

Howard County Mineral & Royalty Opportunity

Rock Oil Holdings, LLC



Rock Oil Holdings, LLC (“Rock Oil”) has engaged PetroDivest Advisors to market for sale its mineral & royalty interests located in Howard County, Midland Basin, **primarily underneath active and well-capitalized SM Energy (“SM”)**. The assets provide an attractive opportunity to acquire:

- (i) **~2,200 Net Royalty Acres** generating **\$2.4MM in NTM cash flow**; (ii) **high-interest units (up to ~7% RI)** primed for development as SM pivots to its remaining, actionable inventory; and
- (iii) **330 undeveloped locations across six highly economic target horizons (~60% under SM)**.

\$2.4MM NTM Cash Flow

Primed For Pad Dev’t & Growth

- **180 producing wells delivering stable base of existing cash flow**
 - **PDP PV10:** \$7.9MM
 - **PDP NTM CF:** \$1.7MM
- **Majority operated by SM Energy**
 - SM operates 70% of Rock Oil’s net production and 90% of its NRA
 - Other operators include Vital, Sinclair (SOGC), Callon and OXY

~2,200 Net Royalty Acres

Well-Positioned High-Interest Units

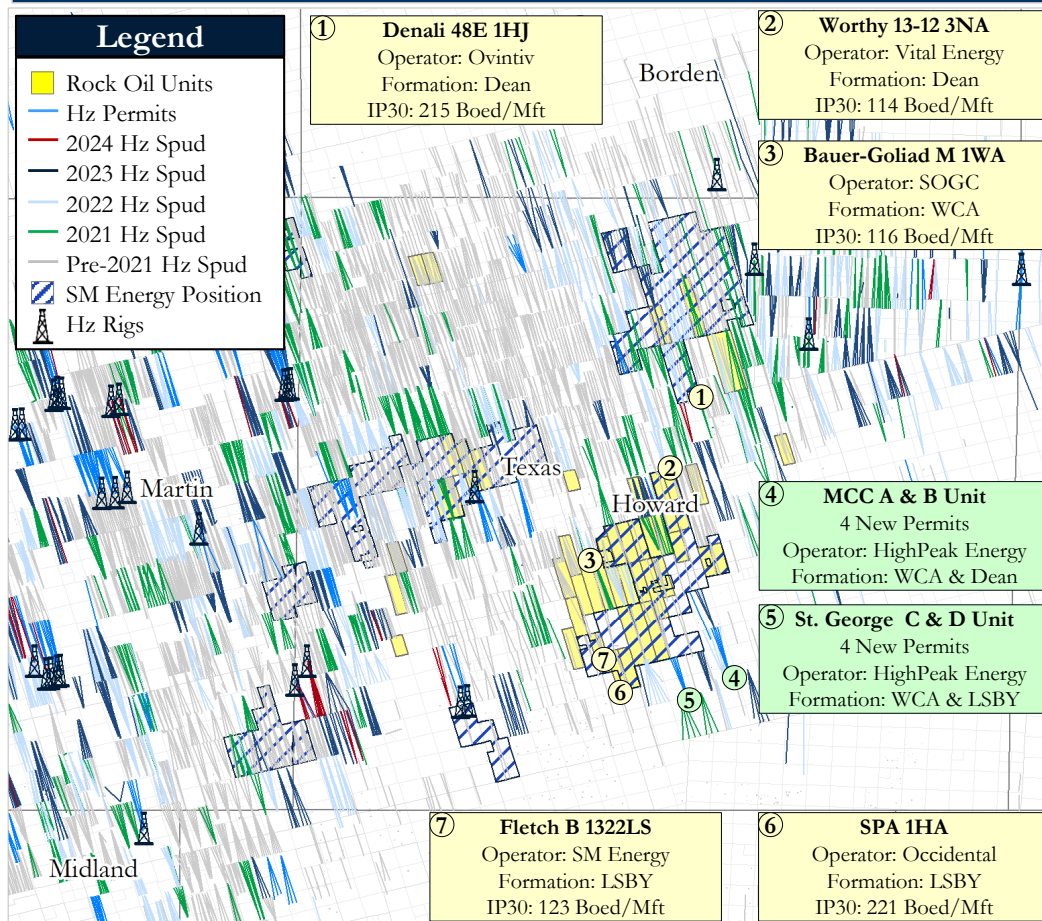
- **High-interest units (up to ~7% RI)**
 - Highest interest acreage in prime drilling fairway well-positioned for imminent development
- **SM Energy is focused on Howard County with the majority of its remaining N. Midland Basin inventory (~50%+) under Rock Oil’s footprint⁽¹⁾**
 - Rock Oil positioned under SM’s key remaining scalable inventory
 - SM Energy well performance in the county outperformed peers by 30%

330 Undeveloped Locations

~35% Hz Developed⁽¹⁾

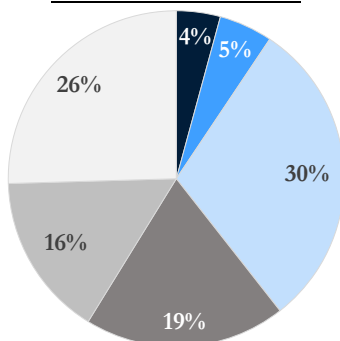
- **Imminent potential development set to substantially accelerate royalty value**
 - **3P PV10:** \$47MM (\$100MM+ PV0)
 - **3P Net Reserves:** 2.2 MMBoe
- **Proven primary horizontal targets across the Middle Spraberry, Jo Mill, Lower Spraberry Shale, and Wolfcamp A, Wolfcamp B, and Wolfcamp D**
 - Position surrounded by recent permits and multi-bench pad development
 - Estimated operator avg. IRR of 70%

Location Map | Howard County, Midland Basin



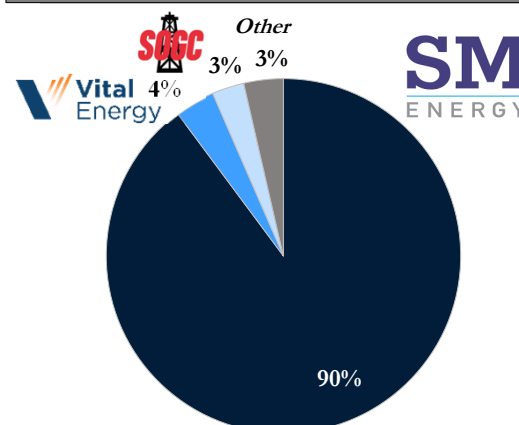
High-Interest Units Six Prolific Horizontal Targets

330 Hz Locations



■ MSBY ■ JoMill ■ LSBY ■ WCA ■ WCB ■ WCD

~2,200 NRA, 90% Operated By Top-Performing SM Energy



Note: All metrics based on preliminary reserves as of 3/1/24 at current strip pricing. Net Royalty Acres (“NRA”) normalized to 1/8th royalty. 1. Based on PetroDivest analysis.

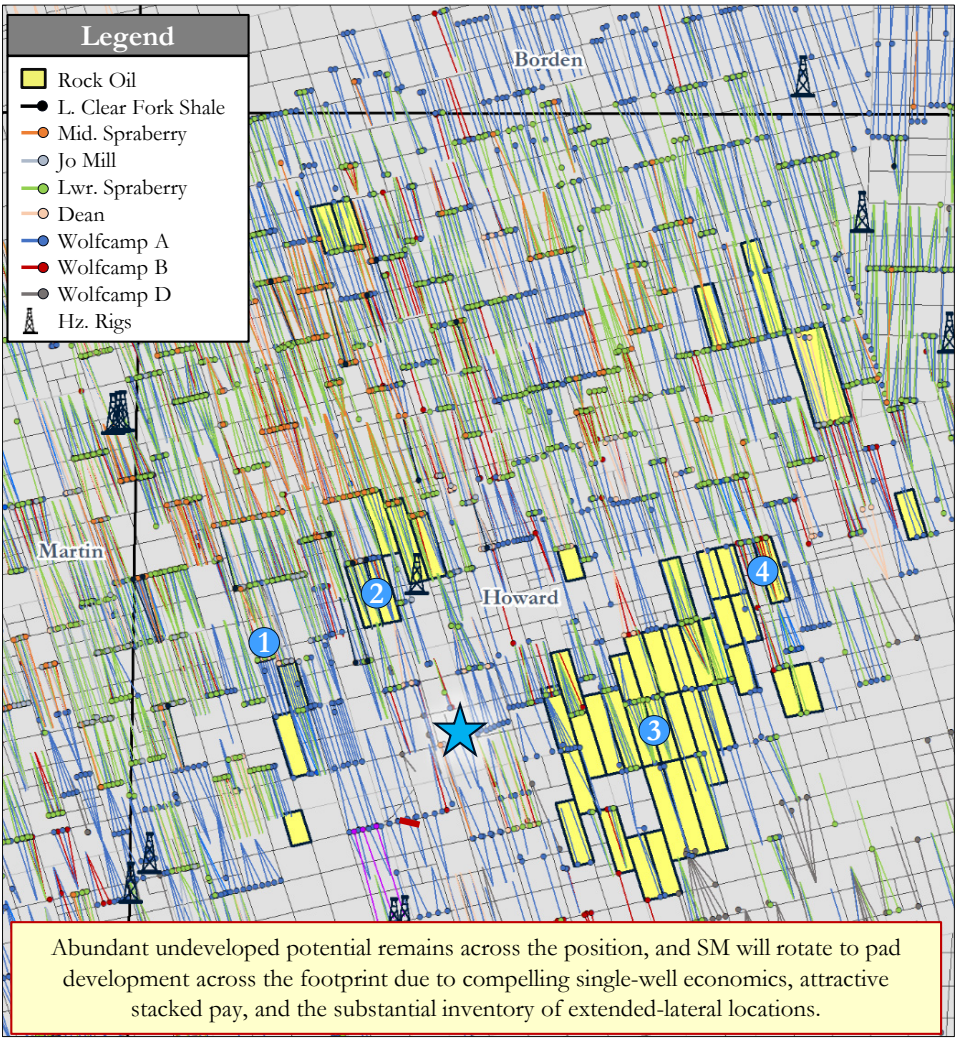
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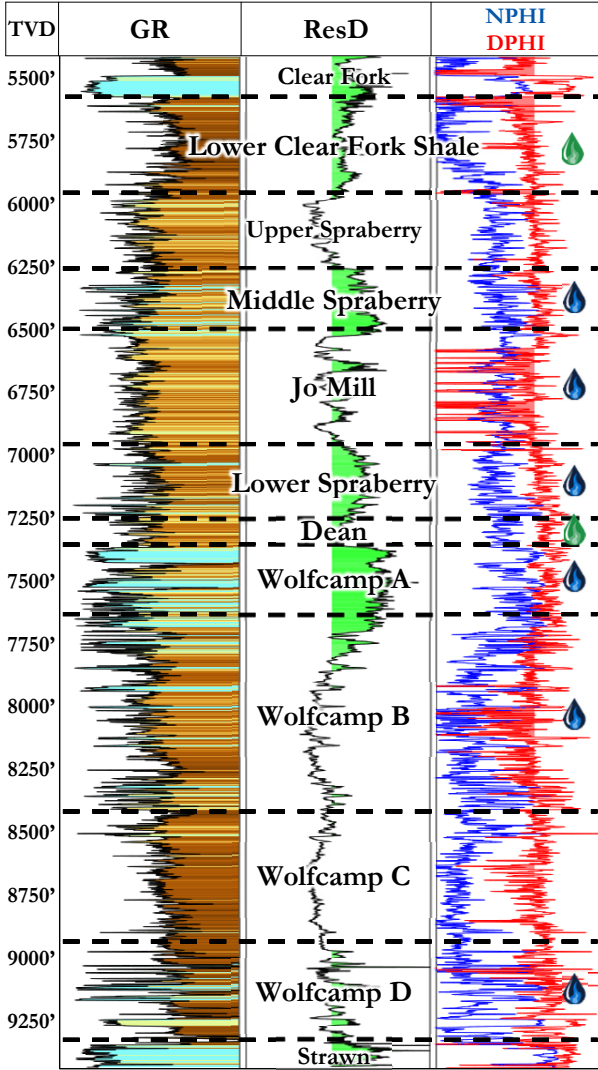


Rock Oil’s position is located within Howard County within the Midland Basin where ~3,500’ of stacked reservoir targets across six separate benches have been drilled and delineated with great success on and offsetting the acreage. As proximal inventory becomes developed, operators are continuously looking to push development trends outwards and test additional benches like the Lower Clear Fork Shale and Dean. Rock Oil’s position boasts vast undeveloped potential in a proven area of the basin.

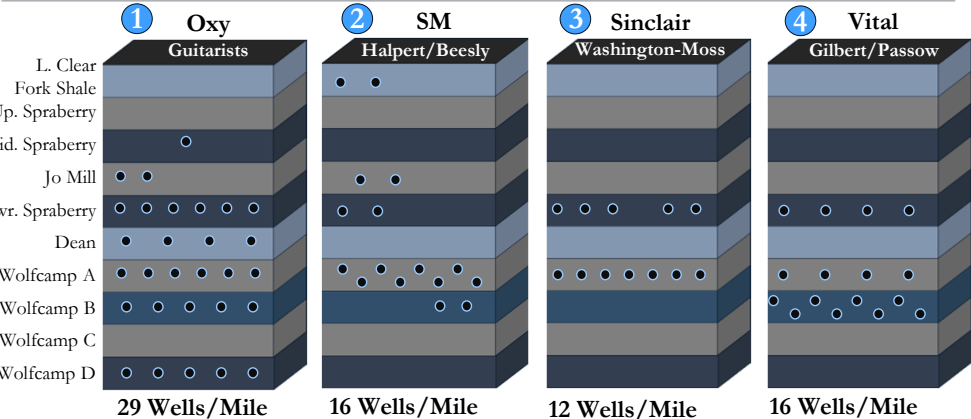
Substantial Remaining Inventory Across the Position



Regional Type Log⁽¹⁾



Stacked-Pay Delineation Surrounds Rock Oil’s Footprint



Rock Oil Remaining Inventory

Credibly Booked Based on Geologic Interpretation

Formation	Wells/Mile ⁽²⁾	Rem. Inv.
L. Clear Fork Shale	Upside	Upside
Middle Spraberry	4	14
Jo Mill	4	17
Lower Spraberry	6	99
Dean	Upside	Upside
Wolfcamp A	6	64
Wolfcamp B	6	52
Wolfcamp D	4	84
Total	NA	330

1. API No. 4222736160000. 2. Where zone is viable.

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Rock Oil Holdings, LLC



Process Timeline

March 2024						
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						

April 2024						
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				

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Rock Oil anticipates PSA execution by early May closing by the end of June.

Contact Information | PetroDivest Advisors



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Please contact Jerry Edrington to request a confidentiality agreement or to learn more about this opportunity. Please route all communications through PetroDivest and do not contact Rock Oil directly.

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