded from consideration all matters as to which legal or environmental, rather than accounting, engineering and geological, interpretation may be controlling. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of accounting, engineering and geological data; therefore, the conclusions necessarily represent only informed professional judgments.

The titles to the properties have not been examined by MEA, nor has the actual degree or type of interest owned been independently confirmed. The data used in these estimates were obtained from the company and public information sources and were accepted as accurate. MEA does not own an interest in these properties

This Executive Summary contains certain confidential, proprietary and non-public information regarding Beacon E&P Resources and certain of its assets and operations. Accordingly, this Executive Summary and materials shall be maintained in confidence, and shall not be disclosed to any person or entity or reproduced or otherwise disseminated, in whole or in part, except (i) to your officers, directors, employees, agents and third-party advisors who reasonably have a need to see the materials and who have been informed of, or otherwise made aware of, the confidential and non-public nature of the materials or (ii) with the prior and express, written consent of the Beacon E&P Resources or MEA.