

# Pecos County Working Interest & ORRI Opportunity



MECO IV, LLC

**MECO IV, LLC** (“MECO”) has retained PetroDivest Advisors to market for sale its oil and gas producing properties, leasehold, and ORRI in Pecos County, Texas. The assets offer an attractive opportunity to acquire **legacy, vertical, operated production** from Delaware Mountain Group reservoirs in addition to **cost-free royalty interest in adjacent horizontal wells** targeting L. Avalon, Wolfcamp, and Bone Spring reservoirs generating a **resilient, high-margin cash flow stream** from a **diversified product mix** on steady decline with further **potential through behind-pipe and horizontal development**.

## Reliable, High-Margin, Diversified Cash Flow

- Stable net PDP cash flow (\$3.2MM NTM) from op. and ORRI sources
- Diversified product mix (63% gas)
  - Benefits from recent improvements to both oil and gas pricing
- High margins supplemented by cost-free royalty interest cash flow
  - ~\$7/Boe aggregate lifting costs
  - 76% net cash flow margin per Boe

## Working Interest Package

133 Boed (Net) | 6% Ann. Decline

- 3,352 net acres (100% HBP) with access to Delaware Mtn. Grp. targets
- 49 wells (47 op. / 2 non. op)
  - 72% avg. WI & 58% avg. RI (PDP)
- Net PDP PV10: \$7.3MM
- Net PDP NTM Cash Flow: \$1.5MM
- Well-organized identification of behind-pipe potential opportunities with supporting well files

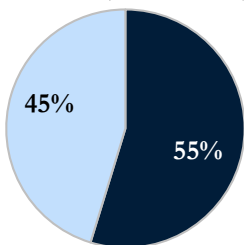
## ORRI Package

6.1% Avg. Royalty Interest

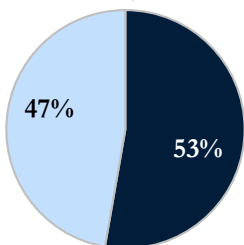
- 8 recent, high-interest, horizontal wells operated by Exxon, providing reliable future cash flow and performance from a premier operator
  - Net Production: 119 Boed
- Net PDP PV-10: \$6.0MM
- Net PDP NTM Cash Flow: \$1.7MM
- Potential for further hz development through infill or add'l target horizons

### PDP Stats. by Asset

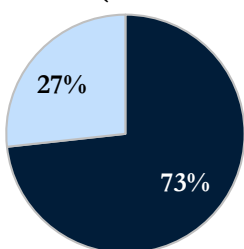
#### PV10 (\$13.3MM)



#### Net Prod. (252 Boed)



#### Net Res. (1.3 MMBoe)



■ WI ■ ORRI

### Northwest Pecos County Location Map

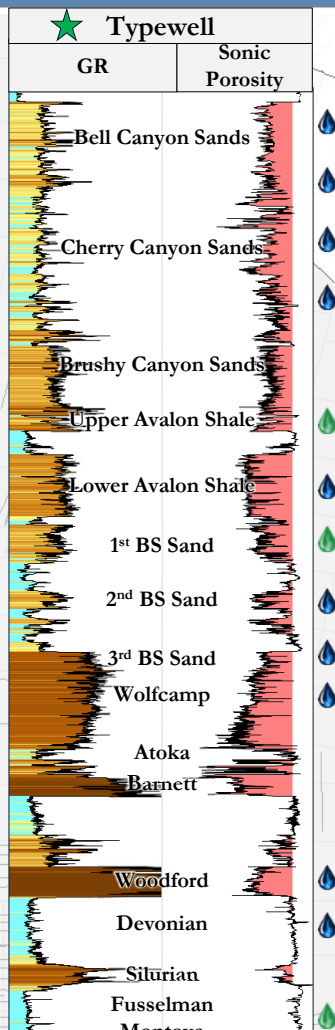
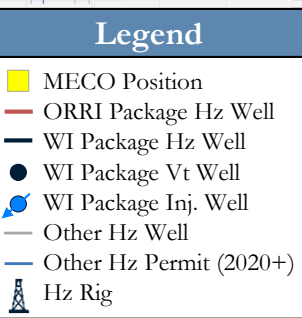
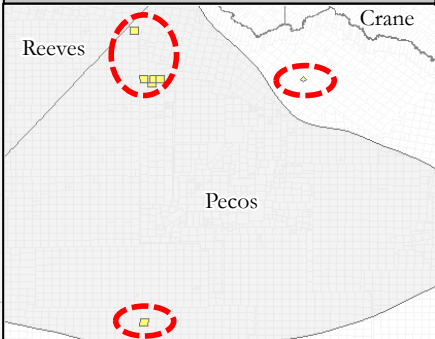
The assets are being offered in two distinct packages:  
 1. **Working Interest:** leasehold and 49 wells, primarily operated  
 2. **ORRI:** Royalty interest in eight Kriti C3-6-7 wells  
**Proposals must be submitted by package.**

**Kriti C3-6-7 Unit (ORRI)**  
 Exxon Operated  
 8 horizontal PDP wells  
 Avg. ORRI 6.1%

Coyanosa Field features a nine well SWD system receiving third party volumes and generating an income of ~\$230M/year, offsetting field OPEX

**Coyanosa Field**  
 MECO Operated  
 41 vertical operated wells  
 Net prod.: 49 Boed (68% oil)  
 Net NTM PDP CF: ~\$700M

#### Pecos County Location Map



Note: Prod., reserves, and cash flow based on a prelim. reserves database as of 11/1/2021 using 10/18/2021 NYMEX 5-year strip pricing. Key Interval Upside Interval

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MECO IV, LLC



## 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

MECO anticipates PSA execution by mid-December and closing by January 31, 2022. Offers must be submitted by package (working interest and ORRI).

## Contact Information | PetroDivest Advisors



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Please contact Jerry Edrington to request access to the virtual data room or to learn more about this opportunity. Please route all communications through PetroDivest Advisors and do not contact MECO directly.

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