

Diversified Wellbore-Only Opportunity

Merced Capital



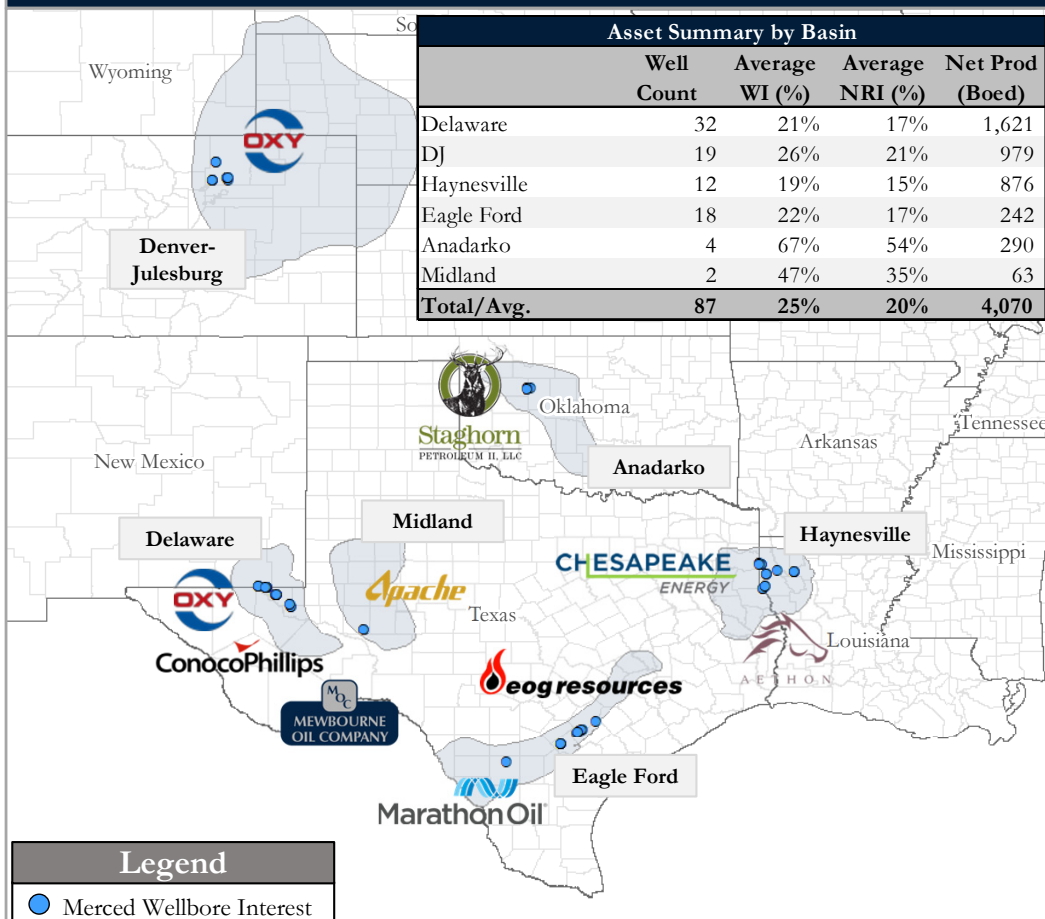
Merced Capital has retained Detring Energy Advisors to market for sale its diversified non-operated wellbore-only producing assets located across six of the most prominent basins across the Lower 48. The assets offer an attractive opportunity to acquire a **balanced revenue stream (46% liquids)** with **established, proven production (4,070 Boed)** generating **meaningful cash flow (\$42MM NTM)**. The assets are operated by **premier basin-focused operators**, which ensures continued superior well performance and operating efficiencies that translate to healthy, high-margin returns.

Substantial Production Base

4,070 Boed | 46% Liquids

- Hydrocarbon agnostic net prod. comprised of 1,380 Bod (oil), 12.8 MMcfd (gas), and 560 Bbl/d (NGL)
 - PV10: ~\$142MM
 - Net Reserves: 9.0 MMBoe
 - Well Count: 87 Horizontal Producers
- Assets operated by premier, well-capitalized, and basin-focused E&P's offering high-quality stewardship and cost-efficient operations

Location Map | Central United States⁽¹⁾



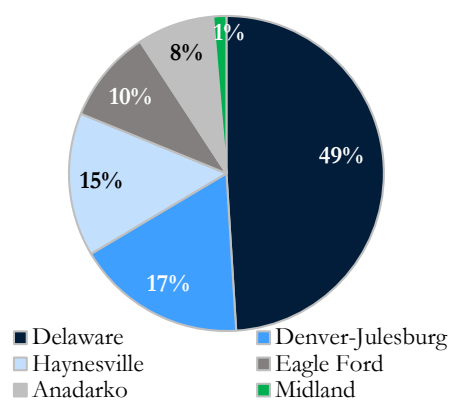
Robust, Stable Cash Flow

\$42MM NTM | Established Declines

- Package consists of curated wellbore set with easily forecastable, established production history
 - Average historical production of 30 months per wellbore
 - Meaningful well count eliminates concentration risk
- The assets generate healthy returns with an operating cash margin of ~\$41/Boe (LTM) underpinned by low lifting costs of ~\$5/Boe
- High interests avg. 25% WI / 20% NRI

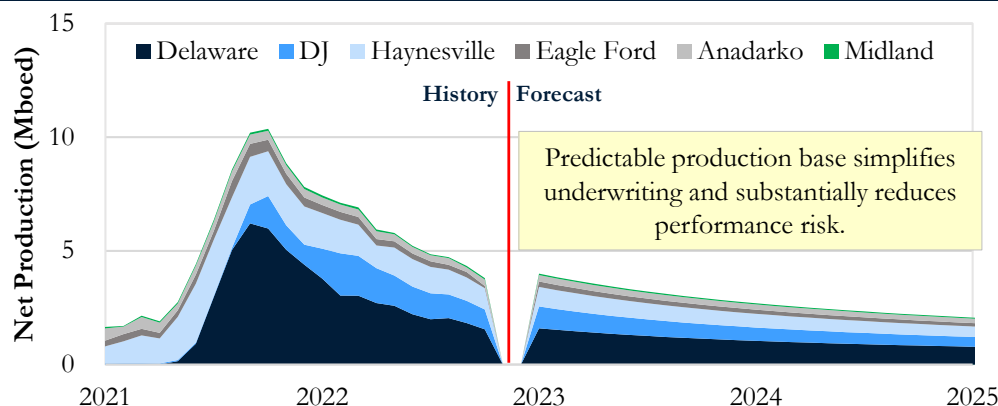
PV10 by Basin | ~\$142MM

Diverse Geographic Exposure



Balanced & Stable Production Base

46% Liquids | 33% NTM Decline (19% 2025E)



Note: All metrics are based on preliminary reserves as of January 1, 2023 using current strip pricing. 1. Select operators shown by basin.

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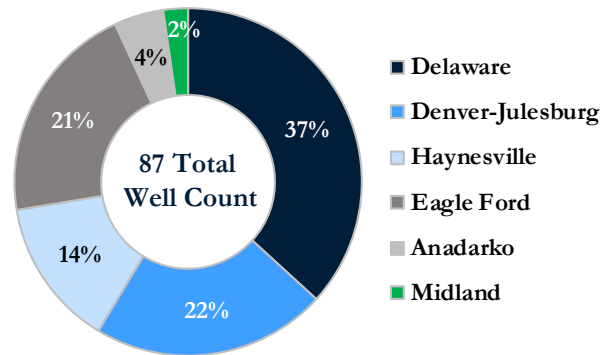
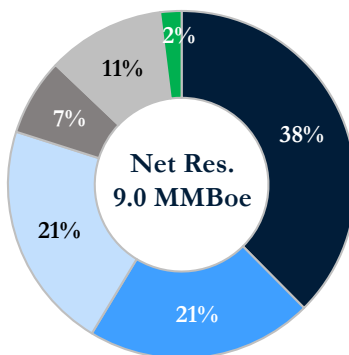
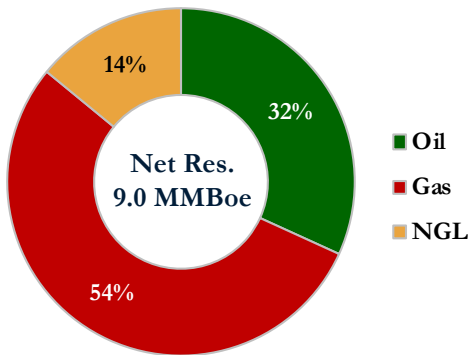
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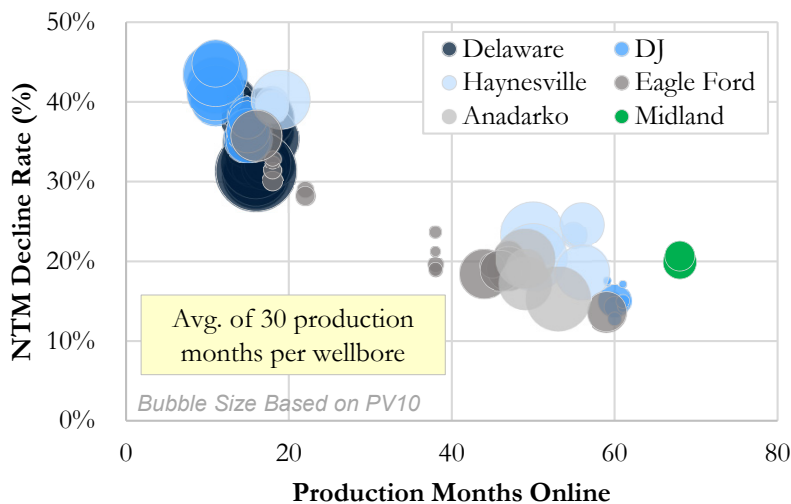
Merced’s assets offer a unique opportunity to acquire a **diverse portfolio of non-operated wellbore-only assets** boasting **meaningful net reserves of ~9.0 MMBoe** and **~\$142MM in PV10 value**. The portfolio is primarily located in the **Delaware Basin, DJ Basin, and Haynesville** with exposure to proactive regional operators such as **Oxy, Mewbourne, Comstock, Shell, and Marathon** lending confidence in continued efficient operations and well control. Moreover, the **hydrocarbon agnostic** portfolio provides the **attractive optionality** and resiliency against volatility in commodity pricing.

Reserve Summary | As of January 1, 2023

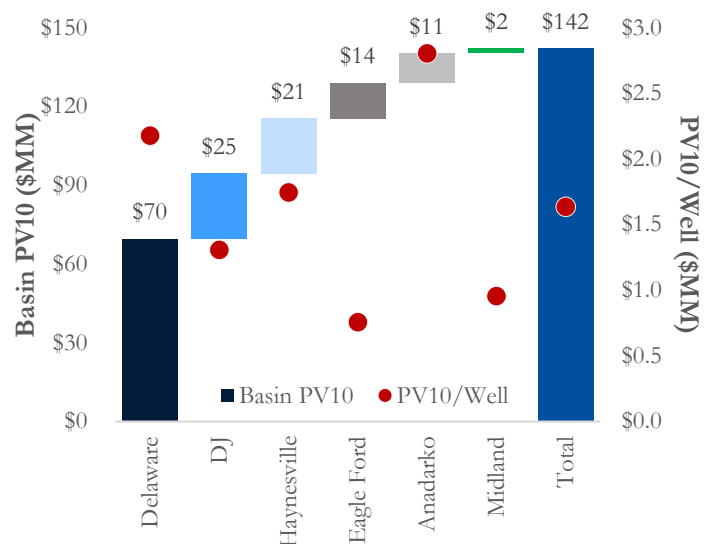
	Gross Wells	Net Boed	Net Reserves					NPV	
			Oil (MBbl)	Gas (MMcf)	NGL (MBbl)	Total Mboe	% Liquid	PV0 (\$MM)	PV10 (\$MM)
Proved Developed Producing									
Delaware	32	1,621	1,739	8,557	229	3,394	58%	\$119.3	\$69.7
Denver-Julesburg	19	979	466	4,628	669	1,906	60%	43.4	24.8
Haynesville	12	876	0	11,547	0	1,924	0%	38.7	20.9
Eagle Ford	18	242	510	376	74	647	90%	22.0	13.6
Anadarko	4	290	120	3,828	229	987	35%	21.1	11.2
Midland	2	63	41	417	70	180	61%	2.9	1.9
Total PDP	87	4,070	2,876	29,352	1,271	9,039	46%	\$247.4	\$142.3
Grand Total	87	4,070	2,876	29,352	1,271	9,039	46%	\$247.4	\$142.3



Decline Rate vs. Prod. Mos. | Predictable Yield



PV10 by Basin | Well-Distributed Value



Note: All metrics are based on preliminary reserves as of January 1, 2023 using current strip pricing.

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


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Process Calendar

January 2023						
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				

February 2023						
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				

-  VDR Opens
-  Evaluation Period
-  Bids Due
-  Holidays

Merced anticipates a simultaneous PSA execution & transaction closing mid-March 2023.

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