

East Texas Smackover Opportunity

O’Ryan Oil and Gas



O’Ryan Oil and Gas & various sellers (collectively, “O’Ryan”) have retained Detring Energy Advisors to market for sale their oil & gas leasehold, midstream, and related assets located in the Smackover play of Navarro and Henderson Counties, Texas. O’Ryan will also consider proposals to partner on the drilling of its prolific undeveloped locations, which offer unrivaled economics throughout the Lower 48.

Fully Operated Position

~9,190 Net Acres (100% WI)

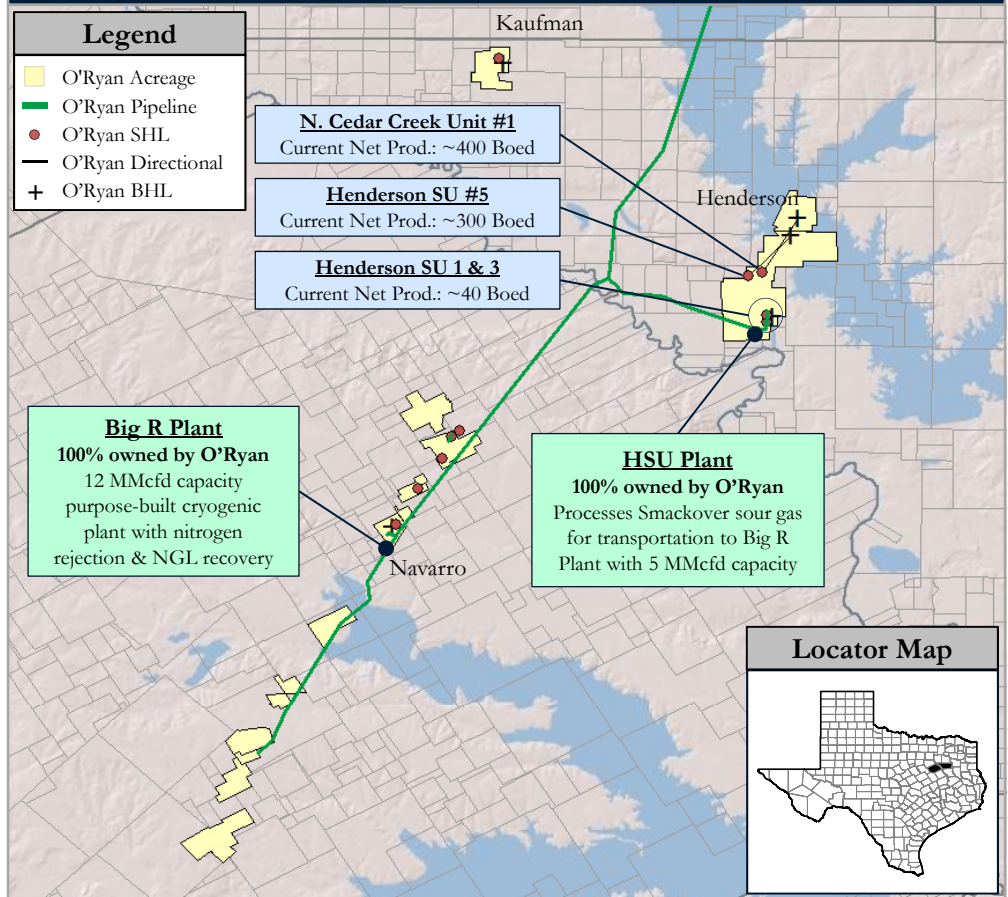
- **Concentrated position with multiple, well-documented Smackover prospects**
 - 7 prospect areas identified with supporting engineering & geology
- **Organically built with more than a decade of technical data, research, & investment through local expertise**
 - Key technical staff available to inform & advise on future development
- **Included plants built by O’Ryan able to safely handle sour gas with previously unexploited reserves now ready to drill**

Strong Producing Value

~750 Boed PDP Net Prod. (70% liq.)⁽¹⁾

- **Consistent cash flow & production on steady decline with significant reserves**
- **PDP:** ~\$10MM NTM cash flow and ~\$40MM PV10 (~14% annual decline)
- **Total Proved:** ~8 MMBoe reserves (~31 yr R/P) and ~\$170MM PV10
- **Total 3P:** ~15 MMBoe reserves and ~\$240MM PV10
- **Low operational costs through vertical integration with op. plants & pipelines**
 - Sustainable \$4/Boe lifting cost
 - \$40/Boe operating CF (85% margin)

Location Map | Navarro & Henderson County, Texas

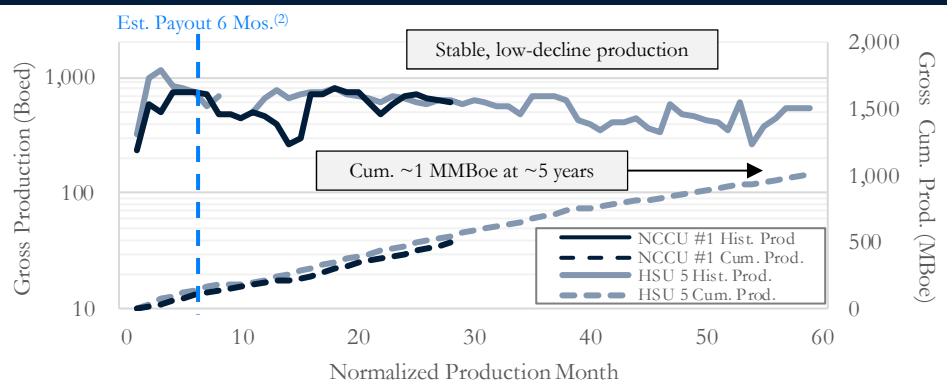


Highly Accretive Smackover Undeveloped Locations

- **Attractive single well economics for continued development & investment**
 - ~30 undeveloped & 2 PDBP locations identified with supporting technical data
 - >100% avg. PDBP & undeveloped IRR
- **N. Cedar Creek Smackover Unit #1 lookback economics demonstrate the full value of identified Smackover locations**
 - ~800 Boed gross maximum rate
 - ~500% IRR (AFE \$3.7MM capex)
 - 6 months to payout (undiscounted)

Low-Cost Conventional Wells Offering Superior Economics

N. Cedar Creek Unit #1 & Henderson Smackover Unit #5



1. Prod. & reserves shown as two-stream wellhead volumes. All values, including cash flow, based on 4/1/2019 effective date and NYMEX strip as of 3/26/2019.
2. Lookback economics use 3/26/2019 NYMEX at current AFE

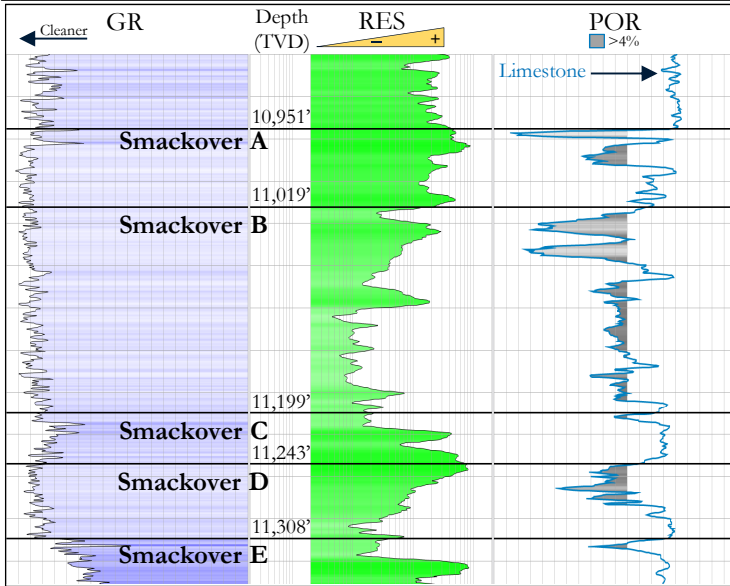
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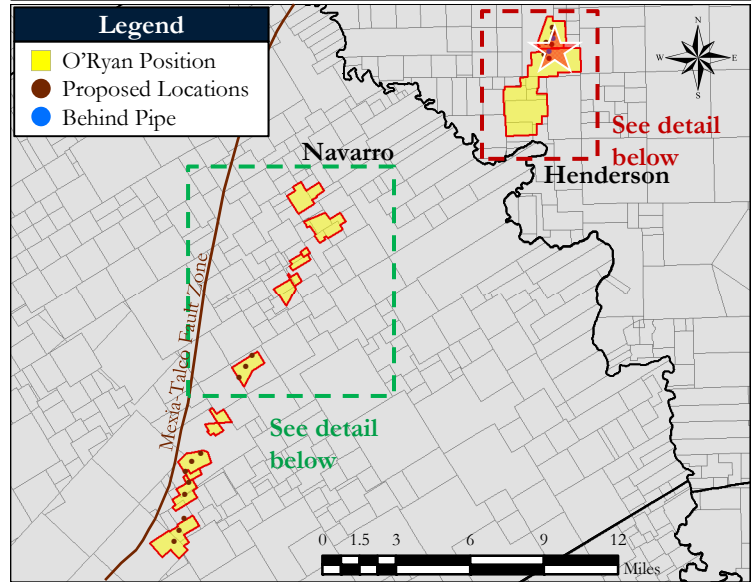


The Mexia-Talco fault zone provides multiple structural traps throughout O’Ryan’s position, with up to 5 main conventional stacked pays (Smackover A through E). The type log below highlights the excellent petrophysical properties of each zone, where dolomitization has greatly enhanced matrix porosity.

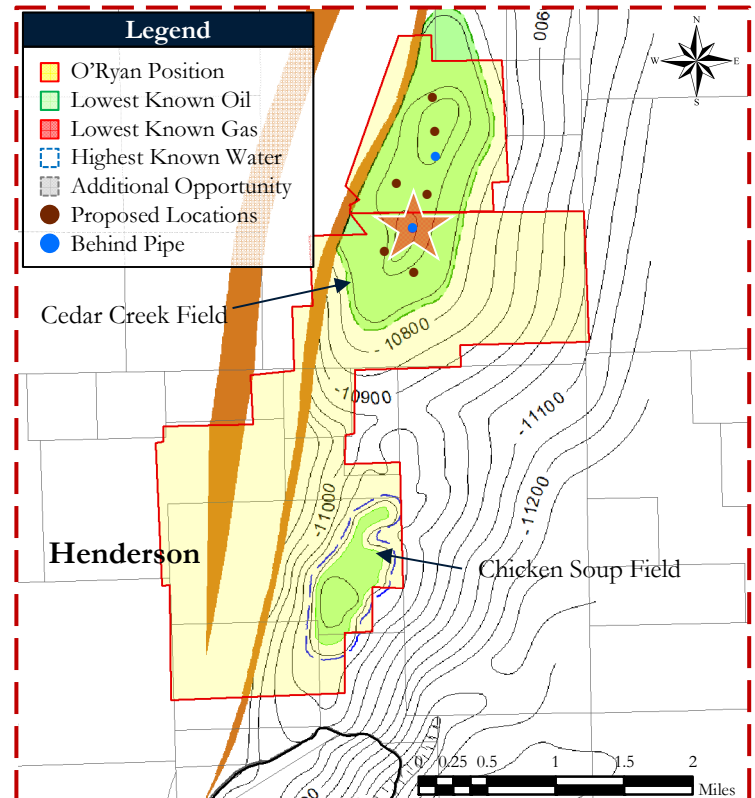
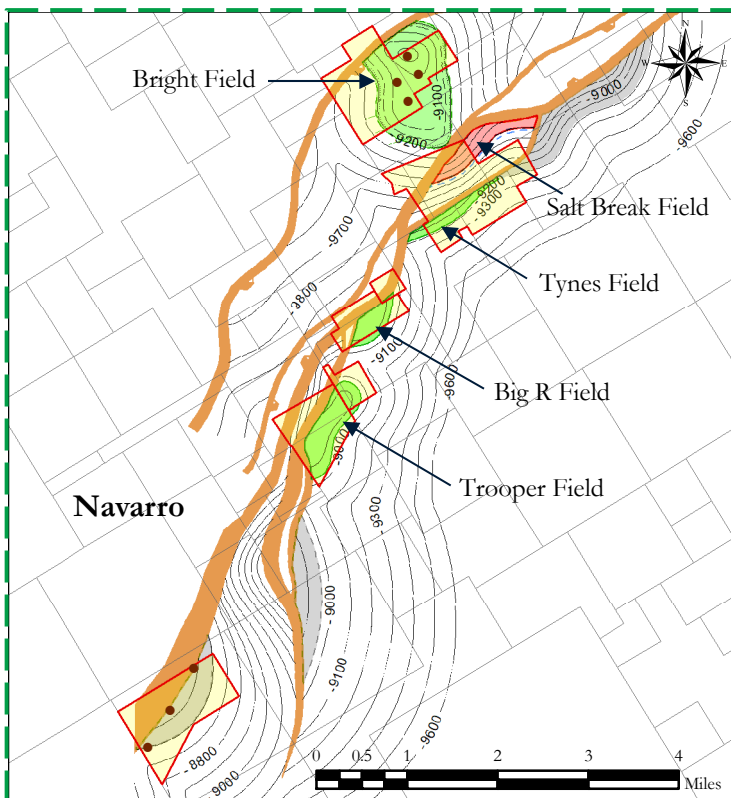
★ Type Log | Henderson (Smackover) Unit #5



Locator Map



Upside Locations | Smackover Fm. TVDSS (Feet)



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Process Calendar

April 2018						
S	M	T	W	T	F	S
	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				

May 2018						
S	M	T	W	T	F	S
			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	

-  VDR Opens
-  Data Rooms
-  Bids Due
-  Holidays

O’Ryan anticipates PSA execution by mid-June 2019, with closing occurring by July 31st. O’Ryan will give preference to cash offers but will also consider alternative structures, including joint venture and farm-in proposals.

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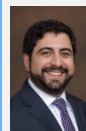
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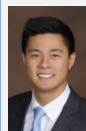


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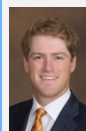
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