

2023 Toro Field Area Acquisition Opportunity

Elk River Resources, LLC



Elk River Resources, LLC (“Elk River”) has retained Detring Energy Advisors to market for sale its oil and gas leasehold in **a single operated, HBP, stand-up 640-acre unit (100% WI & 75% NRI)** in Reeves County, Texas. The asset offers an attractive opportunity to acquire (i) **420 Boed of net production** from 5 horizontal Wolfcamp A wells; (ii) **\$4.3MM in NTM PDP cash flow**, underpinning future development capital with low lifting costs; and (iii) **4 additional two-mile horizontal development locations in proven Bone Spring targets** with **multiple nearby analogs** showcasing redevelopment above existing WCA producers with strong results.

\$4.3MM Op. CF (NTM PDP)

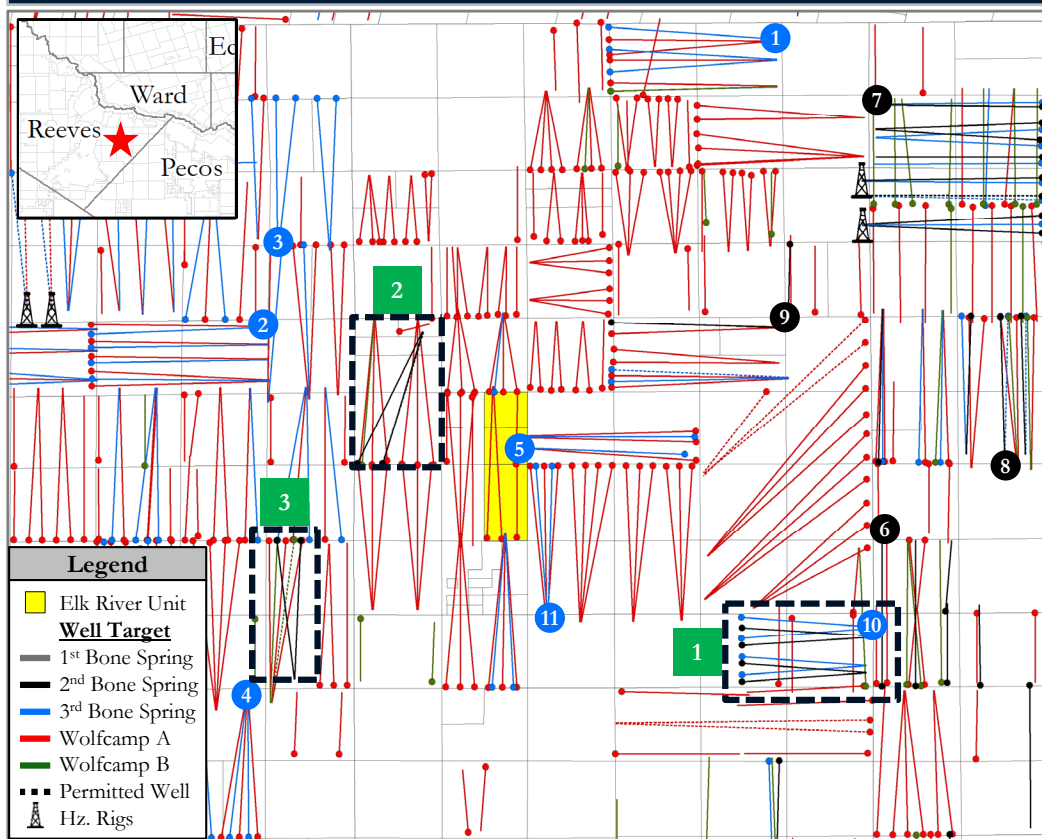
420 Boed | ~60% Oil

- Oil-rich production generated from 5 Wolfcamp A horizontal wells
 - PDP PV10: \$18MM
- Low-cost, high-margin production
 - LTM lifting cost of \$14/Boe
- Operated, HBP position with developmental control
 - 640 gross/net acres
 - 100% WI / 75% NRI

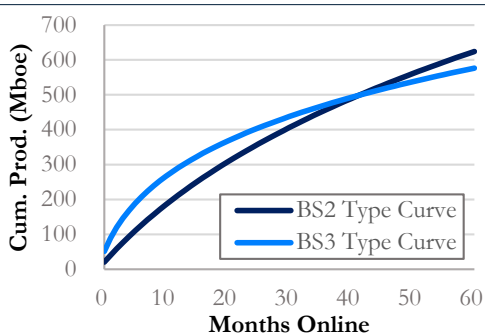
Four Undev. Locations Across Proven Bone Spring Targets

- De-risked position offset by active rigs and recent completions
- Chevron and Patriot demonstrated nearby return development in the Bone Spring over existing Wolfcamp wells
 - Robust type curves generate IRR’s >60% and EURs >120 MBoe/Mft
 - 3P Net Reserves: ~6 MMBoe
 - 3P PV10: ~\$55MM

Location Map | Reeves County, Texas



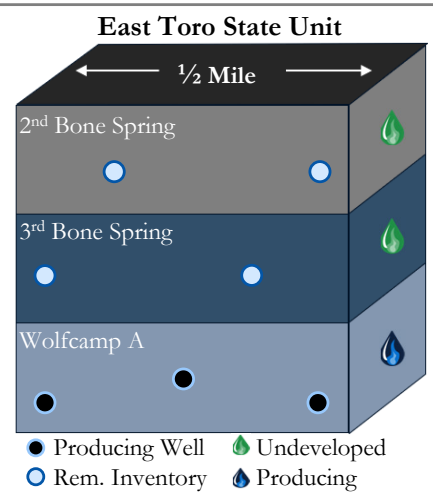
Strong Well Performance



Attractive Offsetting Activity

No.	Well Name	Operator ⁽³⁾	IP30/TLL (Boed/Mft)
1	State Sarah Link 3-2-1W 81H	Permian Res.	272
2	Cooper 27-26 North Unit 81WH	Occidental	253
3	Gigi State 12-13-2N 82H	Occidental	241
4	Bexar 11-14 East Unit 10H	Chevron	117
5	Mosaic State Unit 33-34 2H	Forge Energy	112
6	Reedback State Unit 25A61 61H	PRI Operating	95
7	Brickyard Unit 12E61 61H	PRI Operating	95
8	Viper 14N62 62H	PRI Operating	81
9	Roan State 24 51H	Permian Res.	78
10	African Lion State Unit 1W33 33H	PRI Operating	68
11	Rev Gf State T7 50 458H	Chevron	41
Average			132

Gun Barrel Diagram⁽²⁾



Area	EUR (1)			IP-30(1)	
	Total (Mboe)	Mboe/Mft	% Liq	Total (Boed)	Boed/Mft
BS3	1,220	125	84%	1,800	185
BS2	1,650	200	91%	700	85
Avg.	1,435	165	88%	1,250	135

No.	Unit	Operator ⁽³⁾	WCA Count	BS2/3 Count	Redev. Year
1	African Lion State	PRI Operating	2	8	2023
2	Reeves State T7	Chevron	3	3	2022
3	REV BX State	Chevron	3	2	2023

Note: All metrics based on preliminary reserves as of July 1, 2023 at current strip pricing. 1. Volumes norm. to 10,000 TLL. 2. Represents remaining inventory (spacing not to scale). 3. Patriot and Forge recently acquired by VTX and Vital/Northern, respectively.

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Process Timeline

July 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					

August 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		

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Elk River anticipates PSA execution by late August and closing by September 2023.

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 and do not contact Elk River directly.

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