



# Non-Operated Natural Gas Opportunity

Fulcrum Energy Capital

Fulcrum Energy Capital (“Fulcrum”) has retained PetroDivest Advisors to market for sale its oil and gas leasehold, producing properties, and related assets located in the Val Verde Basin of West Texas, primarily operated by Epic Permian Operating, LLC (“Epic”). The assets offer an attractive opportunity to acquire: (i) a liquids-rich, gas-weighted, **stable production base**; (ii) **reliable cash flow generation** buttressed by **strong operating cash flow margins and price resilient operations**; and (iii) operational enhancements with continued development offering **long-term production uplift and decline maintenance**.

## Liquids-Rich Gas Production

2.9 MMcfed | \$4.6MM Net NTM CF

- **Liquids-rich, low-decline production provides a stable PDP reserves base with substantial value**
  - PDP PV10: \$20MM
  - PDP Net Res: 20 Bcfe (40% liq.)
  - 6% decline | 19 year R/P
- **High-margin, low-lifting cost prod. resilient to any price environment**
  - \$6.35/Mcfe net revenue (NTM)
  - \$4.45/Mcfe operating cash flow margin (NTM)

## Concentrated Val Verde Assets

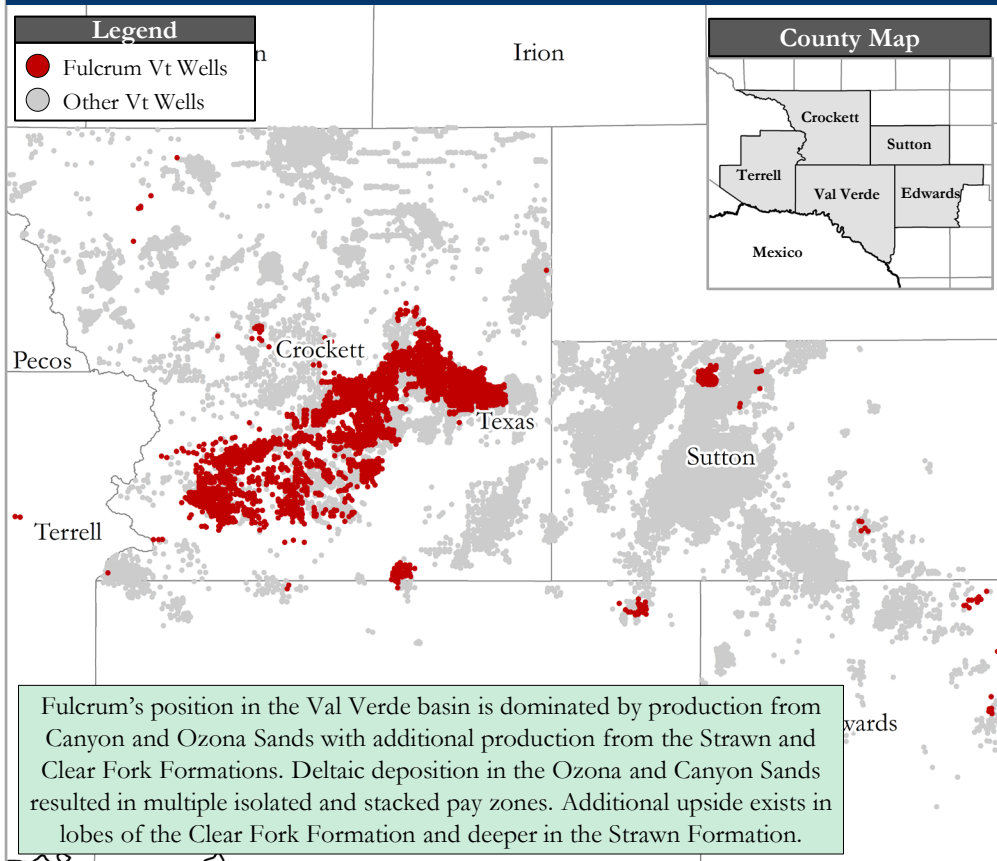
PDP Avg. 7.7% WI | 83% Lease NRI

- **Broad, largely contiguous, non-operated position with ~2,900 vertical wells, primarily operated by Epic (90%) and located in the prolific Val Verde basin**
- **Low-concentration risk through a distributed asset package**
- **Acreage position is 100% HBP**

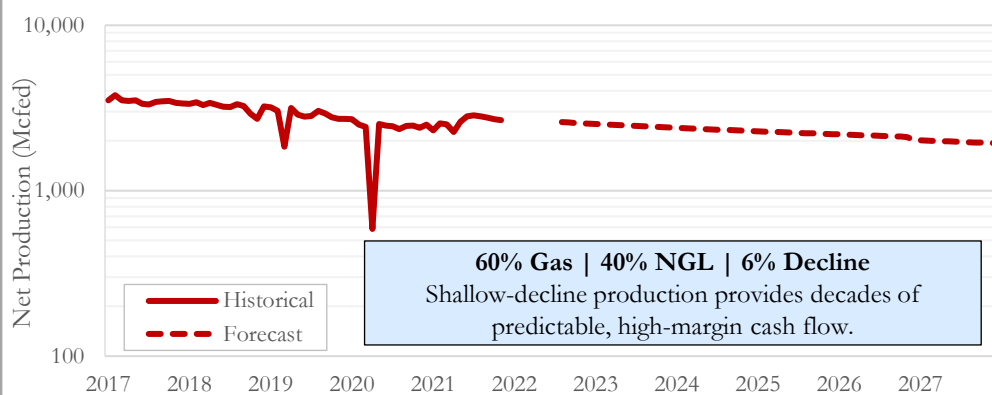
## Infill Development & Recompletion Opportunities

- **~2,800 Canyon locations remaining throughout Crockett County**
  - Continued development of the Canyon sands maintains prod.
- **Clear Fork potential for new drills and recompletions of existing producing and shut-in Canyon wells**
  - ~100 Clearfork opportunities exist throughout the field
  - Low capital costs of ~\$400M D&C per well provide low- cost production enhancement

## Asset Location Map | West Texas



## Stable, Low-Decline Production (2.9 Net MMcfed)



Note: Reserves, cash flow, and present value metrics utilize current strip pricing (9/2/2022) and effective date as of September 1, 2022.

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## Process Calendar

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						

August 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

Fulcrum anticipates PSA execution by late-August and closing before October 30, 2022.

## Contact Information | PetroDivest Advisors



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