

# Operated Kansas Water Flood Opportunity

PanHugoton Partners

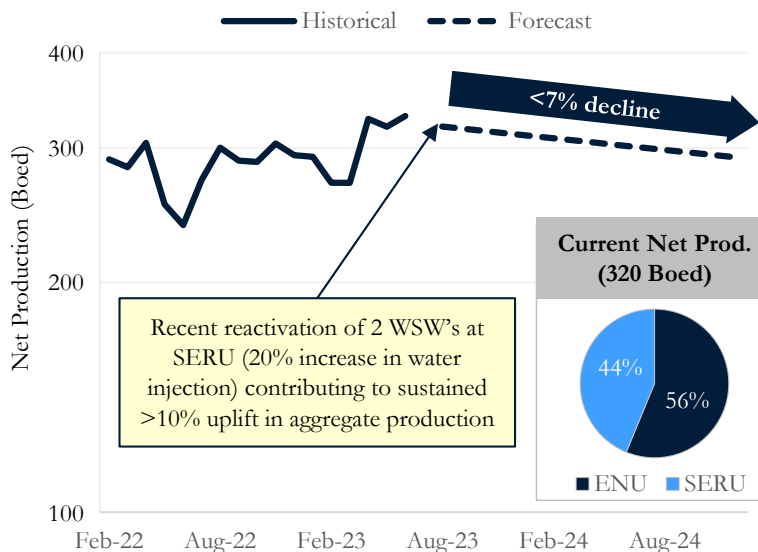


**PanHugoton Partners (“PanHugoton”)** has retained PetroDivest Advisors to market for sale its operated waterflood and conventional producing properties located in Haskell and Morton Counties, Kansas. The assets provide an attractive opportunity to acquire **320 Boed of low-decline, oil-weighted production** concentrated in two long-lived waterflood units generating **\$3.0MM NTM operating cash flow** with low-risk upside potential via **return-to-production, up-hole recompletion, waterflood reactivation, and artificial lift optimization opportunities.**

## Opportunity Highlights

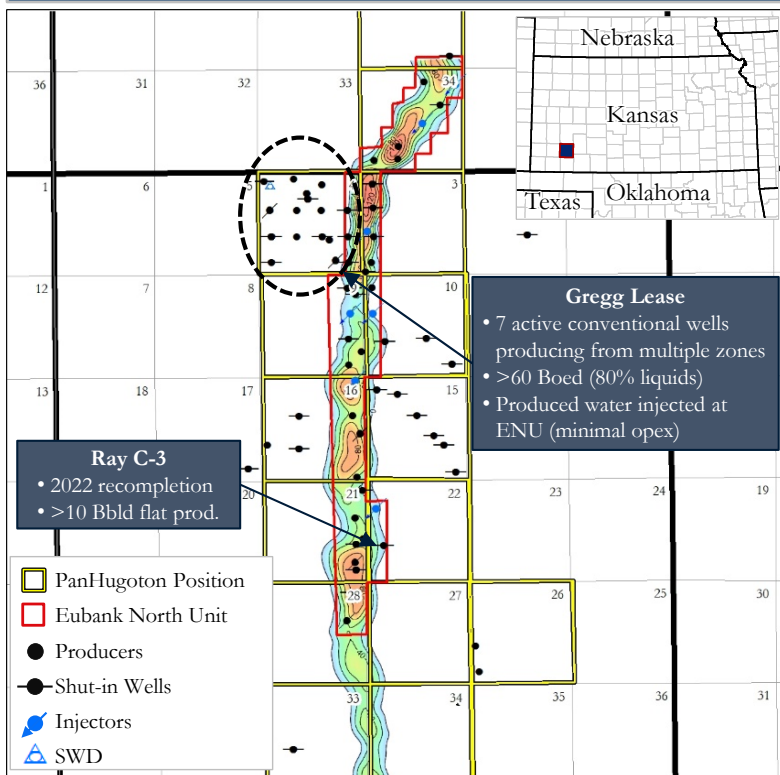
- **320 Boed liquids-rich (~85% liq.) production base on low, steady decline with reliable future cash flow**
  - \$3.0MM NTM op. cash flow (PDP)
  - \$14MM PDP PV10 | 1.6 MMBoe net reserves
- **Eubank North Unit (“ENU”) | Haskell County**
  - Chester incised valley waterflood with additional flood optimization and expansion potential
  - 11 active producing wells and 7 active water injection wells
  - Three near-term RTP opportunities to add 21 Bbld production (~14% increase in total ENU oil production)
- **Stirrup Enhanced Recovery Unit (“SERU”) | Morton County**
  - Middle Morrow sand waterflooded in a pattern drive with Kansas City behind-pipe potential
  - 10 active producing wells and 8 active water injection wells
  - Three near-term RTP opportunities to add 16 Bbld production (~18% increase in total SERU oil production)
  - Recent up-hole Kansas City interval test validating additional up-hole recompletion opportunities
- **High-margin, low-operational-burden conventional producers offsetting ENU & SERU benefit from shared infrastructure, contributing meaningful production and FCF**

## Stable, Low-Decline Oil Production

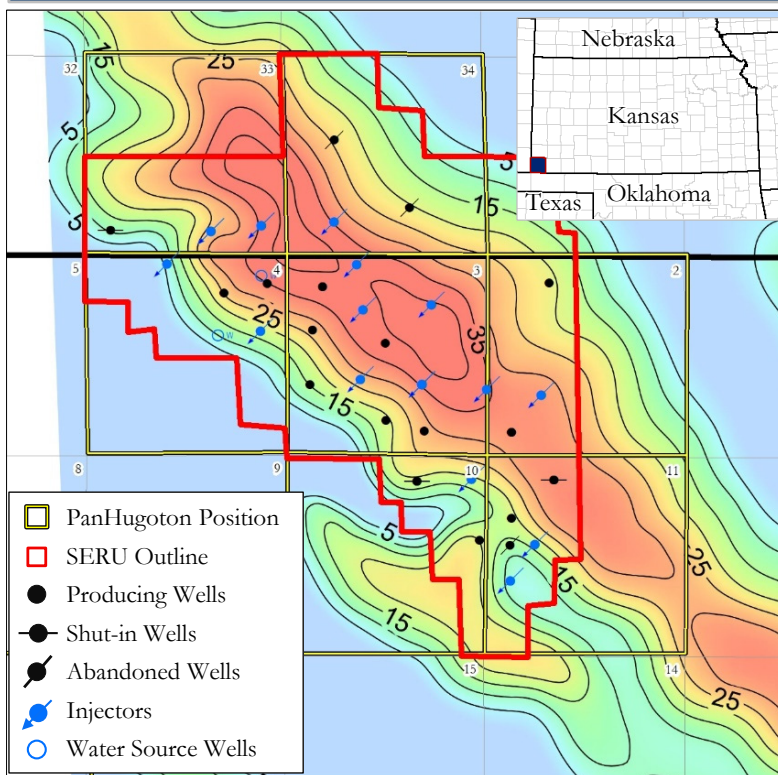


Legacy oil-producing asset with low annual declines serves as a resilient cash flow engine. The asset continues to respond to various methods of raising production and arresting decline, providing decades of future yield.

## Eubank North Unit (“ENU”)



## Stirrup Enhanced Recovery Unit (“SERU”)



Note: All metrics based on preliminary reserves as of September 1, 2023, using 5-year NYMEX strip pricing as of 7/11/2023.

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## Process Calendar

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
- Data Rooms
- Bids Due
- Holidays

PanHugoton anticipates PSA execution by mid-September and closing by October 2023.

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Please contact Jerry Edrington to request access to the virtual data room or to learn more about this opportunity. Please route all communications through PetroDivest Advisors and do not contact PanHugoton directly.

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