



**Granite Wash Upstream & Midstream Assets**  
Wheeler County, Texas

March 2021



# Asset Highlights



## Unique Opportunity

Shallow decline, horizontal Granite Wash producing properties and wholly-owned midstream assets supplement operating margins and cash flows.

## Strong Cashflow

April estimated **EBITDA of \$2.65MM** with a profit margin of 82% including midstream, and a 12-Month forecast total PDP net cashflow of \$30.4MM.

## Long Life Assets

**32MBOE<sup>1</sup>** in 1P reserves representing a 15.8-year R/P ratio, shallow annual decline rate of 13% for the oil phase and 10% for the gas phase. Limited near-term P&A.

## Robust Production

Trailing 6-Month average net production of **5,532 BOE per day** consisting of 50% liquids and 50% gas from 194 operated PDP wells.

## Valuable Midstream

Wholly-owned Wheeler Midstream compression and gathering systems contribute over **\$700k in stable fee-based cashflows** per month.

## Consolidated Acreage

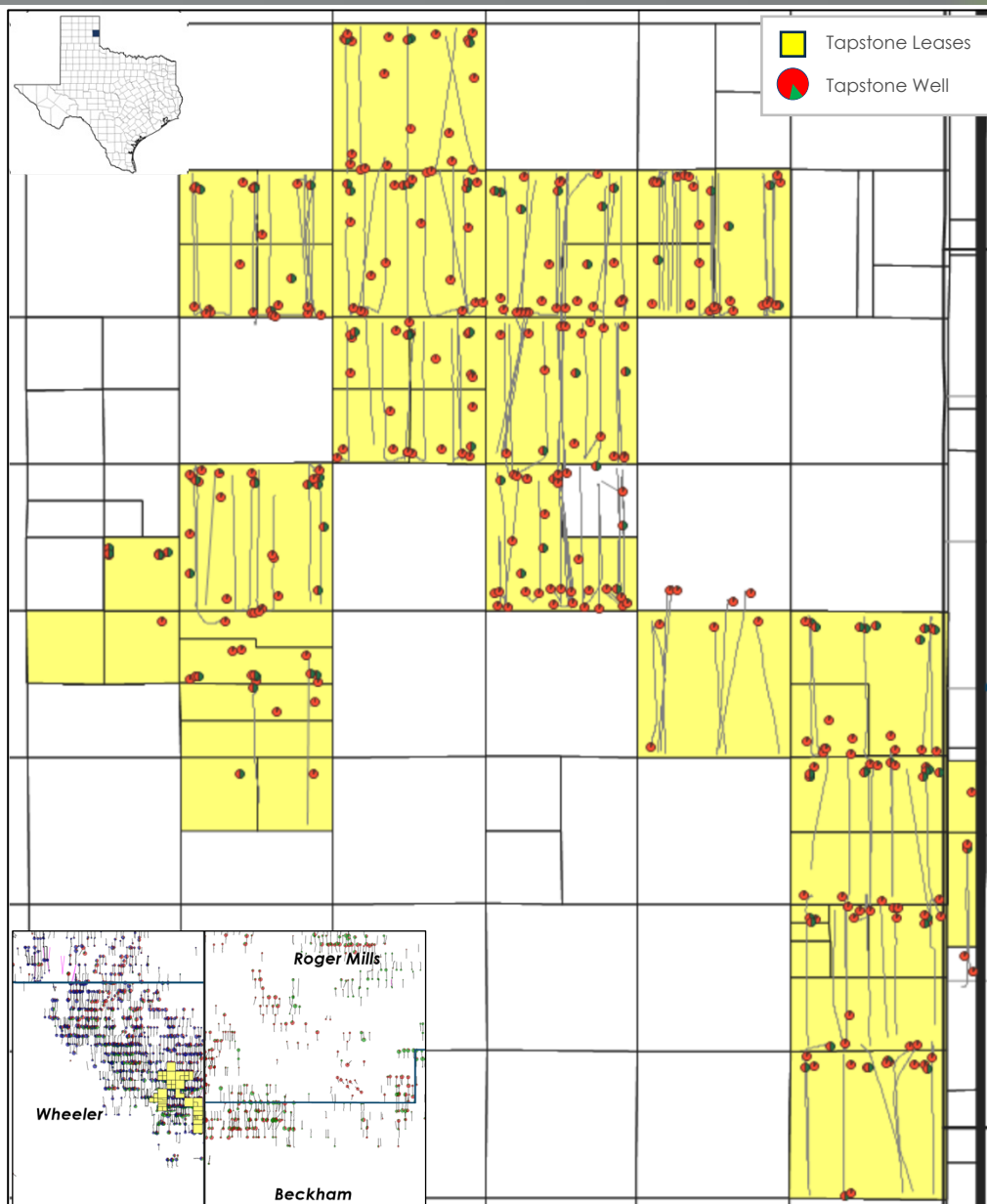
~9,000 contiguous, de-risked HBP net acres in the core of the Granite Wash. 100% HBP with high working interest and limited royalty burden.

## Upside Potential

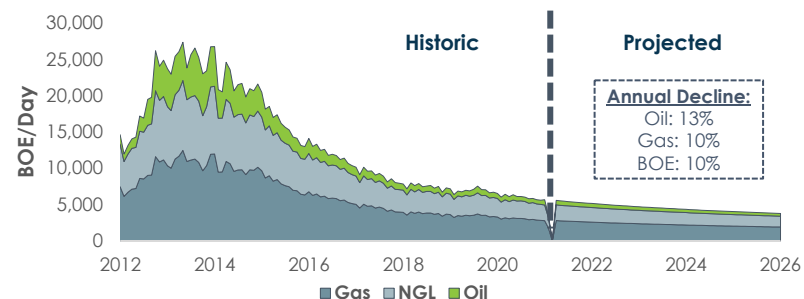
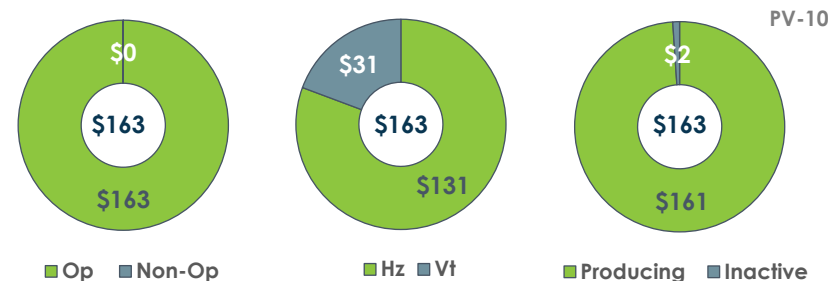
Ample de-risked development opportunities and high rate-of-return non-producing, behind-pipe opportunities with reserves totaling **19.4MBOE**.

<sup>1</sup> As of April 1, 2021  
NYMEX Pricing: 3/16/21

# Asset Summary



## Proved Value Breakout (\$MM) – NYMEX



## Proved Developed Pricing Sensitivity

PV10 (\$MM)	Oil Delta	Gas Delta	Total
\$55 / \$2.75	-	-	\$168
\$60 / \$3.00	\$14	\$9	\$191
\$65 / \$3.25	\$28	\$19	\$214
\$70 / \$3.50	\$42	\$28	\$237

## Key Land Stats

Gross Acres	Net Acres	Avg. Op W.I. / NRI	Avg. Non-Op W.I. / NRI	% HBP
45,278	9,030	86% / 70%	6.5% / 5.0%	100%

# Process Timeline

## Confidentiality Agreement and Technical Questions

- Confidentiality agreements and presentation / Q&A scheduling through Nick Asher
- Upon receipt, access will be granted to the VDR and can be downloaded at [www.meagheradvisors.com](http://www.meagheradvisors.com).
- Technical questions necessary for valuation purposes should be directed to Aaron Hugen at [ahugen@meagheradvisors.com](mailto:ahugen@meagheradvisors.com)
- Presentations / Q&A will be conducted virtually via Zoom
- Q&A log will be provided
- Updates will be posted throughout the process

## Key Dates

March

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- VDR Open
- Bids Due

April

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	

- Effective Date: April 1, 2021
- Bid Date: April 19, 2021
- Target Signing: May 3, 2021
- Target Closing: 2Q 2021

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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. Meagher Energy Advisors ("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.

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