

# Diversified Wellbore-Only Opportunity

Merced Capital



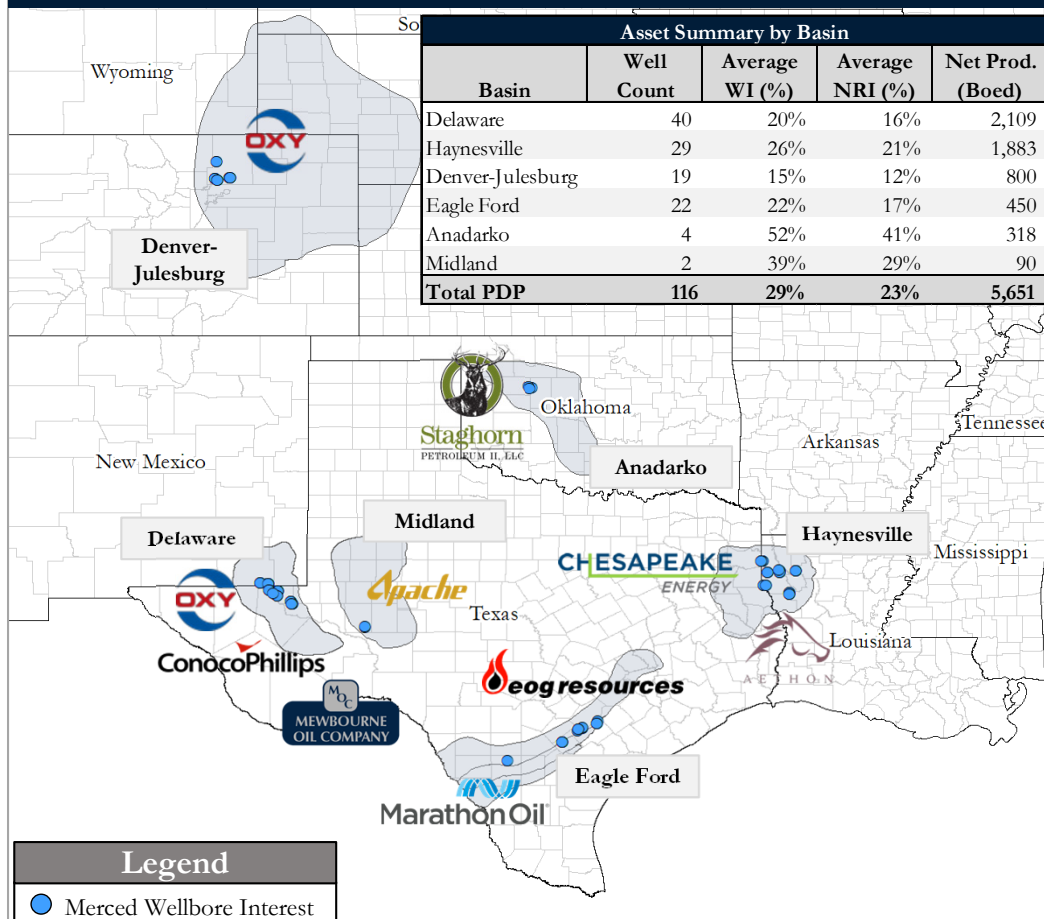
**Merced Capital** has retained Detring Energy Advisors to market for sale its diversified non-operated wellbore-only producing assets located in six of the most prominent basins across the Lower 48. The assets offer an attractive opportunity to acquire a **liquids-rich revenue stream (~75% liquids)** with **established, proven production (~5,700 Boed)** generating **meaningful cash flow (\$45MM 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

~5,700 Boed | ~45% Liquids

- Hydrocarbon agnostic net production comprised of 1,600 Bopd (oil), 19.5 MMcfd (gas), and 820 Bpd (NGL)
  - PV10: \$165MM
  - Net Reserves: 12.1 MMBoe
  - Well Count: 116 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<sup>(1)</sup>



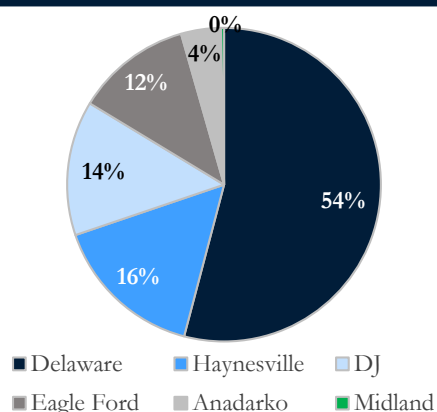
## Robust, Stable Cash Flow

\$45MM NTM | Established Declines

- Well-balanced wellbore package with easily forecastable production histories and negligible concentration risk
  - Average historical production of 34 months per wellbore
  - Meaningful well count virtually eliminates concentration risk
- The assets generate healthy returns with an operating cash margin of ~\$35/Boe (LTM) underpinned by low lifting costs of ~\$3/Boe (LTM)
- High interests avg. 29% WI / 23% NRI

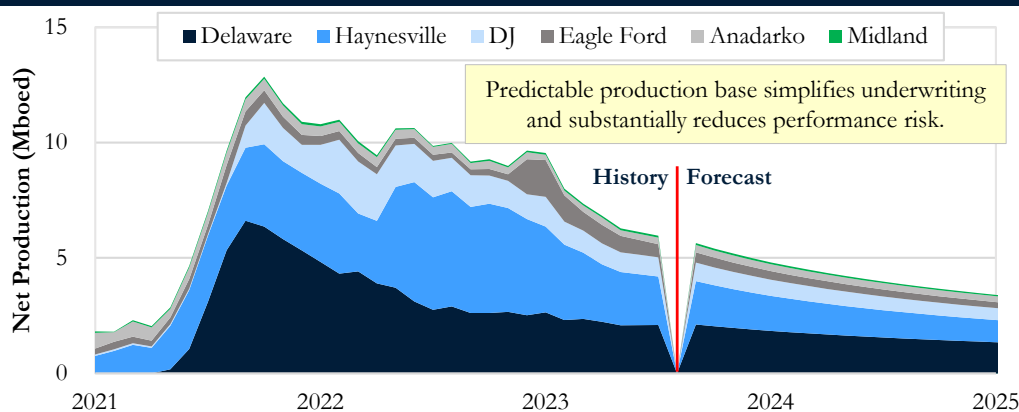
## PV10 by Basin | \$165MM

Diverse Geographic Exposure



## Balanced & Stable Production Base

~45% Liquids | 34% NTM Decline (22% 2025E)



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

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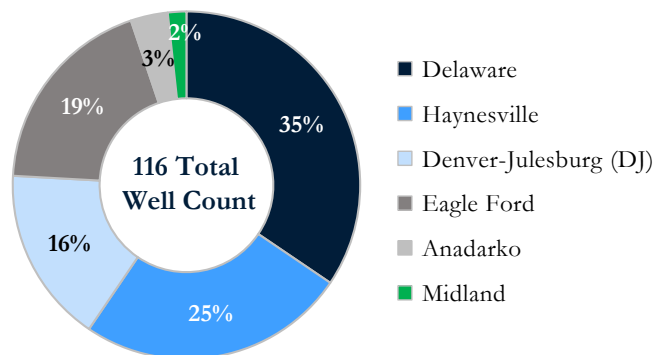
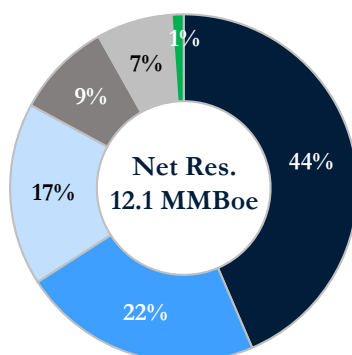
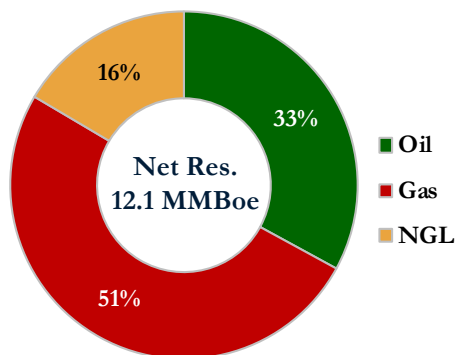
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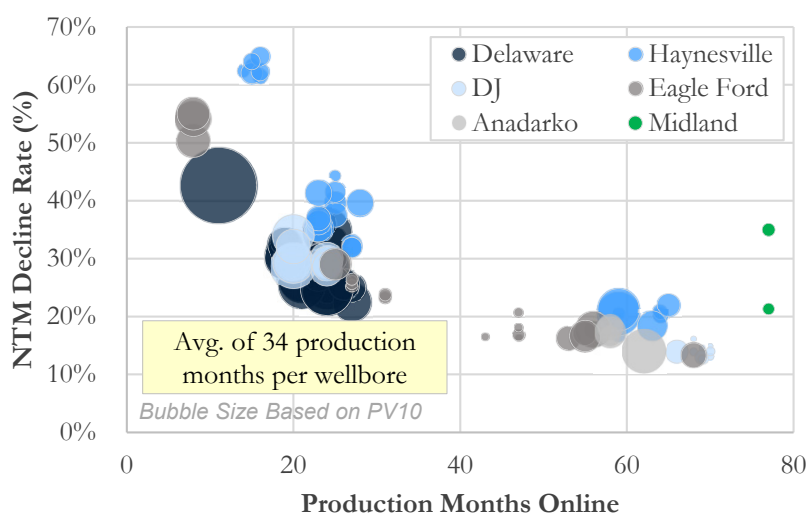
Merced's assets offer a unique opportunity to acquire a **diverse portfolio of non-operated wellbore-only assets** boasting **meaningful net reserves of ~12.1 MMBoe** and **~\$165MM in PV10 value**. The portfolio is primarily located in the **Delaware Basin, DJ Basin, and Haynesville** with exposure 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 September 1, 2023

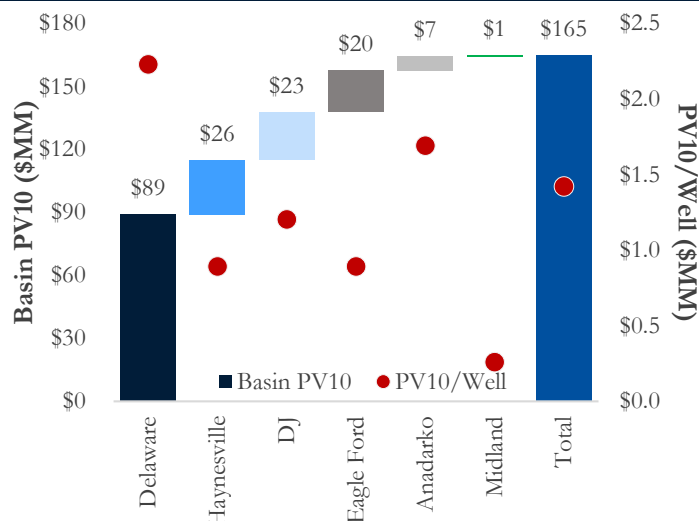
	Gross Wells	Net Boed	Net Reserves					NPV	
			Oil (MBbl)	Gas (MMcf)	NGL (MBbl)	Total Mboe	% Liquid	PV0 (\$MM)	PV10 (\$MM)
<b>Proved Developed Producing</b>									
Delaware	40	2,109	2,729	11,333	633	5,251	64%	\$157.8	\$89.2
Haynesville	29	1,883	0	16,157	0	2,693	0%	42.6	25.9
Denver-Julesburg	19	800	459	4,362	865	2,052	65%	44.3	22.9
Eagle Ford	22	450	703	895	226	1,078	86%	31.7	19.7
Anadarko	4	318	67	3,412	212	847	33%	11.8	6.8
Midland	2	90	16	403	52	135	50%	0.6	0.5
<b>Total PDP</b>	<b>116</b>	<b>5,651</b>	<b>3,974</b>	<b>36,562</b>	<b>1,987</b>	<b>12,055</b>	<b>49%</b>	<b>\$288.7</b>	<b>\$165.0</b>



## Decline Rate vs. Prod. Mos. | Predictable Yield



## PV10 by Basin | Well-Distributed Value



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

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## Process Calendar

September 2023							October 2023						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7
3	4	5	6	7	8	9	8	9	10	11	12	13	14
10	11	12	13	14	15	16	15	16	17	18	19	20	21
17	18	19	20	21	22	23	22	23	24	25	26	27	28
24	25	26	27	28	29	30	29	30	31				

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Merced anticipates simultaneous PSA execution and closing in mid-November.

## 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 Merced directly.

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