

Delaware Basin Working Interest & ORRI Opportunity



Chevron U.S.A. Inc.

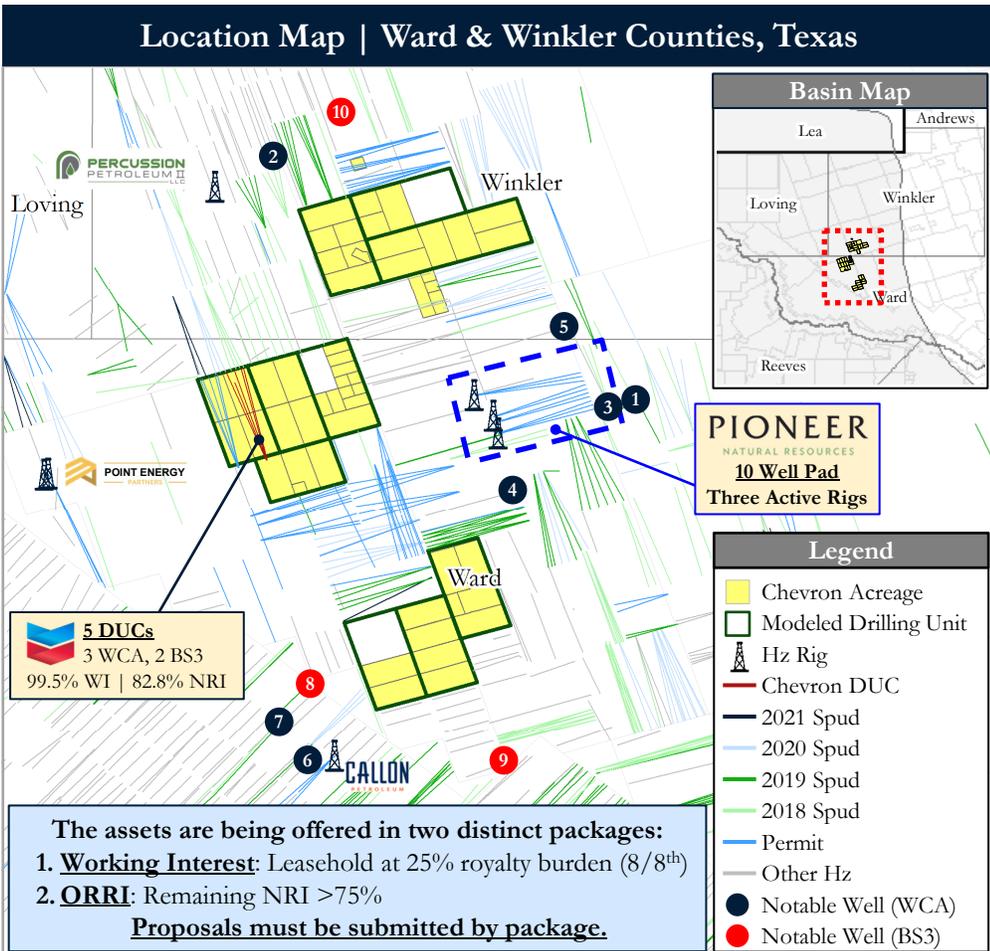
Chevron U.S.A. Inc. (“Chevron”) has retained Detring Energy Advisors to market for sale **~10,200 net acres of operated working interest (“WI”) leasehold** and **~7,300 net royalty acres⁽¹⁾ of underlying overriding royalty interests (“ORRI”)** located in the core of the prolific Southern Delaware Basin. The **contiguous high-NRI** position allows an **oil-weighted pad development** program across multiple de-risked benches. The assets include (i) **five DUC locations** (~10,000’ laterals, ~100% working interest) forecast to achieve payout in under six months; and (ii) **95 modestly-spaced Wolfcamp A and 3rd Bone Spring undeveloped locations** (avg. 77% WI).

~10,200 Net Acre Position
Avg. 77% WI / 16% Royalty (8/8th)⁽²⁾

- Operated and contiguous position provides developmental control
 - Ten DSU’s accommodate average lateral lengths of >10,000’ (incl. four units at ~100% WI)
 - Reduced capital costs via pad development and shared facilities
- Low combined royalty burden drives premium margins, compelling single-well economics, and attractive threshold pricing
- Horizontal footprint provides operational flexibility
 - Total control of inter-well spacing to maximize recoveries and returns

Immediately Actionable Development Program

- Five DUC locations with ~100% WI (83% NRI)⁽³⁾ and facilities in-place
 - Minimal capital required to drive meaningful production growth
 - Payback in under 6 months
 - PV10 of \$84MM (WI+ORRI)
- University Lands leasehold allows for continuous pad development
- De-risked position offset by active rigs and recent completions
- 95 PUD locations at spacing of 10 wells/unit (six Wolfcamp A + four 3rd Bone Spring)
 - Robust type curves generate IRR’s >100%+ and payback in <12 mos.
 - PV10 of \$755MM (WI+ORRI)



The assets are being offered in two distinct packages:
1. Working Interest: Leasehold at 25% royalty burden (8/8th)
2. ORRI: Remaining NRI >75%
Proposals must be submitted by package.

Notable Wells									
No.	Well Name	Operator	Formation	IP-24 (Boed)	TLL (ft)	Boed /Mft	3 Mo. Cum. (Boe)	% Oil	
1	Sealy Ranch 9305H	Halcon	WCA	1,690	9,461	179	73,938	74%	
2	University Block 20 1305H	XTO	WCA	1,363	7,894	173	49,045	92%	
3	Sealy Ranch 9301H	Halcon	WCA	1,700	9,912	172	74,986	79%	
4	Utl 2635-17 1H	Pioneer	WCA	1,471	9,180	160	74,509	85%	
5	University Lands Beldin L J 1211-17 3H	Pioneer	WCA	1,415	9,561	148	65,702	81%	
6	Corbets 34-149 2WA	Callon	WCA	1,293	10,000	129	83,600	83%	
7	Corbets A1 1LA	Callon	WCA	1,006	9,575	105	50,357	81%	
8	Moran 28SB	Callon	BS3	908	4,162	218	38,715	80%	
9	University Lands Mayflower 42-18 3H	WPX	BS3	830	4,670	178	45,198	75%	
10	University Lands 21 Stampede 2H	Oasis	BS3	591	4,839	122	35,276	89%	
Average:				1,227	7,925	158	59,133	82%	

Note: All metrics based on preliminary reserves as of 10/1/21 and NYMEX 5-year strip pricing and reflect rights from top of Bone Spring through base of Wolfcamp.
 1. Net royalty acres are normalized to 1/8th royalty. 2. Royalty burden of 16% (8/8th) across combined WI and ORRI position. 3. NRI across WI and ORRI packages.

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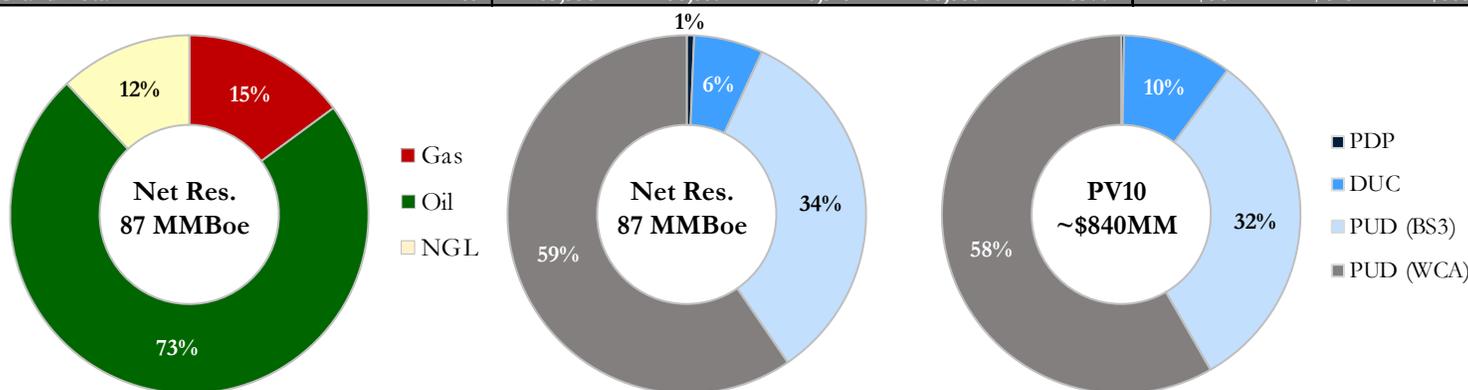
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Combined Working Interest + ORRI Reserve Summary

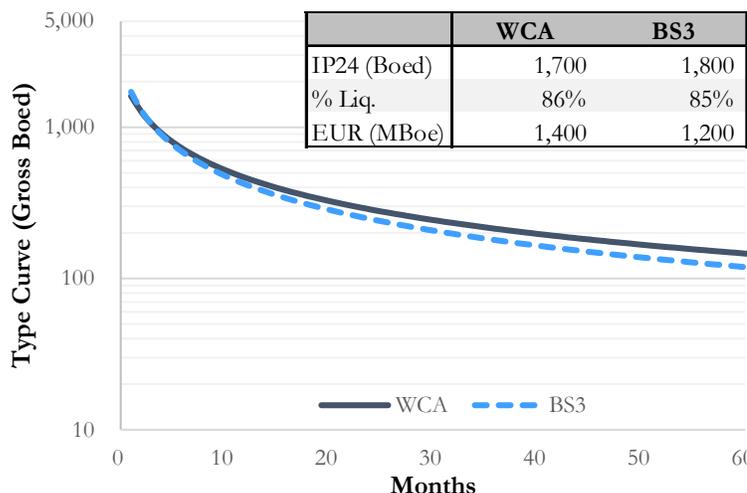
Existing vertical PDP and five high-interest DUCs generate proved developed net reserves and PV10 of 6 MMBoe and \$86MM, respectively, with DUC cash flow largely supporting an ongoing development program upon completion. Quantified undeveloped reserves include 95 locations across the Wolfcamp A & 3rd Bone Spring, yielding net reserves and PV10 of 81 MMBoe and \$755MM, respectively. Wolfcamp A & 3rd Bone Spring performance is well-supported by recent nearby activity with single-well returns exceeding 100% and payout in less than 12 months.

Large Inventory of Operated, High-Returning, Liquids-Rich Wolfcamp A & 3rd Bone Spring Locations

Reserve Category	Gross Locations	Net Reserves					NPV & CAPEX		
		Oil (MMbbl)	Gas (MMcf)	NGL (MMbbl)	Total		PV10 (\$MM)	PV20 (\$MM)	CAPEX (\$MM)
					MMBoe	% Liq			
Total Proved Producing (Vt. Wells)	40	0	3,347	22	581	4%	\$2	\$1	\$0
Total Drilled Uncompleted	5	3,982	4,652	651	5,408	86%	84	58	37
Total Proved Developed	45	3,982	7,999	674	5,989	78%	\$86	\$59	\$37
3 rd Bone Spring	38	21,368	25,209	3,529	29,099	86%	\$265	\$129	\$252
Wolfcamp A	57	38,186	43,671	6,114	51,578	86%	490	240	378
Total Proved Undeveloped	95	59,554	68,880	9,643	80,677	86%	\$755	\$369	\$630
Grand Total	140	63,536	76,879	10,317	86,666	85%	\$841	\$428	\$667



Prolific Wolfcamp A & 3rd Bone Spring Economics (10,000 ft Laterals)



	Substantial DUC & Undeveloped Reserves & Value		
	3 rd Bone Spring	Wolfcamp A	Total
Location Count			
DUCs	2	3	5
Undeveloped	38	57	95
Total Locations	40	60	100
Net Reserves (MMboe)			
DUCs	1.9	3.5	5.4
Undeveloped	29.1	51.6	80.7
Total Reserves	31.0	55.0	86.1
PV10 (\$MM)			
DUCs	\$30	\$54	\$84
Undeveloped	265	490	755
Total PV10	\$295	\$543	\$839

Note: All metrics based on preliminary reserves as of 10/1/21 and NYMEX 5-year strip pricing and reflect rights from top of Bone Spring through base of Wolfcamp.

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Working Interest & ORRI Package Detail

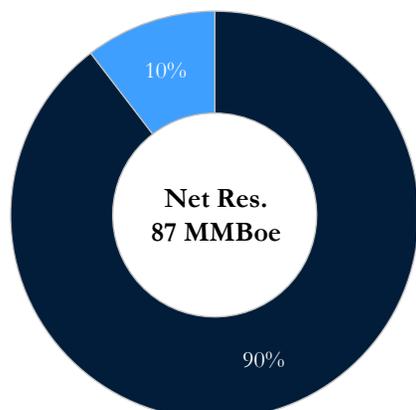
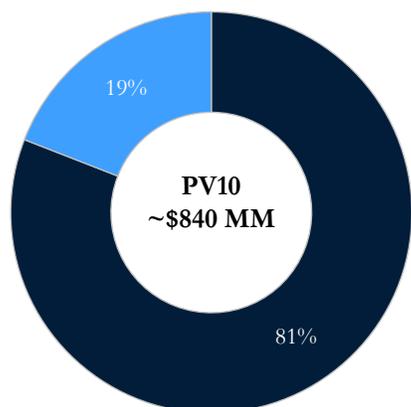
The assets are being offered in two packages: **Operated Working Interest** and **Overriding Royalty**. The former covers **~10,200 net leasehold acres** with an average 77% WI and 25% royalty burden (75% lease NRI), while the latter includes **~7,300 net royalty acres⁽¹⁾** (“NRA”) across the same gross footprint, generating an average estimated RI of 6.9% per well across the ten modeled drilling units.

Proposals to acquire the assets must be submitted by package.

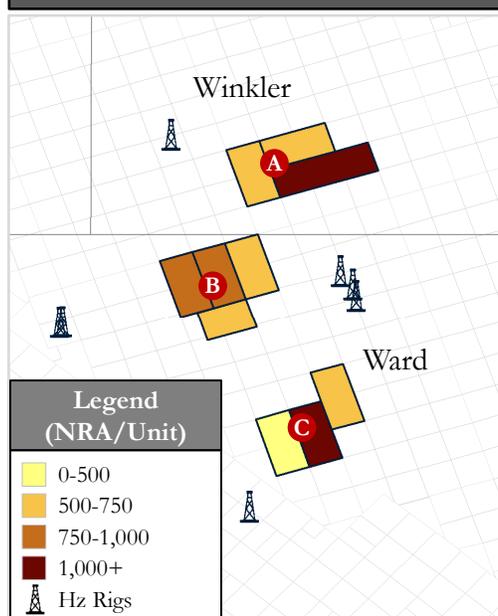
Reserves Summary by Package

Reserve Category	Net Reserves (MMBoe)			PV0 (\$MM)			PV10 (\$MM)		
	WI	ORRI	Total	WI	ORRI	Total	WI	ORRI	Total
Total Proved Producing (Vt. Wells)	0.6	NA	0.6	\$6	NA	\$6	\$2	NA	\$2
Total Drilled Uncompleted	4.9	0.5	5.4	140	24	164	70	13	84
Total Proved Developed	5.5	0.5	6.0	\$147	\$24	\$170	\$72	\$13	\$86
3rd Bone Spring	26.0	3.1	29.1	\$644	\$132	\$775	\$211	\$54	\$265
Wolfcamp A	46.2	5.4	51.6	1,241	234	1,475	398	92	490
Total Proved Undeveloped	72.2	8.5	80.7	\$1,885	\$366	\$2,250	\$609	\$146	\$755
Grand Total	77.7	9.0	86.7	\$2,031	\$389	\$2,420	\$681	\$160	\$841

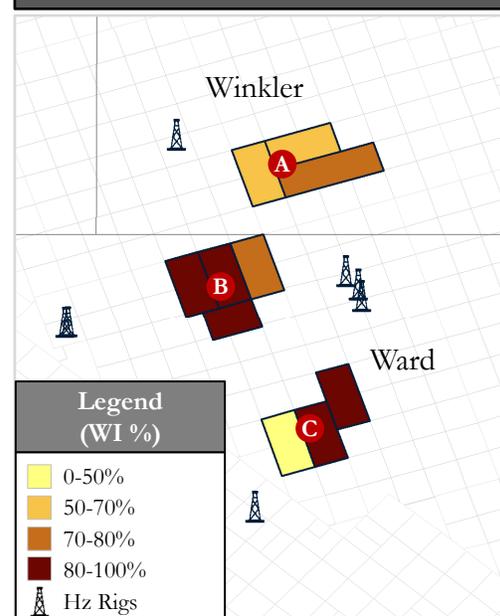
■ Working Interest ■ Royalty Interest



ORRI (NRA) Heat Map⁽¹⁾



WI (%) Heat Map⁽²⁾



Acreage & Ownership Summary | Total/Average by Area⁽¹⁾⁽²⁾⁽³⁾

ID	Sub-Area	Acreage		Working Interest Package			ORRI Package		Combined Packages		
		Gross	Net WI	WI	NRI	8/8 NRI	RI	NRA	WI	NRI	8/8 NRI
A	Little Joe	4,485	2,905	65%	49%	75%	6.0%	2,170	65%	55%	84%
B	Block 18	4,805	4,467	93%	70%	75%	7.9%	3,047	93%	78%	84%
C	Caprito	3,844	2,793	73%	54%	75%	6.7%	2,068	73%	61%	84%
	Total:	13,134	10,165	77%	58%	75%	6.9%	7,284	77%	65%	84%

Note: All metrics based on preliminary reserves as of 10/1/21 and NYMEX 5-year strip pricing and reflect rights from top of Bone Spring through base of Wolfcamp.

1. Net royalty acres are normalized to 1/8th royalty. 2. Ownership (%) based on modeled gross unit sizes. 3. Gross acreage reflects modeled gross unit acres.

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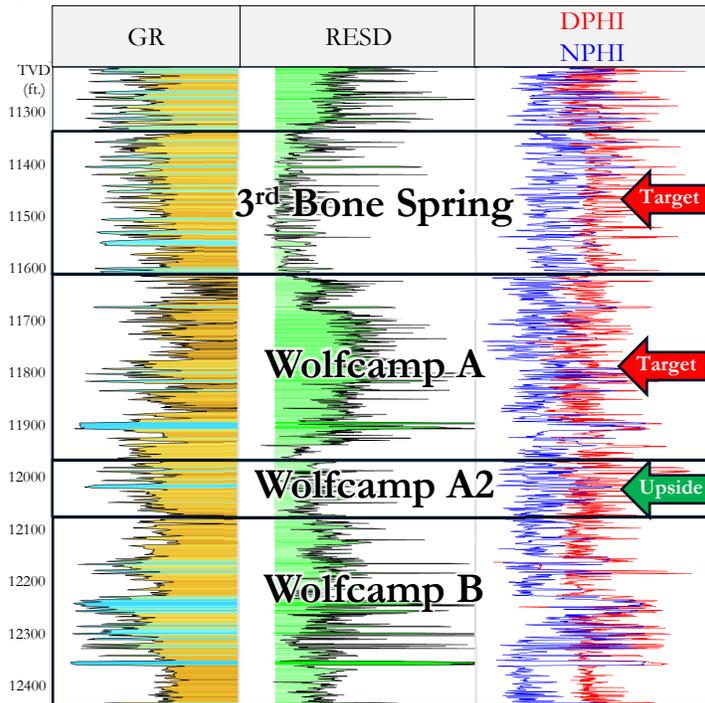


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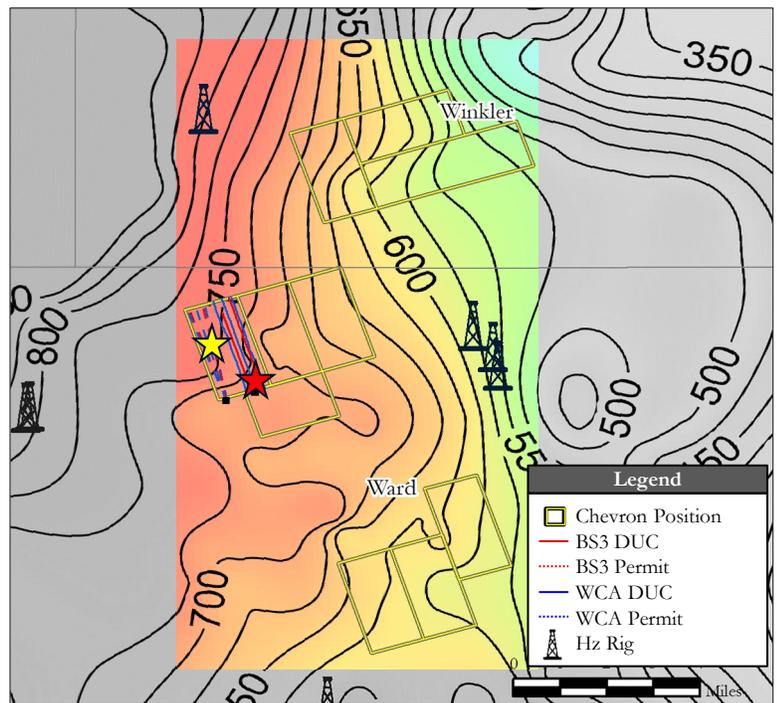
Attractive Petrophysical Properties Span Chevron's Core Delaware Footprint

Chevron's acreage overlies areas where the 3rd Bone Spring and Wolfcamp A are over-pressured and exceed 500' of thickness. Robust petrophysical properties combined with a lack of structural complexity offer ideal conditions for drilling repeatable, low-cost, highly-economic wells. Nearby operators are successfully developing 6-7 wells in the Wolfcamp A and 4 wells in the the 3rd Bone Spring, underpinning a minimum of ten locations per drilling unit – and providing the basis for Chevron's modeled development inventory.

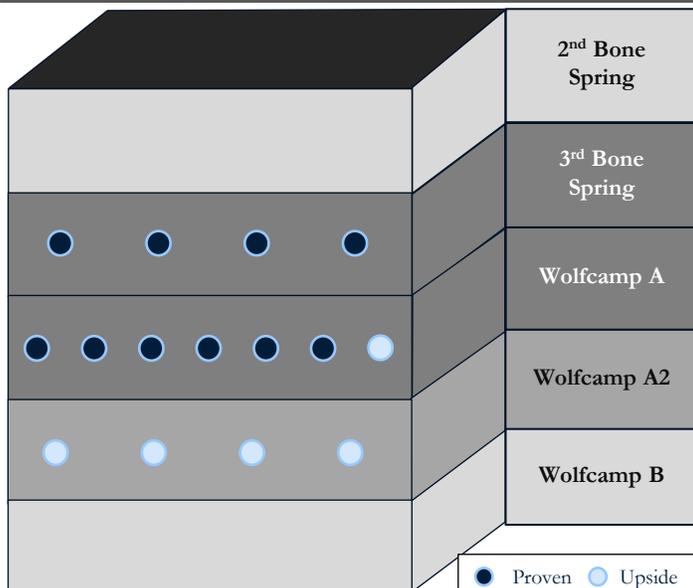
★ Local Type Log – University 23-18 B 1



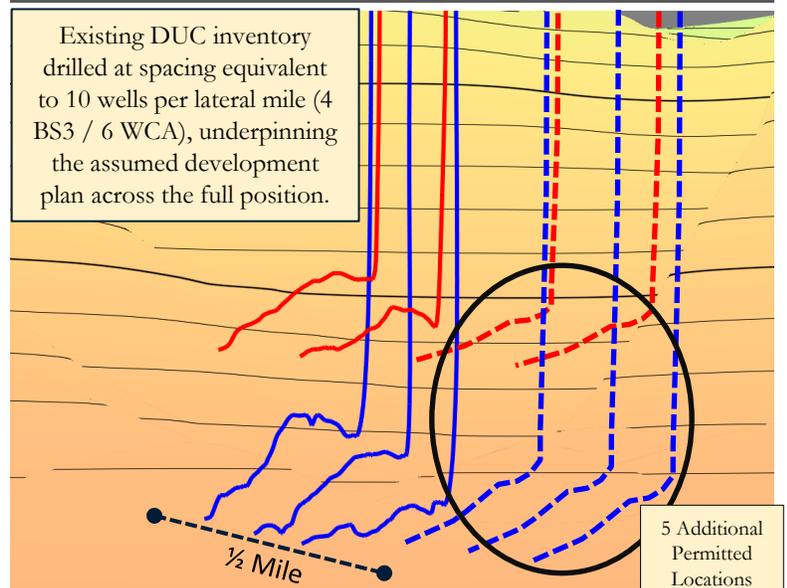
Combined BS3-WCA2 Base Isopach (ft.)



Stacked-Pay With 2 Proven Targets & Additional Potential Horizons



★ Spacing Test | 3D Development Diagram

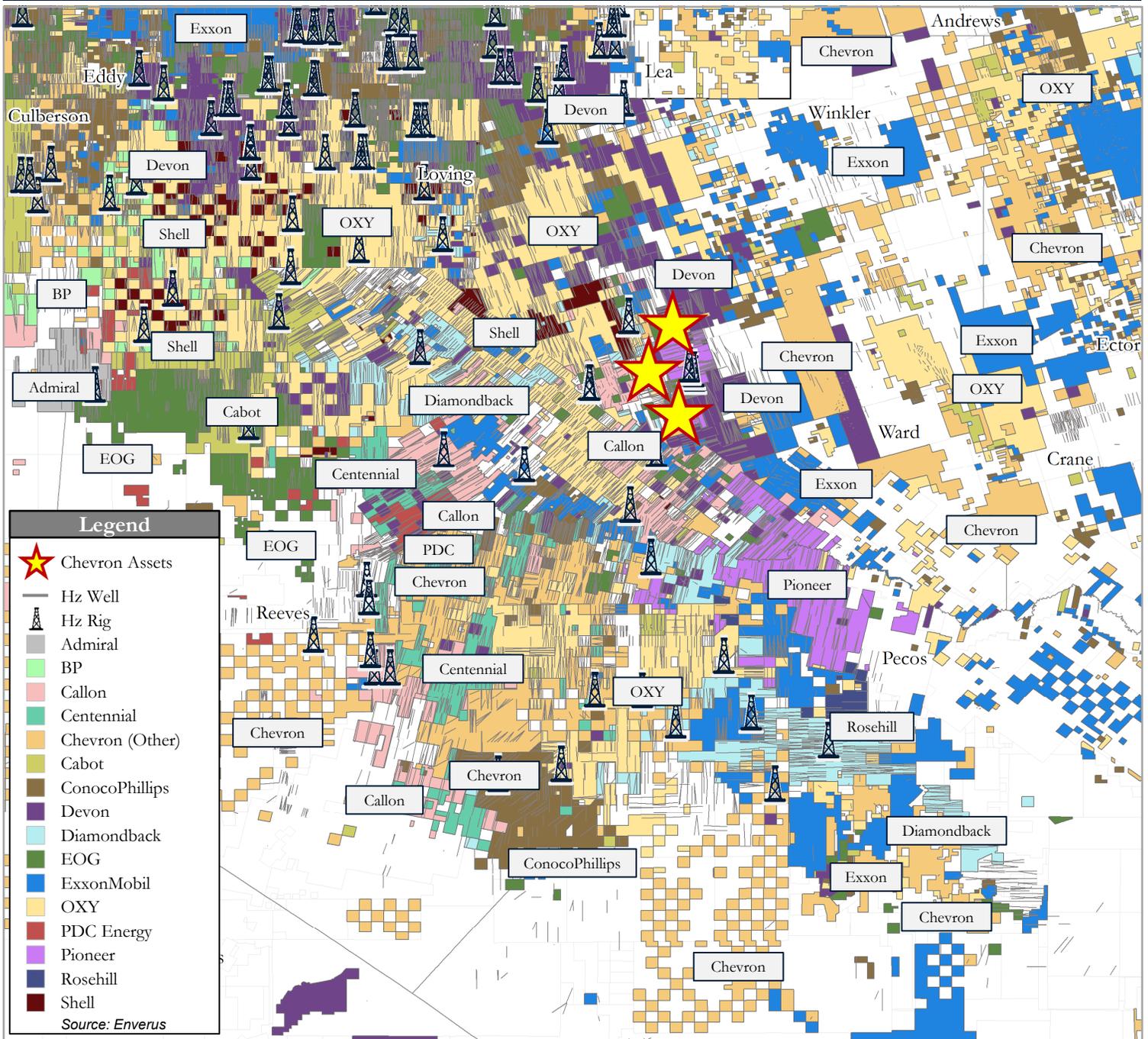


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Location Map | Delaware Basin



The assets offer a unique opportunity to acquire a large, contiguous, and operated position with significant underlying ORRI in the true core of the Delaware Basin. There are minimal, if any, remaining meaningful footprints available within the prolific over-pressured window of the play – and likely none which offer the virgin rock and low royalty burdens found across Chevron’s position. The future operator will have the rare ability to unlock the vast resource in-place utilizing optimal spacing, pad development, and modern completion techniques perfected over the last decade within the broader Permian Basin.

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Process Timeline

September 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		

October 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



Proposals must be submitted by package (Operated WI and ORRI).

Chevron anticipates PSA execution by mid-November and closing by December 31, 2021.

Detring Energy Advisors Contact Information

Derek Detring
President
derek@detring.com
(713) 595-1001

Melinda Faust
Managing Director
mel@detring.com
(713) 595-1004

Richard Ball
Director, Geology
richard@detring.com
(713) 595-1005

Matt Loewenstein
Director
matt@detring.com
(713) 595-1003

Paul Ngo
Associate
paul.ngo@detring.com
(713) 595-1008

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 Chevron directly.

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