

# Core Karnes Trough Mineral Opportunity

FKO Enterprises, FRJK Legacy Family & RMK Trust



**FKO Enterprises, FRJK Legacy Family, & RMK Trust** (collectively, “Seller”) have retained Detring Energy Advisors to market for sale certain of their oil and gas **fee mineral interests in the Karnes Trough** of the Eagle Ford Shale. The assets offer an attractive opportunity to acquire (i) **~1,475 Net Royalty Acres (100% Minerals)** consolidated under top regional operators **ConocoPhillips (“COP”)** and **EOG Resources**; (ii) an interest in **160+ horizontal PDP wells** and **19 near-term development wells** generating **\$8.6MM in NTM cash flow**; and (iii) an additional **220+ undeveloped locations** across the highly economic Lower Eagle Ford, Upper Eagle Ford and Austin Chalk formations, which are actively being developed by COP, EOG, and other regional operators.

## High-RI Mineral Position

~1,475 NRA | 1.2% Avg. RI

- Unique opportunity to acquire a multi-generational, family-owned asset (fee simple mineral estate) in the prolific core of the Karnes Trough
  - Footprint spans ~40 drilling units
- 100% operated by two well-capitalized, top in-basin operators who continue to dedicate substantial capital to the region

## Significant Cash Flow

\$8.6MM Next 12 Months

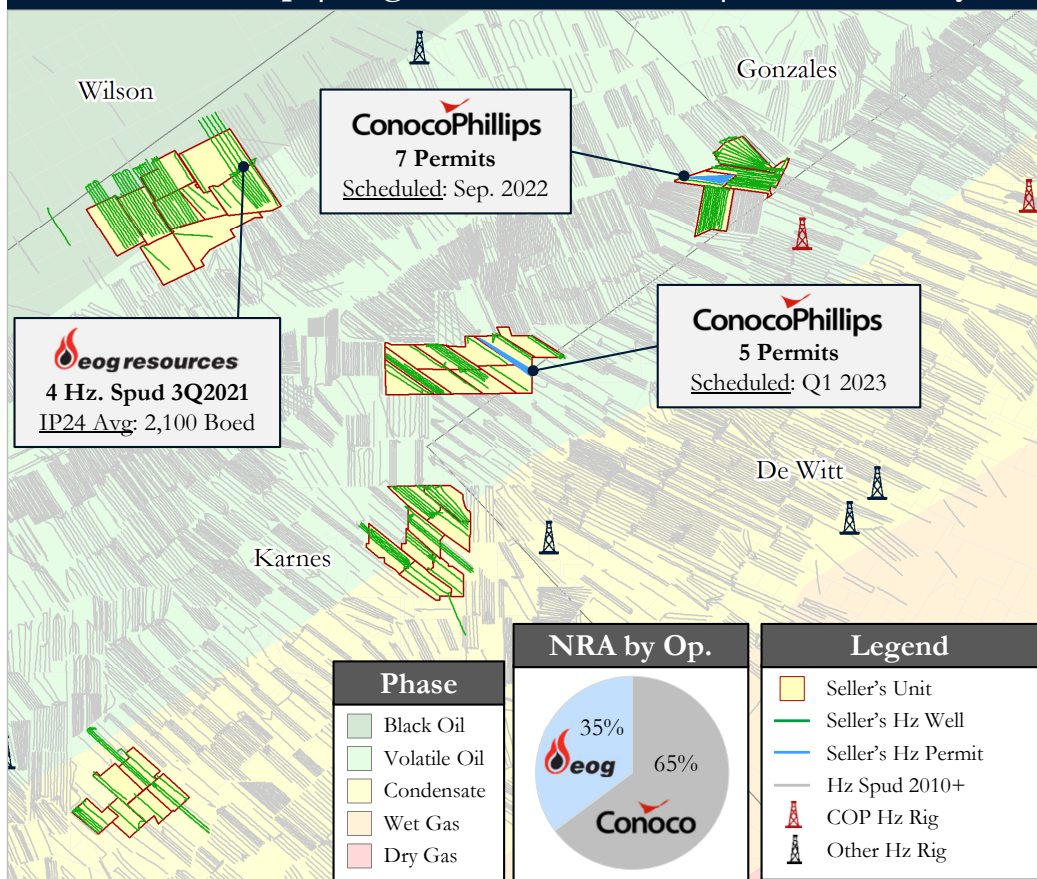
- Strong PDP cash flow generated from liquids-rich production (210 Boed) across 160+ hz wells (\$4MM NTM)
- Meaningful additional cash flow generated by 19 near-term development wells (\$4MM+ NTM)
  - 12 permits + 7 op.-planned wells
- Cumulative five-year and total undiscounted cash flow of ~\$40MM and ~\$120MM, respectively (3P)

## Highly Economic Inventory

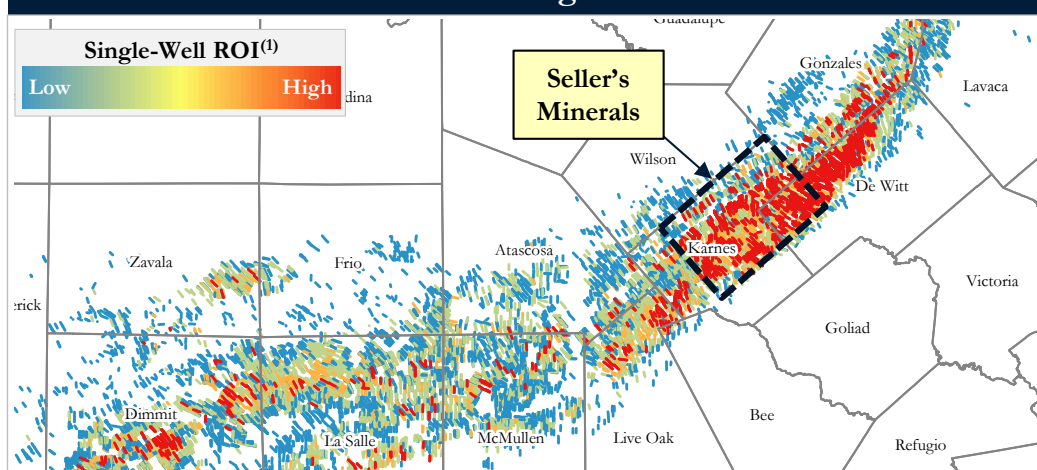
Eagle Ford & Austin Chalk

- Over 220 remaining horizontal undeveloped locations across the Lower Eagle Ford, Upper Eagle Ford, and Austin Chalk
  - Performance:** All zones generate initial rates >2,000 Boed and payout in ~3 months (net to operator)
  - Net 3P Res.:** 2.6 MMBoe (83% liq.)
  - Net 3P PV10:** ~\$60MM
- COP & EOG are each currently operating 5 rigs in the Eagle Ford

## Location Map | Eagle Ford Shale Trend | Karnes County



## True “Core of the Core” Eagle Ford & Austin Chalk



Note: All values based on preliminary reserves as of 6/1/2022 at 5-year strip pricing. Values reflect a 33% undivided interest in the Seller's overall holdings.

Net Royalty Acres (“NRA”) are normalized to 1/8<sup>th</sup> royalty throughout this document. 1. Based on estimated well performance and economics by horizontal well.

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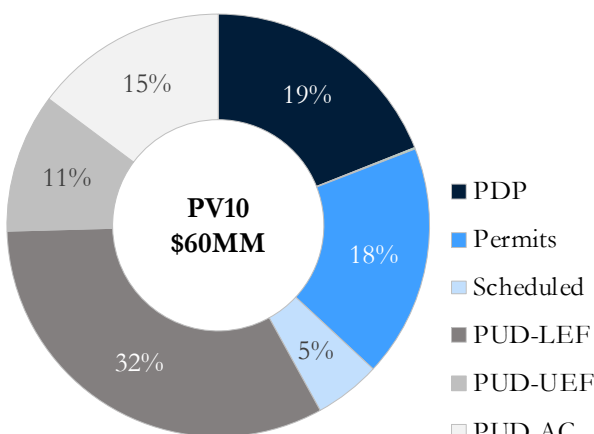
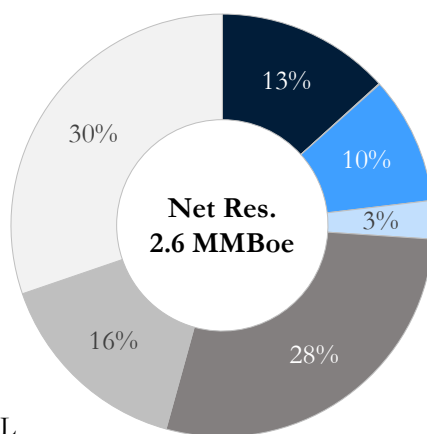
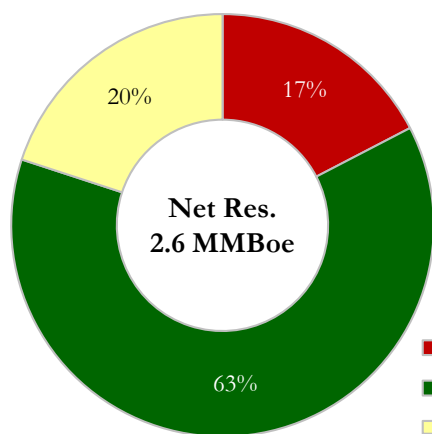
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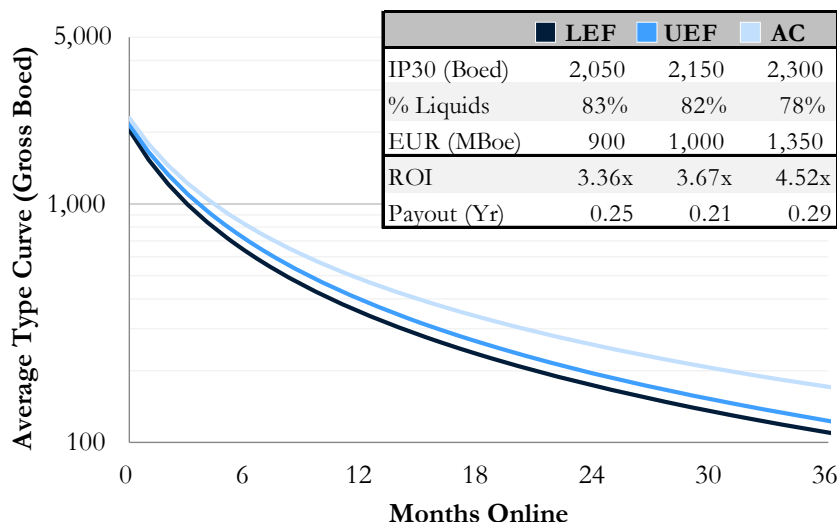
The assets include 160+ proved developed horizontal wells with net reserves and PV10 of ~350 MBoe and \$11MM, respectively, including 4 recent TIL's. De-risked undeveloped reserves are supported by 19 near-term wells and 222 inventory locations across the highly economic Lower Eagle Ford, Upper Eagle Ford, and Austin Chalk, yielding net undeveloped reserves and PV10 of 2.3 MMBoe and ~\$50MM, respectively. All benches are actively being developed by EOG, COP, and other offset operators with ROI exceeding 3.25x and payout in ~3 months.

## Large Inventory of High-Returning, Liquids-Rich Locations

	Gross Wells	Net Reserves					NPV	
		Oil (MBbl)	Gas (MMcf)	NGL (MBbl)	Total Mboe	% Liq	PV0 (\$MM)	PV10 (\$MM)
<b>Proved Developed</b>	<b>163</b>	<b>253</b>	<b>281</b>	<b>53</b>	<b>353</b>	<b>87%</b>	<b>\$18.7</b>	<b>\$11.4</b>
<b>Proved Undeveloped</b>								
Permits	12	178	223	43	258	86%	\$13.9	\$10.6
Operator Scheduled	7	53	68	13	77	85%	4.1	3.0
Remaining Inventory	222	1,172	2,184	418	1,954	81%	82.9	34.6
<b>Total PUDs</b>	<b>241</b>	<b>1,403</b>	<b>2,475</b>	<b>474</b>	<b>2,289</b>	<b>82%</b>	<b>\$100.8</b>	<b>\$48.2</b>
<b>Grand Total</b>	<b>404</b>	<b>1,656</b>	<b>2,756</b>	<b>527</b>	<b>2,643</b>	<b>83%</b>	<b>\$119.5</b>	<b>\$59.6</b>



## World-Class Operator Economics Ensure Continued Development Across All Horizons<sup>(1)</sup>



	LEF	UEF	AC	Total
<b>Location Count</b>				
COP	101	53	34	188
EOG	50	0	3	53
<b>Total Locations</b>	<b>151</b>	<b>53</b>	<b>37</b>	<b>241</b>
<b>Net Reserves (MBoe)</b>				
COP	823	507	784	2,113
EOG	161	0	16	176
<b>Total Reserves</b>	<b>983</b>	<b>507</b>	<b>799</b>	<b>2,289</b>
<b>PV10 (\$MM)</b>				
COP	\$24.4	\$10.0	\$8.6	\$42.9
EOG	5.0	0.0	0.3	5.3
<b>Total PV10</b>	<b>\$29.4</b>	<b>\$10.0</b>	<b>\$8.8</b>	<b>\$48.2</b>



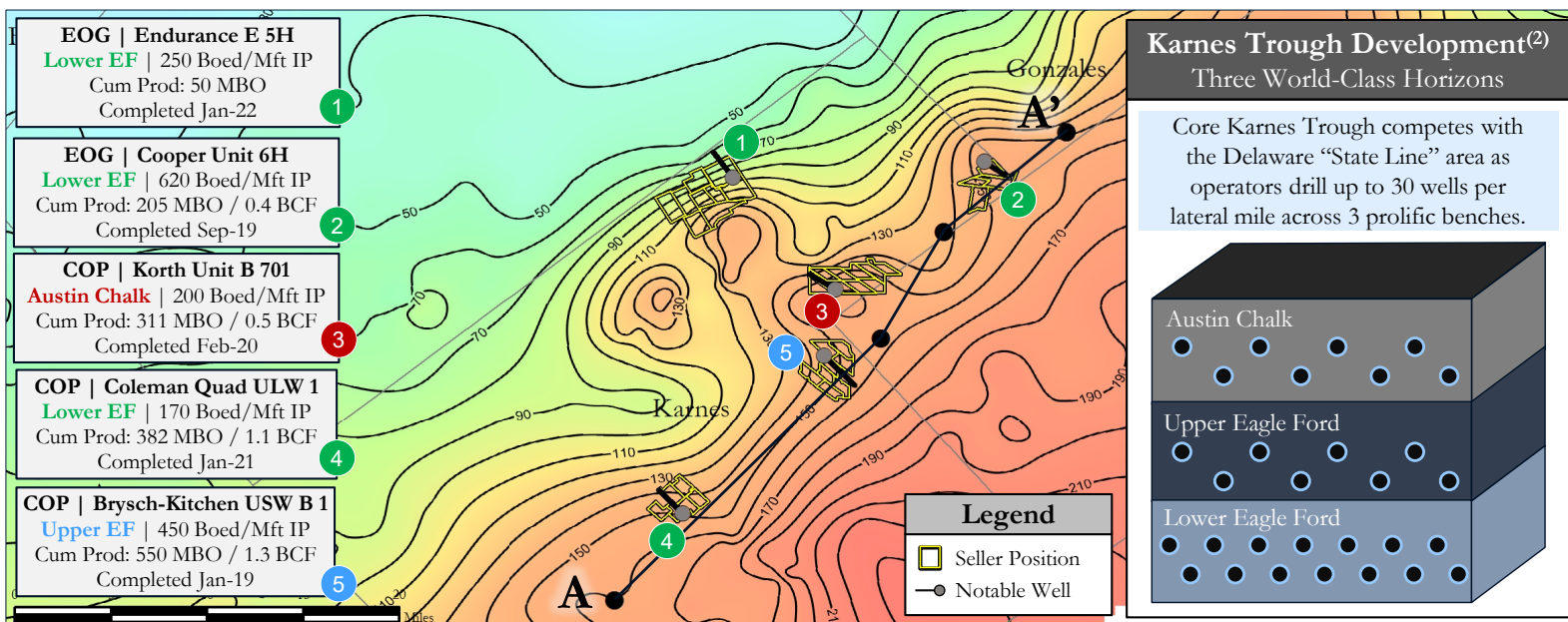
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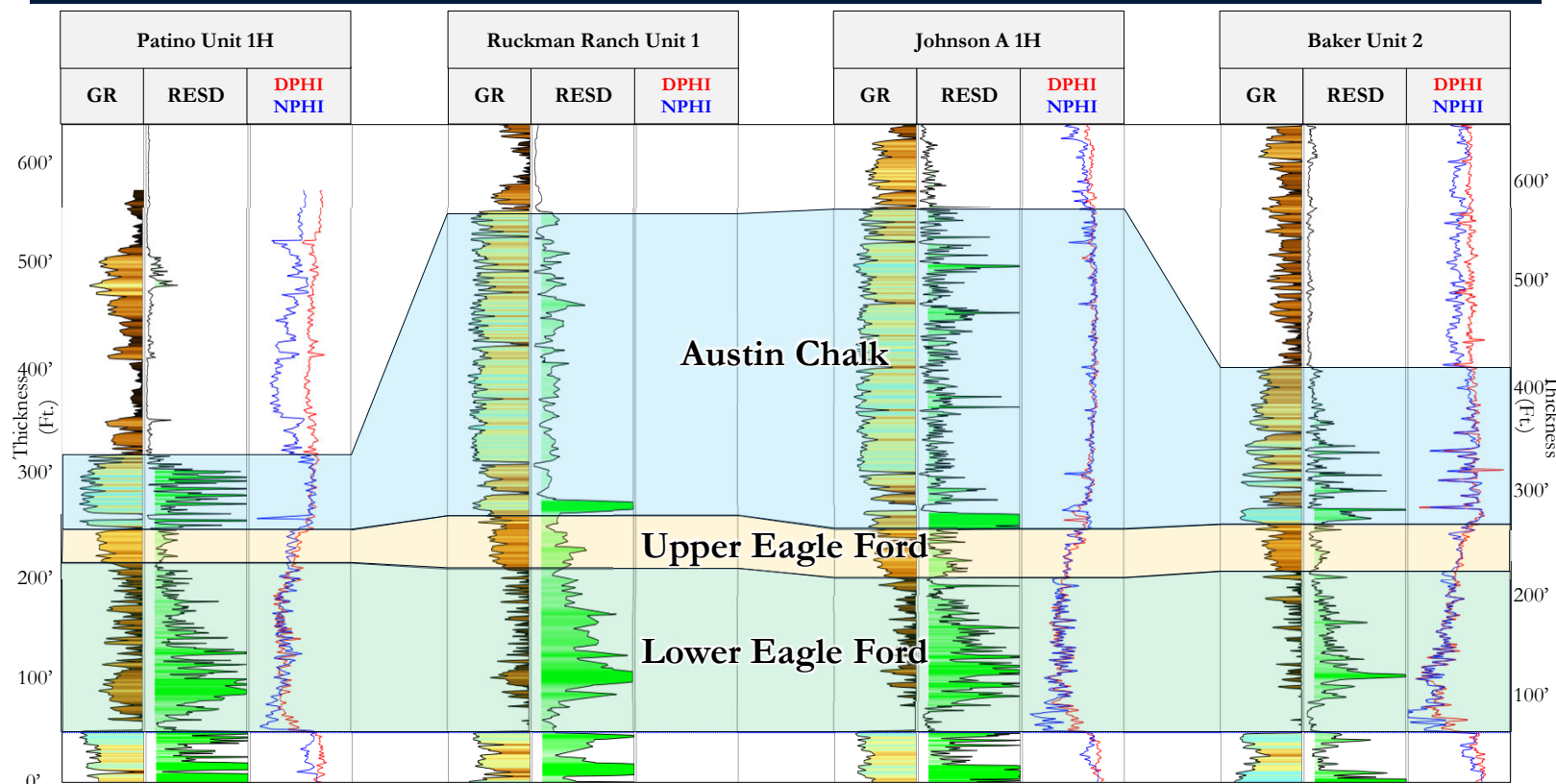


The Seller's properties are located in the prolific Karnes Trough of the Eagle Ford Shale play where the Lower Eagle Ford ranges in thickness from 90' to 160' from north to south across the position. In addition to the widespread best-in-class inventory remaining in the Lower Eagle Ford, additional proven upside remains in the overlying Upper Eagle Ford and Austin Chalk.

## Lower Eagle Ford Isopach (ft.)<sup>(1)</sup>



## A Cross Section A'



1. IP and production data sourced from Enverus. 2. Gun barrel diagram represents a normalized lateral mile of development.

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## Process Timeline

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				

June 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		

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

PSA execution is anticipated by mid-July with closing by the end of August.

Metrics throughout the teaser represent a 33% undivided interest across the Seller's overall position; each selling entity may elect to divest a higher or lesser interest at its sole discretion.

## Detring Energy Advisors Contact Information

Derek Detring	Melinda Faust	Matt Loewenstein	Richard Ball	Todd Eckhardt
President	Managing Director	Director	Director, Geology	Associate
derek@detring.com	mel@detring.com	matt@detring.com	richard@detring.com	todd@detring.com
(713) 595-1001	(713) 595-1004	(713) 595-1003	(713) 595-1005	(713) 819-0072

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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