

Operated North Central Texas Opportunity

Daylight Petroleum LLC



Daylight Petroleum LLC (“Daylight”) has retained Detring Energy Advisors to market for sale certain of its oil and gas leasehold, producing properties, and related assets located in various counties in northern Texas. The assets offer an attractive opportunity to acquire: (i) a **robust, stable production base (330 net Boed)** with an oil-weighted product mix; (ii) **long-term cash flow (\$6.5MM NTM, PDP-only)** bolstered by **attractive operating margins (70% over the NTM period)**; and (iii) multiple opportunities for **further field development through horizontal targeting of conventional reservoirs** and continuation of an **ongoing return-to-production program**.

Oil-Weighted Production

330 Boed | \$6.5MM NTM Cash Flow

- **Low decline (8%) oil-weighted production (92% oil) provides confidence in future performance**
 - PDP PV10: \$30MM
 - PDP Net Reserves: 1.7 MMMBoe
 - PDP R/P: 14 years
- **High-margin cash flow resilient to any price environment**
 - \$19/Boe lifting costs
 - 70% margin on NTM revenue

Ongoing RTP & Hz Programs Drive Cash Flow Growth

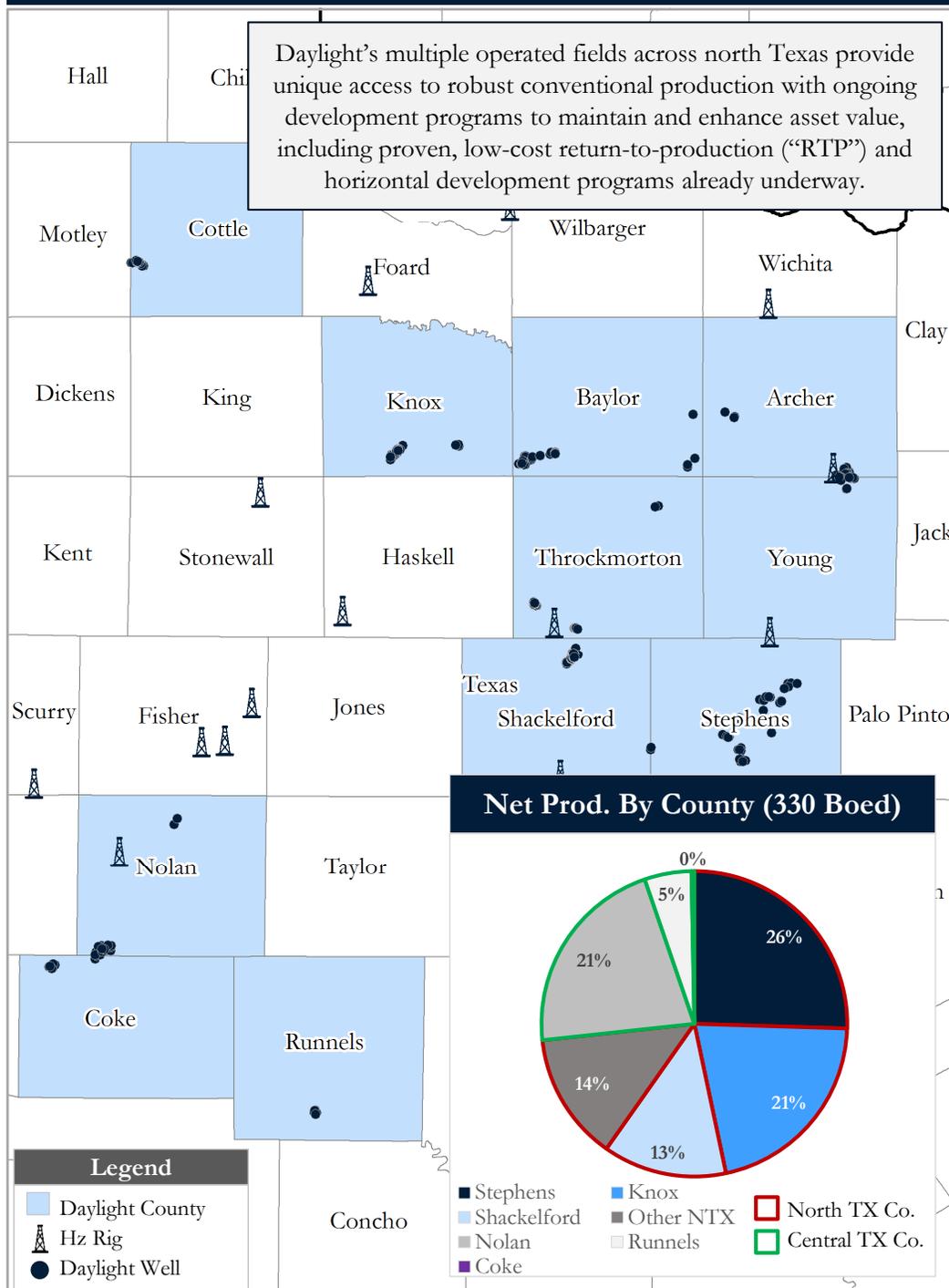
- **Daylight has consistently brought additional wells online since 2018 as part of an extensive RTP campaign**
 - 100+ additional candidates enable production uplift and maintenance
- **Two highly economic hz PUDs targeting reef structures identified**
 - Additional hz potential remains across the position
- **Line-of-sight to ~\$20MM PV10 through identified RTP and horizontal development candidates**

~14,900 Net Acres

PDP Avg. 87% WI | 70% NRI

- **Diverse fields across north Texas contain multiple opportunities for further development & uplift**
- **Asset is 100% operated by Daylight Petroleum**
- **159 producing wells with distributed value and low concentration risk**
- **Acreeage position is 100% HBP**

Location Map | North Central Texas



Note: All metrics based on preliminary reserves as of 6/1/2022 and NYMEX 5-year strip pricing (as of 4/29/2022).

Operated North Central Texas Opportunity

Daylight Petroleum LLC



**DAYLIGHT
PETROLEUM**

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



Daylight anticipates PSA execution by early July and closing by August 2022.

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	Jonathan Bristol Vice President jonathan@detring.com (713) 595-1010	Zach Goff Analyst zach@detring.com (832) 713-3202
--	--	---	---	---

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 Daylight directly.

This Information Flyer is based on material provided by Daylight Petroleum LLC and its affiliates ("Seller") and is offered to interested parties for the sole purpose of providing an overview of an opportunity to acquire certain of the Seller's assets (the "Transaction"). This Information Flyer is delivered on behalf of Seller by Detring & Associates, LLC ("Advisor"). The information contained in this Information Flyer ("Information") is for informational purposes only and does not constitute an obligation by Seller to enter into any future transaction. The Information should not be relied upon by the recipient in considering the Transaction, and the recipient should consider its own financial situation when evaluating the Transaction. This Information Flyer does not constitute investment, legal, financial, tax, accounting or other counsel of any kind, and the recipient should conduct its own independent examination and assessment of the Information, including obtaining investment, legal, tax, accounting and such other counsel as it considers suitable. Seller may change or otherwise modify the transaction process at any time without notice to the recipient, including but not limited to accepting any proposal at any point in time, altering the dates of the process, or terminating the process completely without defining any reason and without any liability to any interested party. Advisor and its directors, employees, consultants and agents ("Group") make no representation or warranty as to the accuracy, completeness, timeliness or reliability of the contents of this Information Flyer or any Information provided during the course of the Transaction process. The Information has been prepared on the basis of publicly accessible information and material made available to Advisor by Seller. Advisor has relied upon and assumed, without independent verification, the accuracy or completeness of all such information, which does not claim to be all-inclusive or to contain all of the information that may be relevant to the Transaction. The recipient acknowledges that conditions may change and that the Information may become out-of-date as a result. Advisor is under no obligation to update or correct this Information. Seller and Advisor are under no obligation to provide the recipient with access to any further information. Seller and Group shall have no liability for any representations (expressed or implied) other than, in the case of Seller, those given by Seller in the purchase and sale agreement, for any written or oral communications with any Interested Parties in the course of their review of the Transaction, or for any implied terms or obligations arising from operation of law or otherwise. To the maximum extent permitted by law, no member of the Group accepts any liability (including, without limitation, any liability arising from fault or negligence on the part of any of them) for any loss whatsoever arising from the use of this Information Flyer or its contents or otherwise arising in connection with it or from the use of any Information provided throughout the course of the Transaction procedure. Certain statements contained herein may constitute forward-looking statements which involve risks and uncertainties that could cause actual events or results to differ materially from the projected or expected events or results implied or conveyed in such forward-looking statements. In particular, statements regarding oil and gas reserves may include the implied assessment that the resources described can be profitably produced in the future, based on certain estimates and assumptions. No constituent of the Group represents or warrants that such forward-looking statements will be achieved or will prove to be correct. Actual future results and operations could vary materially from the forward-looking statements. Similarly, no representation or warranty is made that the assumptions on which the forward-looking statements are based may be reasonable. No audit, review or verification has been undertaken by the Group or an independent third party of the assumptions, data, results, calculations and forecasts presented or referred to herein. The recipient acknowledges that neither it nor Advisor intends that Advisor acts or be responsible as a fiduciary to the recipient, its management, stockholders, creditors or any other person. Each of the recipient and Advisor, by accepting and providing this Information Flyer respectively, expressly disclaims any fiduciary relationship and agrees that the recipient is responsible for making its own independent judgments with respect to any transaction and any other matters regarding this Information Flyer. Subsequent modifications may be provided as required.