

Northern Midland Basin Waterflood Opportunity

White Rock Oil & Gas



White Rock Oil & Gas (“White Rock”) has retained PetroDivest Advisors to market for sale its Welch Unit waterflood properties in Dawson and Terry Counties, Texas. The assets offer an attractive opportunity to acquire (i) **strong, low-decline, and oil-weighted net production (~180 Boed) and cash flow (~\$5MM NTM)**, (ii) **~4,700 operated net acres** with interest in 161 producers and injectors, and (iii) multiple identified **opportunities for field redevelopment and waterflood optimization** to unlock additional production, reserves, and cash flow.

~4,700 Net Acre Position

~66% Avg. WI | 100% HBP

- **Large, operated, HBP and contiguous position provides control for buyer improvements of waterflood and ongoing operations**
 - 80 producing wells, 81 water injection wells, 42 PDNP wells
- **Concentrated position enables efficient operations and low lifting costs of <\$20/Bbl**

Low-Decline Production

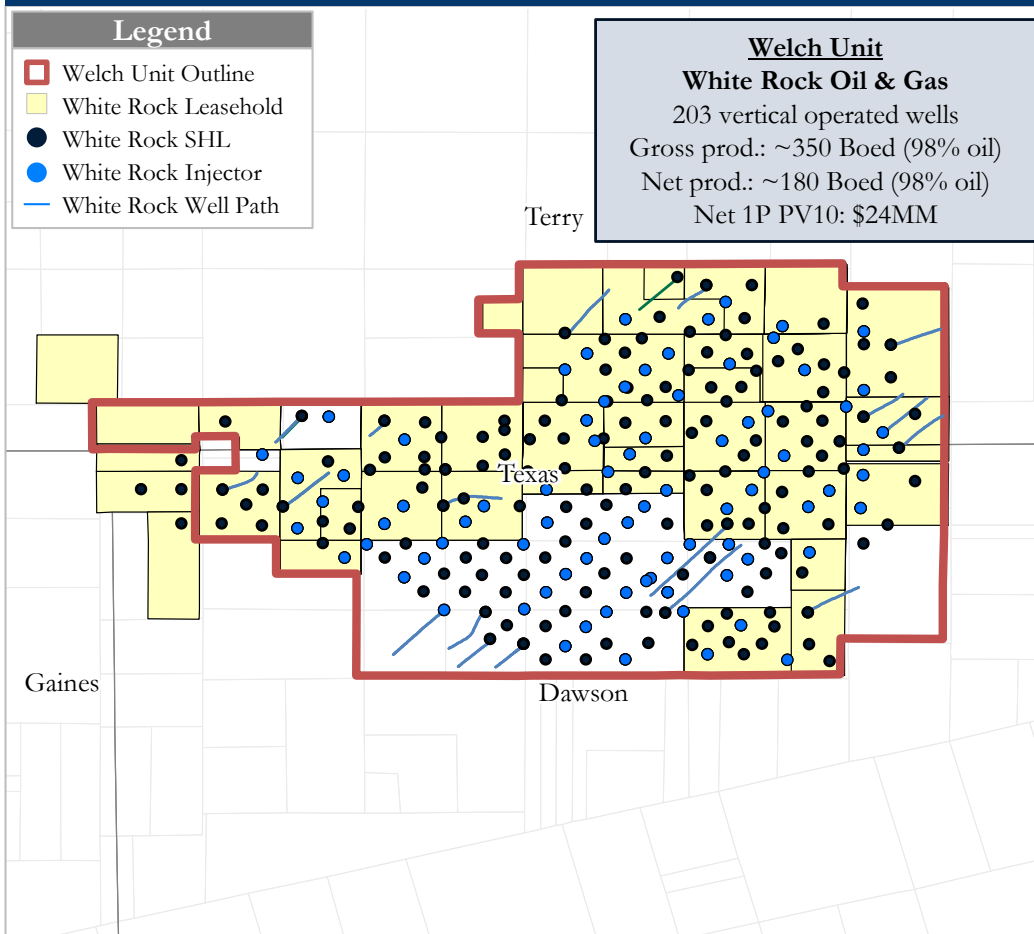
~180 Boed (98% Oil) | ~6% Decline

- **Oily production base on low and steady decline with reliable future cash flow and performance**
 - ~\$5MM NTM op. cash flow (PDP)
- **PDP NPV10: \$22MM**
- **PDP Net Reserves: 1.0 MMBoe**
- **Asset well-maintained throughout prior and current operatorship (Devon and White Rock, respectively)**
 - Infrastructure in place to support operations and improvements

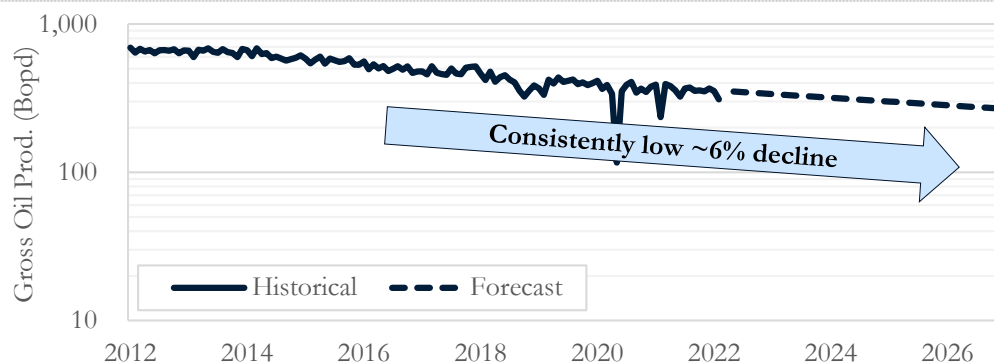
Primed for Optimization & Redevelopment

- **Significant workover potential with 17 wells identified to return low-risk, meaningful production online**
 - +43 Boed initial addt'l net prod.
 - +\$2MM NPV10%
- **Waterflood pattern realignment potential with producer-to-injector & injector-to-producer conversion resulting in better reservoir sweep and a further arrested decline**
 - Injection realignment identified by White Rock based on analog Chevron McElroy field

Location Map | Dawson & Terry Counties, Texas



Long Life Oil-Weighted Production Supported by Active Waterflood



A legacy oil-producing asset with 60 years of productivity and consistently low annual decline serves as a resilient cash flow engine. The asset continues to respond to various methods of raising production and arresting decline, providing decades of future yield.

Note: Prod., reserves, and cash flow based on a prelim. reserves database as of 6/1/2022 using 4/27/2022 NYMEX 5-year strip pricing.

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Process Calendar

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

White Rock anticipates PSA execution by late June and closing by July 2022.

Contact Information | PetroDivest Advisors



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