

# Eastern Shelf Operated WI Opportunity



Carr Resources, Inc.

**Carr Resources, Inc.** ("Carr") has retained Detring Energy Advisors to market for sale its operated oil and gas leasehold located in the Eastern Shelf of the Permian Basin in Scurry County, TX. The assets offer an attractive opportunity to acquire: (i) a concentrated **~7,600 net acre position** and **100% working interest in 10 horizontal wells** producing from the Strawn formation; (ii) current **liquids-rich production of ~2,100 Boed** with significant, high-margin **net cash flow of \$33MM NTM (PDP-only)**; and (iii) **twelve highly economic development locations** including 7 permits self funded through operating cash flow.

## Robust Production & Cash Flow

2,100 Boed | \$33MM NTM CF

- Substantial liquids-rich PDP production and cash flow from 10 horizontal Strawn wells
  - PDP Net Res.: 3.1 MMBoe (85% liq.)
  - PDP PV10: ~\$75MM
- Blended hydrocarbon production profile comprised of ~60% oil, ~25% NGL, and ~15% gas
  - Rich gas stream generates an NGL yield >170 Bbl/MMcf
- Low cost, high-margin production
  - LTM lifting cost ~\$6/Boe

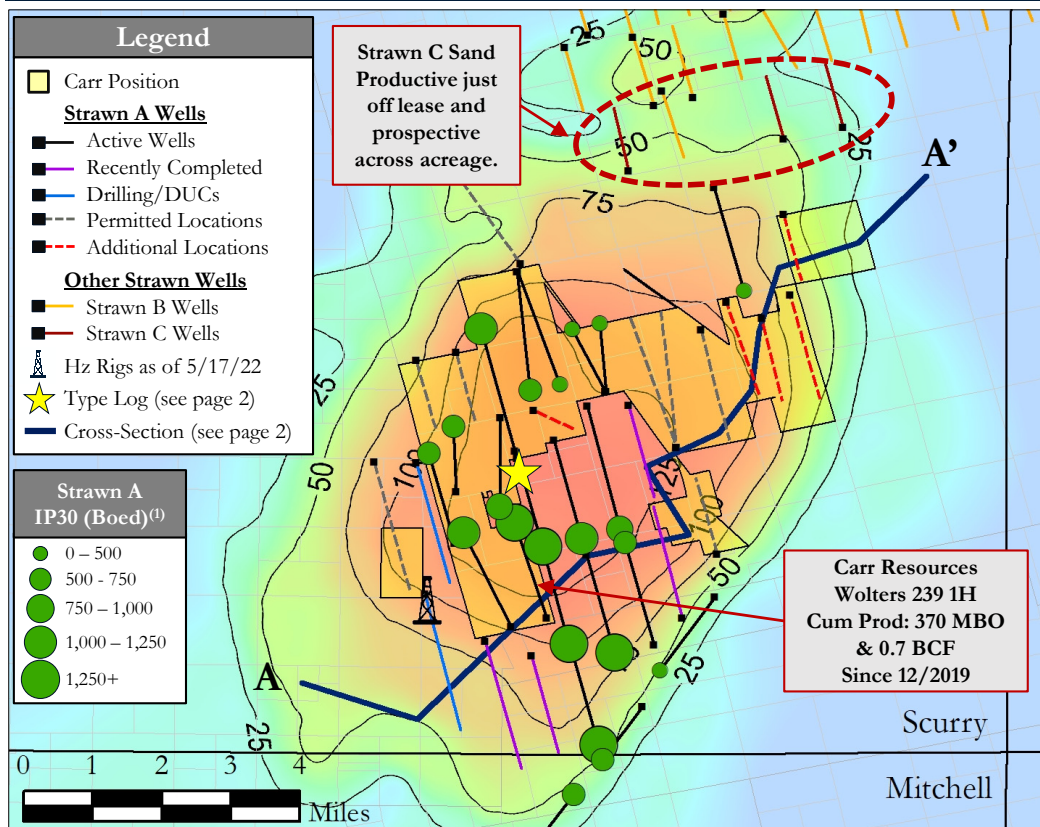
## Large Operated, Contiguous, Land Position

- 7,600 net acres concentrated in south-east Scurry County on the Eastern Shelf of the Permian Basin
  - 100% WI | 75% NRI
- Implementing fieldwide SWD system
  - Actively permitting new SWD well and ROW for gathering lines
  - Projecting 75% reduction to current SWD costs

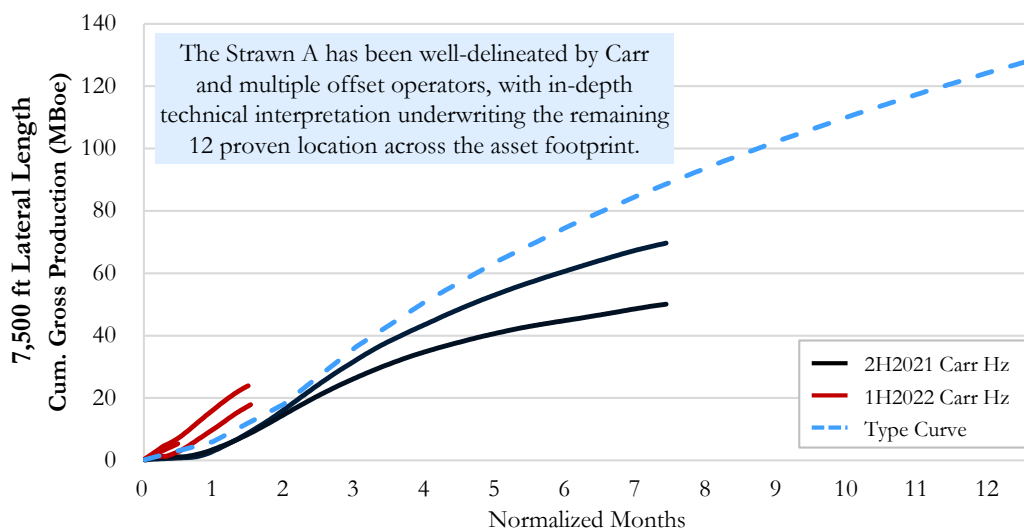
## De-Risked Horizontal Strawn Development Locations

- Twelve low-risk PUDs identified including 7 current permits
  - 3 operated wells planned for 2H2022
- Highly economic type curve at only \$5.7MM D&C (7,500 ft)
  - IP30: 625 Boed | EUR: 625 MBoe
  - ROI: 2.5x+ | Payout: 0.75 years
- Material upside value:
  - 3P Net Res.: 6.5 MMBoe (85% liq.)
  - 3P PV10: ~\$120MM

## Strawn A Isopach (ft) | Scurry County, Texas



## Large Inventory of Highly Economic Hz Strawn Locations



Note: All values based on preliminary reserves as of 8/1/2022 at 5-year strip pricing. 1. Based on peak monthly rate.

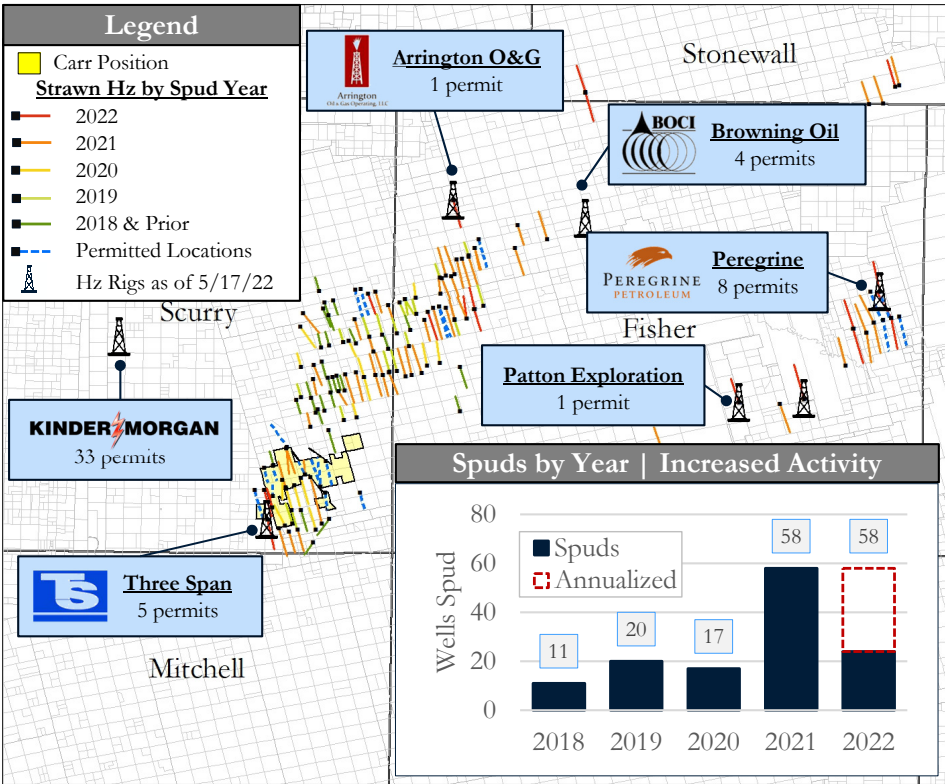
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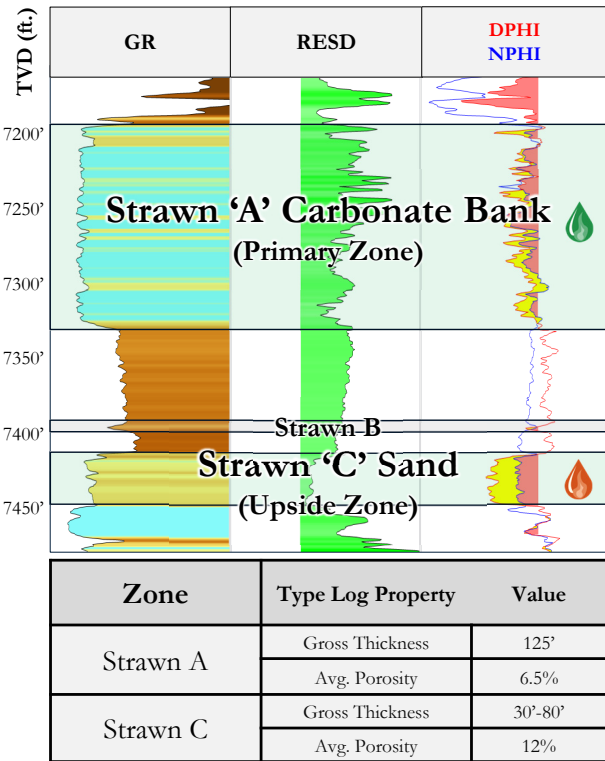


Carr Resources is ideally positioned across the thickest portions of the prolific Strawn A. Development results to-date have been strong, and numerous wells in-progress and additional locations underscore the long-term viability of the asset. The Lower Strawn C sand is productive just to the north of the properties and is prospective across the acreage, providing additional upside to the proven Strawn A.

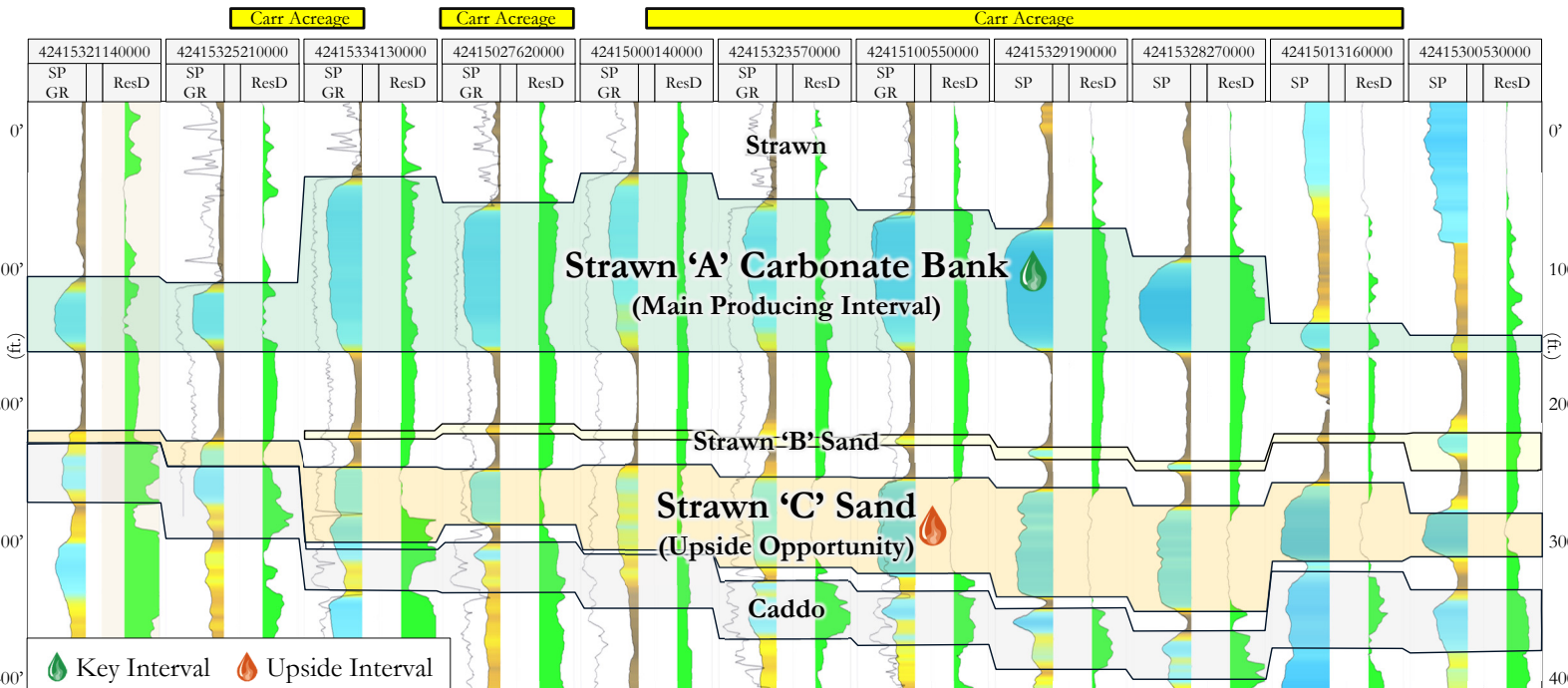
## Substantial Regional Horizontal Strawn Activity



## Type Log – Thunder Valley 236 Pilot 42415354969000



## A Cross Section A'



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



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## Process Timeline

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		

July 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



PSA execution is anticipated by mid-August with closing by September 30, 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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