

# Norge Marchand Sand Unit Opportunity

Lime Rock Resources



**Lime Rock Resources (“Lime Rock”)** has retained Detring Energy Advisors to market for sale its **operated, contiguous, 100% HBP** Norge Marchand Sand Unit located in western Grady County, Oklahoma. The assets offer an attractive opportunity to acquire **substantial liquids-weighted production** generating **~\$11MM of NTM PDP cash flow**, with **multiple economic development projects** including highly-economic Marchand and Medrano horizontal locations, vertical re-frac’s, returns to production, and waterflood optimization.

## Liquids-Rich Production

900 Boed | \$11MM Op. Cash Flow

- **Liquids-rich net prod. comprised of ~510 Bod (oil), 1.1 MMcfd (gas), and 200 Bbl/d (NGL) (60% oil/80% liq.)**
  - PDP PV10: \$42MM
  - PDP Net Reserves: 3.1 MMBoe
  - Well Count: 46 prod. (40 vt/6 hz)
- **Sizeable base of low-decline, predictable cash flow**
  - \$11MM NTM (PDP only)
  - 15% NTM decline (11% 2024E)
  - Low lifting costs of \$13/Boe

## Operated, HBP Waterflood

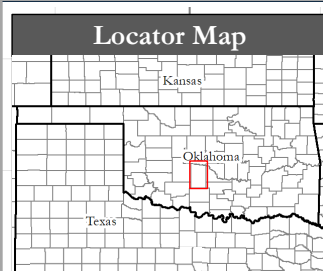
~9,200 Net Acres | 100% HBP

- **Large, operated, and contiguous footprint of ~12,000 gross acres 100% HBP across multiple formations**
  - Assets offer attractive optionality with exposure to the liquids-rich Marchand and gas-rich Medrano
  - Efficient operations allowed by concise footprint (~8x4 miles)
- **Attractive royalty burden at ~86% NRI 8/8<sup>th</sup> (avg. 78% WI / 67% NRI)**

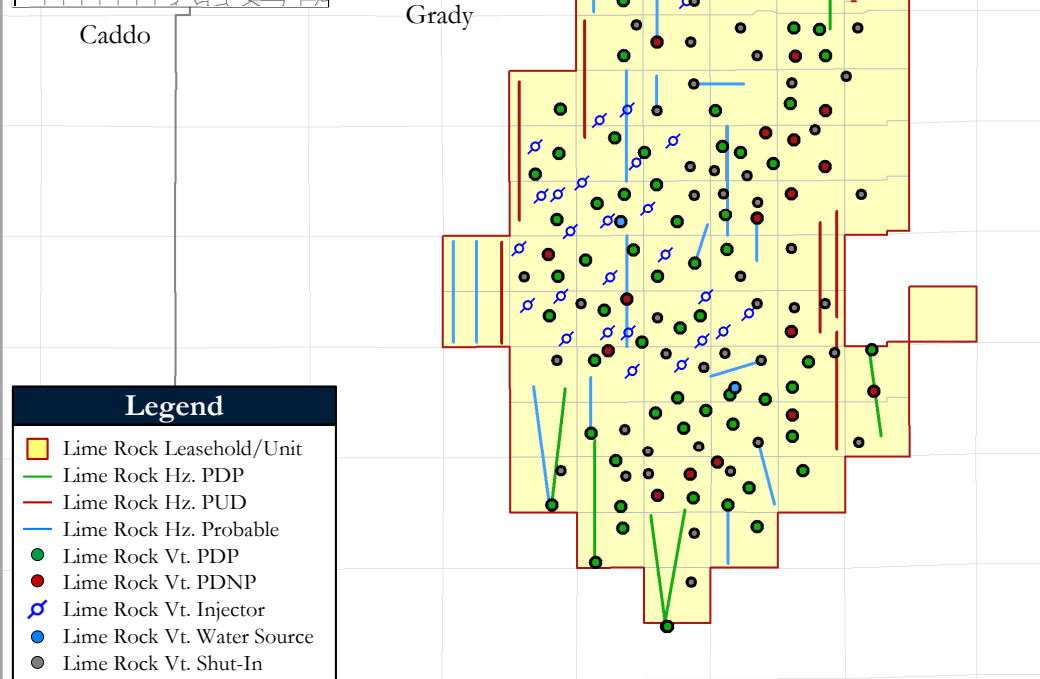
## Large Inventory of Economic Development Opportunities

- **Ten high-impact undevel. locations identified for horiz. development**
  - 7 Marchand PUD / 3 Medrano PROB (100%+ IRR)
- **Significant pipeline of 40 low-risk return-to-prod. & re-frac projects**
  - Provides ability to meaningfully lift near-term production through a high capital efficiency program
- **Substantial 3P PV10 (\$96MM) and net reserves (10.9 MMBoe)**

## Location Map | Grady County, Oklahoma

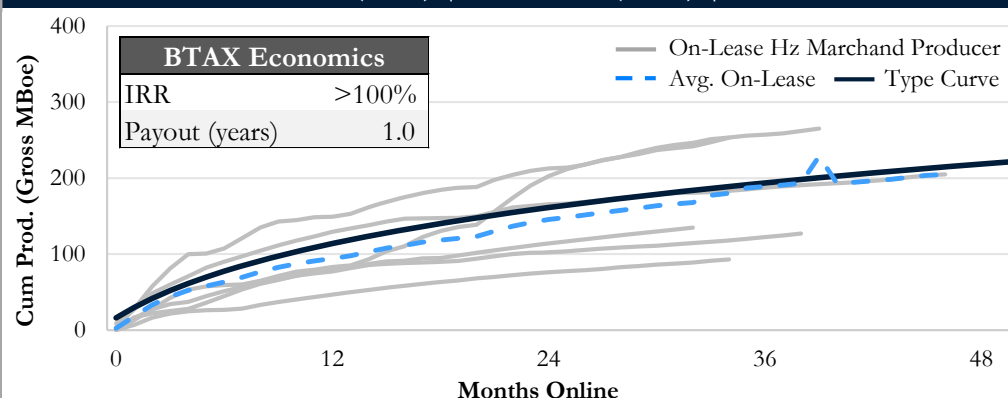


Grady



## Compelling Horizontal Marchand Economics<sup>(1)</sup>

600 Boed (IP30) | 525 MBoe (EUR) | 80% Oil



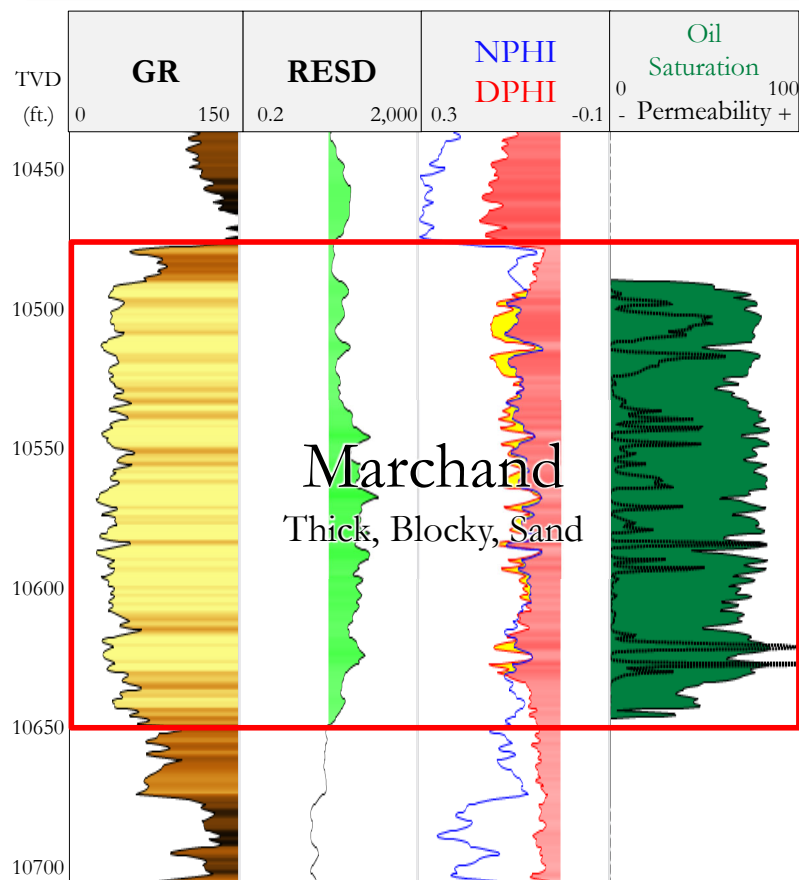
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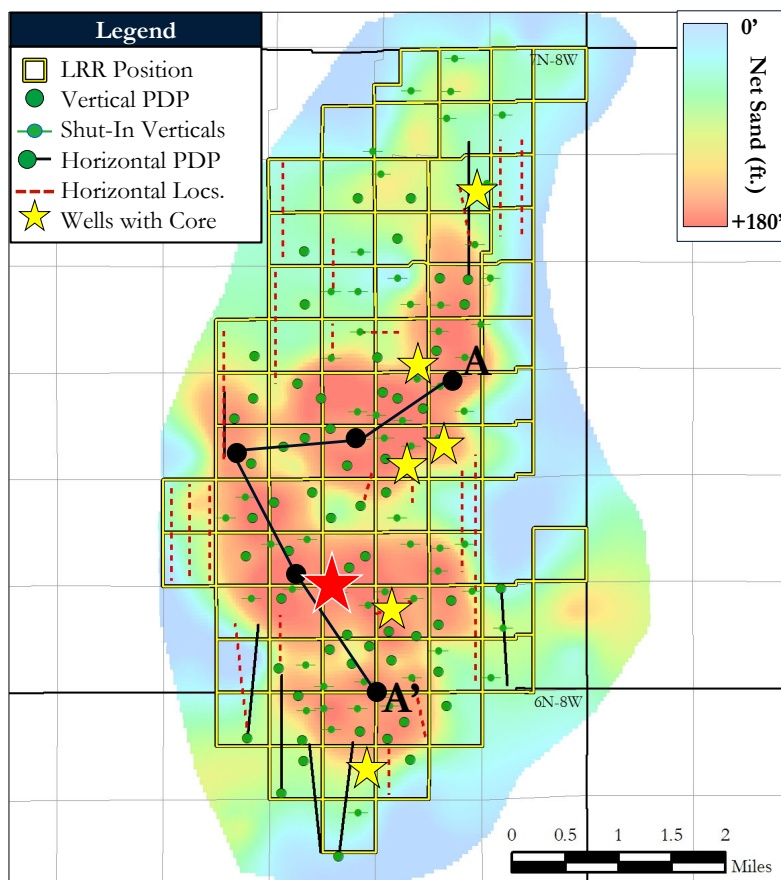


The Norge Marchand Unit produces from the Marchand sand, a longstanding conventional target. The Marchand sand that spans the position is characterized as thick and blocky with relatively high permeability. Additional development opportunities remain in the form of: new drills, return to prod., and development of the numerous upside targets that overlie the Marchand (e.g., Medrano, Wade, Cottage Grove, etc.).

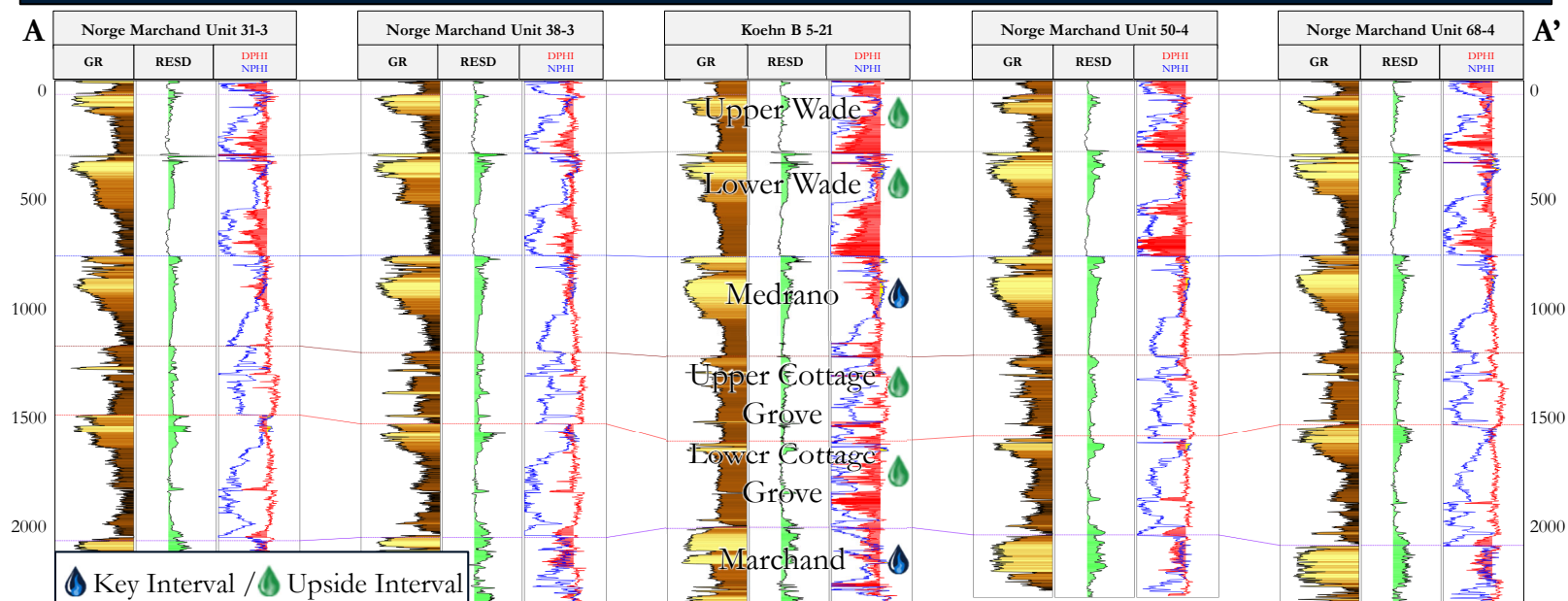
## ★ Type Log | Norge Marchand Unit 58-3



## Marchand Net Sand



## N      Cross Section      S



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## Process Calendar

November 2021						
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				

December 2021						
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
- Evaluation Period
- Bids Due
- Holidays



Lime Rock anticipates PSA execution by mid-January and closing by February 28, 2022.

## Detring Energy Advisors Contact Information

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Please contact Melinda Faust to request a confidentiality agreement or to learn more about this opportunity. Please route all communications through Detring and do not contact Lime Rock directly.

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