

# SCOOP/Merge/STACK Non-Op Opportunity

Red Sky Resources



**Red Sky Resources** (“Red Sky”) has retained Detring Energy Advisors to market for sale its **~2,900 net acres of non-operated working interest** across the SCOOP/Merge/STACK (“SMS”) fairway. The combined assets offer: (i) a **96% HBP** footprint spanning the core of the play with exposure to 120+ drilling units; (ii) liquids-rich production base of generating **NTM cash flow of ~\$19MM** (PDP only) fully supporting the continued development of **30 DUCs and 33 permits**; and (iii) **~300 highly-economic undeveloped locations** throughout the prolific Mississippian and Woodford formations.

## Substantial PDP Asset Base with Significant Free Cash Flow

- Well-diversified footprint across the core of the SMS fairway
- Liquids-rich PDP production of ~1,250 Boed (~60% liquids)<sup>(1)</sup>
  - Well Count: 163 hz (avg. 2.1% WI)
  - PDP Net Reserves: 2.3 MMBoe
  - PDP PV-10: ~\$50MM
- PDP NTM cash flow of ~\$19MM
  - Fully-funds 2022E capex (<\$3MM net)

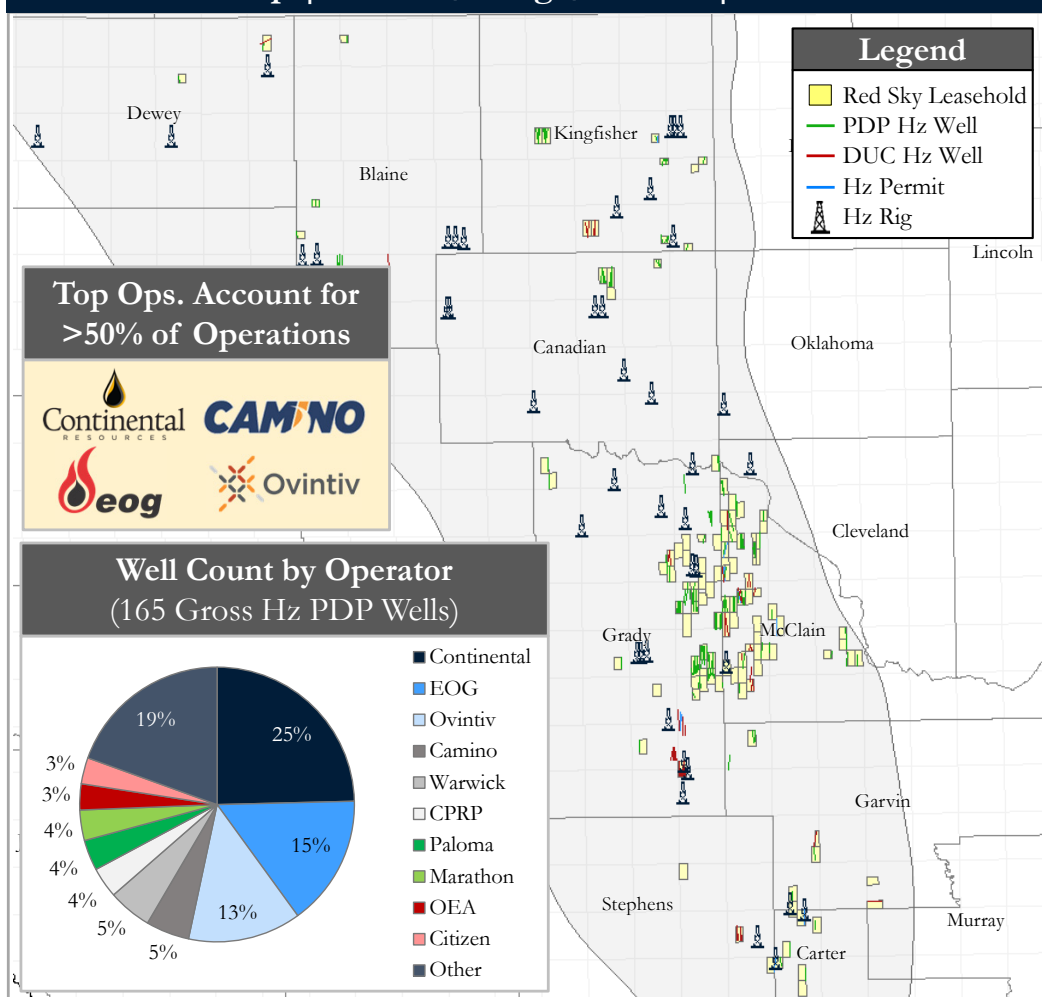
## Line-of-Sight to Material Near-Term Development

- 30 DUCs + 9 Permits to TIL in 2022
  - \$30MM+ PV10 and >1.6 MMBoe net reserves (DUC + Permit)
- 5 rigs currently on-lease drilling Catskills, Flames, Josh, & SCR pads
- 2022 exit rate of ~1,700 Boed
  - >5x increase over the prior 24 mos.

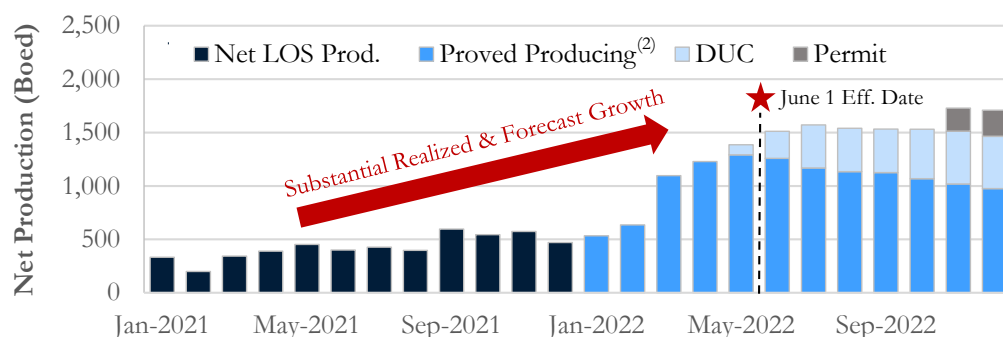
## Robust Upside Inventory Across ~2,900 Net Acre Position

- ~120 development units materially HBP and ready for full-field horizontal pad development
  - ~300 PUD locations across the Miss. and Woodford (avg. 2.0% WI)
  - 3P PV10: \$127MM
  - 3P Net Reserves: 10 MMBoe
- Focused under premier, well-capitalized Mid-Con operators including Continental, EOG, Ovintiv, Camino, and others

## Location Map | SCOOP/Merge/STACK | Anadarko Basin



## Material Near-Term Prod. Growth | >1,200 Boed (June 2022E)



Note: All metrics based on preliminary reserves as of Jun. 1, 2022 and NYMEX 5-year strip pricing (4/4/2022).

1. Forecast PDP avg. production for June 2022 (excludes ~250 Net Boed generated by DUC's). 2. PDP production includes recent TIL's not captured in the LOS.

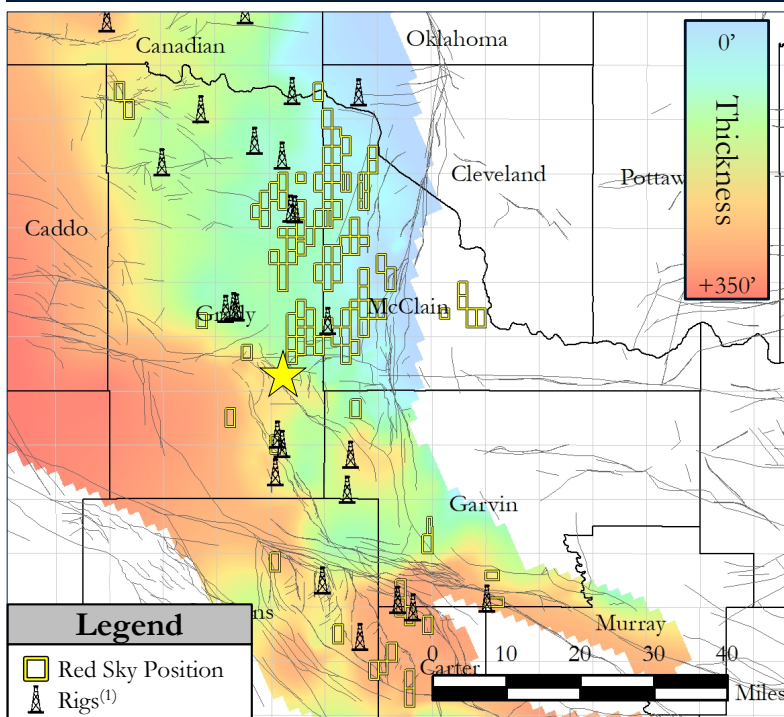
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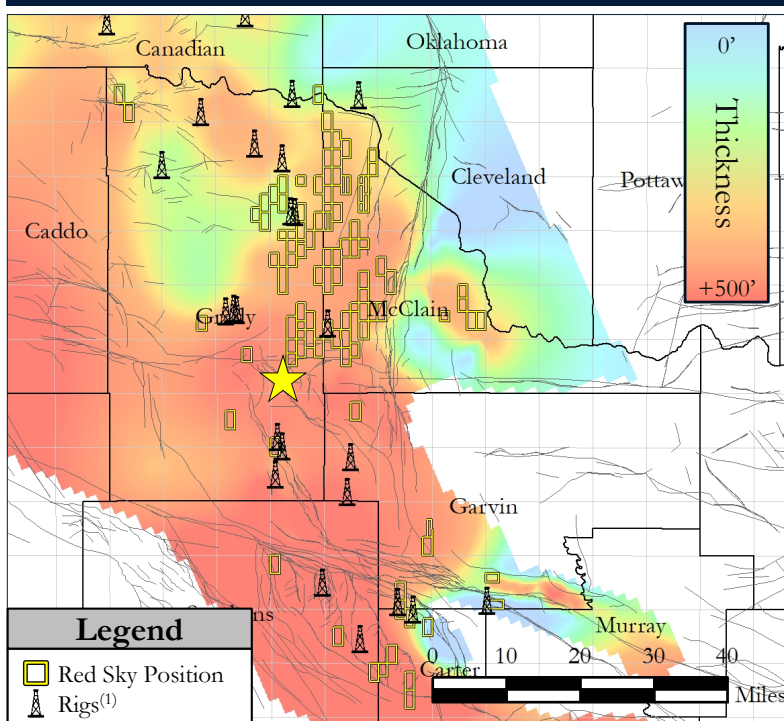


Red Sky's assets are positioned across the active portions of the Anadarko Basin's SCOOP, Merge, and STACK plays. Multiple viable benches are being targeted across the region including the Springer, Mississippian (Sycamore and Meramec), and the prolific Woodford Shale. Modeled undeveloped inventory is underpinned by petrophysical properties, resource-in-place values, and operators' development objectives.

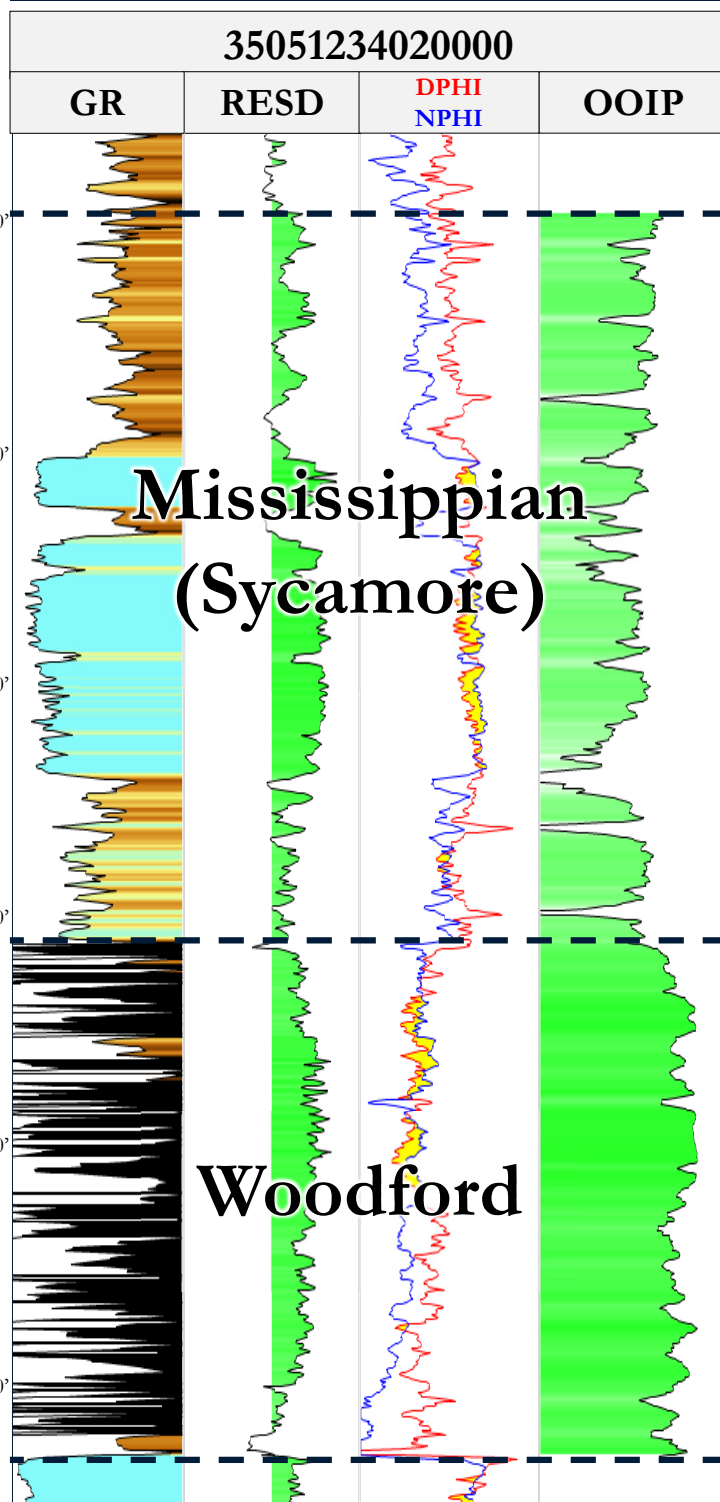
## Mississippian Isopach



## Woodford Shale Isopach



## ★ Type Log – Elmer Story 4-29



1. Rigs as of 3-30-2022; Enverus.

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## Process Overview

April 2022						
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 2022						
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

Red Sky anticipates PSA execution by mid-June and closing by July 31, 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.



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