

# Operated Kansas & Oklahoma Opportunity



## PanHugoton Partners

**PanHugoton Partners** (“PanHugoton”) has retained Detring Energy Advisors to market for sale its oil and gas leasehold, conventional producing properties, and royalty interests across prolific Kansas and Oklahoma oil-producing fields. The assets offer an attractive opportunity to acquire (i) **~1,500 Boed of low-decline, liquids-weighted net production from conventional fields** with established operations and highly accretive development opportunities; (ii) **\$15MM NTM PDP Cash Flow** sustained by dependable well performance and low operating costs; and (iii) **low-cost upside opportunities** including **waterflood projects, recompletions, and new locations**.

### Oil Rich Production Base

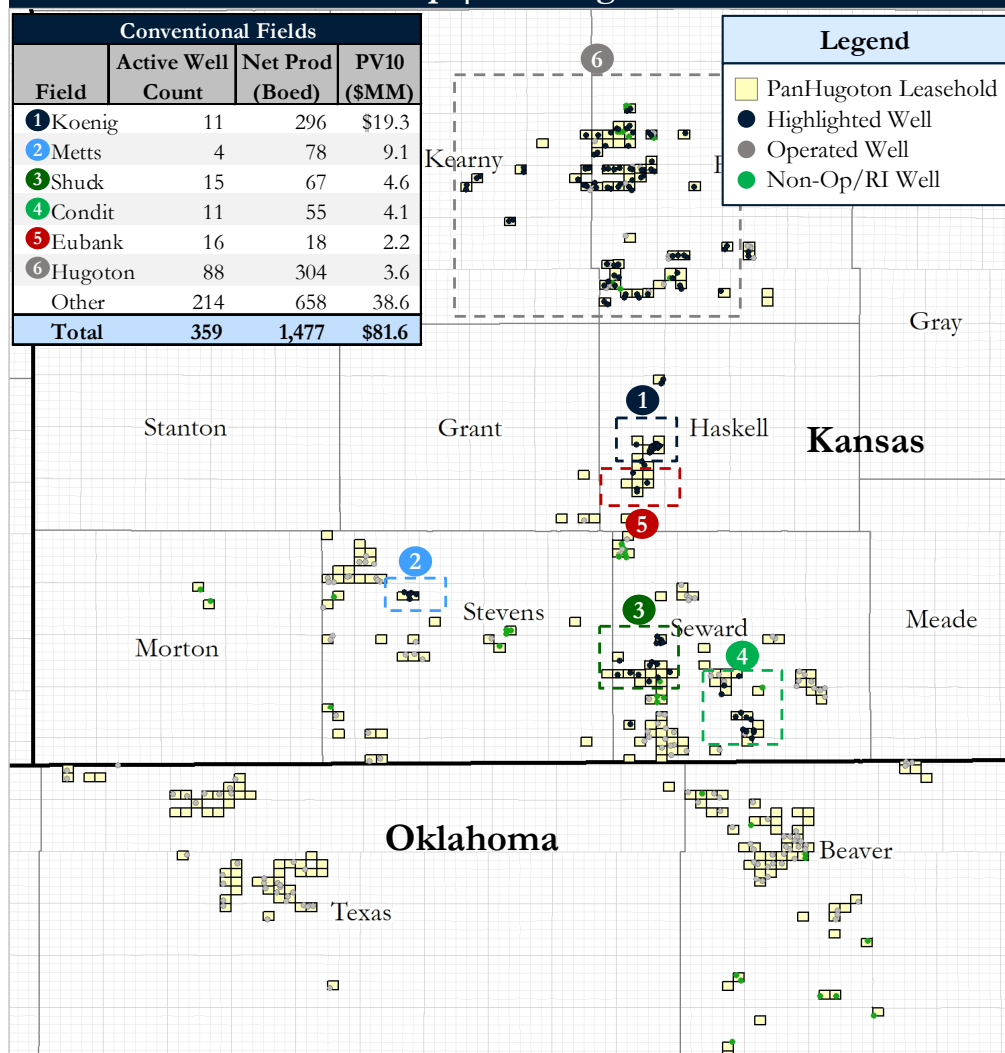
1,500 Boed | \$15MM NTM PDP CF

- **Robust liquids-weighted production (~65% liquids) from ~340 producers**
  - PDP PV10: \$73MM
  - PDP Net Reserves: 7.7 MMBoe
  - Well Count: 339 Prod./7 Inj./13 SWDs
- **Steady low-decline production base with low lifting costs (~\$12/Boe) generates enhanced operated cash flow margins**
  - NTM PDP Net Cash Flow: \$14.8MM
  - NTM Production Decline: ~7%

### Remunerative, Low-risk Proven Upside Opportunities

- **Opportunities to uplift production via proven development areas with highly economic inventories of PUD, workovers and waterflood enhancements**
  - Aggregated Average ROI-D: 2.6x
  - Aggregated Average IRR: 50%
- **Future development opportunities are 100% funded through PDP cash flow**
- **Multiple low-cost capital projects offer material value acceleration**
  - 3P PV10: \$82MM
  - 3P Net Reserves: 8.3 MMBoe
  - Development Capital: \$5.7MM

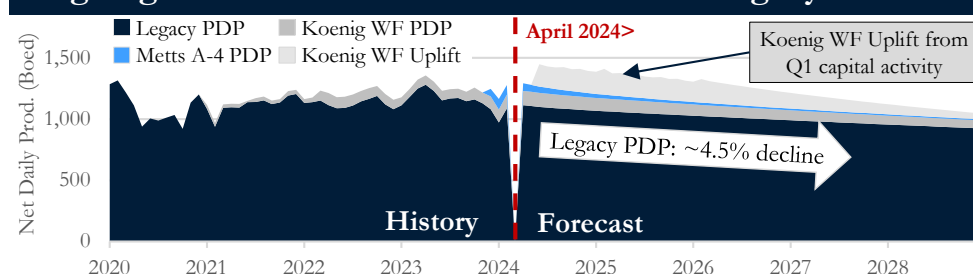
### Location Map | PanHugoton Assets



### Established Conventional Assets With Modern Facilities

- **Major field upgrades including SCADA and upgraded production facilities**
- **Attractive average 8/8<sup>th</sup> operated net revenue interest at ~85% NRI, enhancing operated asset economics**
- **Established operations across the position with 13 SWDs and facilities to accommodate future upside development**

### Ongoing Waterflood Enhancement & Stable Legacy Production



Low-decline, legacy base production elevated by recent uplift and ongoing production response from completed production enhancement activities.

Note: All values, including cash flow, reserves, PV10, and IRR's, are based on an effective date of 6/1/2024 and five-year NYMEX strip as of 4/9/2024. ROI-D is a 10% discounted return-on-investment.

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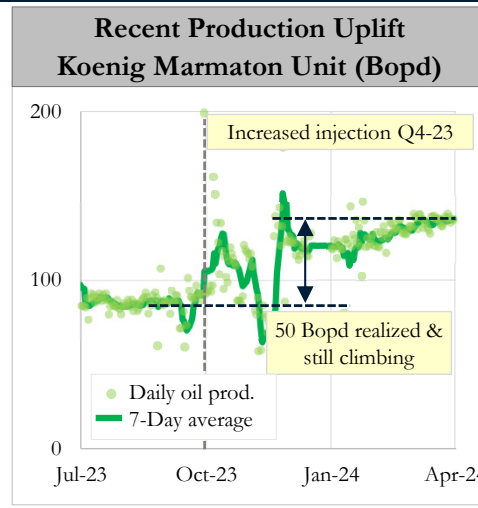
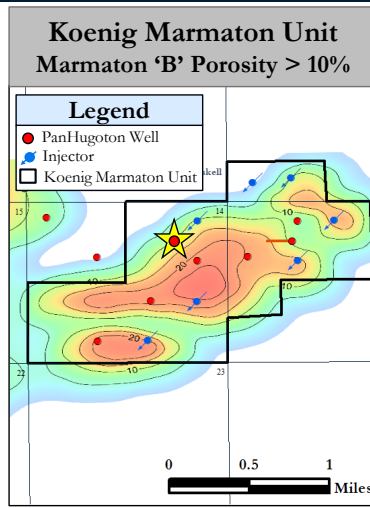
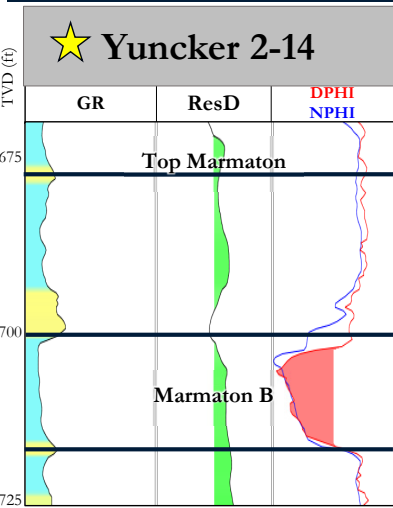
PanHugoton's position spans much of the Hugoton Embayment region of southwest Kansas and the Oklahoma Panhandle, with production occurring from numerous, stacked conventional reservoir targets. Abundant opportunities to increase reserves include waterflood optimization and expansion efforts, new drills targeting geologically proven reservoirs with offset production, and identified behind pipe opportunities that make excellent up-hole recompletion targets. A proven history of production uplift through both waterflood optimization and up-hole recompletions underscores the viable upside potential across these assets.

### Low-Capital Proven Upside Opportunity

Q1 2024 Executed Projects	Oil Res. (Mbbl)	Capex (\$MM)	PV10 (\$MM)	Reserve Category	Project Summary
Koenig WF Expansion	293	NA	\$11.8	Producing	Capital work completed in Q1-24
Metts A-6 Unit Upgrade	26	NA	0.5	Producing	Capital work completed in Q1-24
<b>Total</b>	<b>320</b>	<b>NA</b>	<b>\$12.3</b>		
Upside Opportunity	Oil Res. (Mbbl)	Capex (\$MM)	PV10 (\$MM)	Reserve Category	Project Summary
Archer South WF	444	4.9	4.3	Undeveloped	Feasibility and capital scoping complete
Metts A-7 PUD	123	0.4	2.4	Undeveloped	Undeveloped location in proven area
Metts A-5 Recompletion	44	0.2	1.5	Behind Pipe	Uphole Recompletion
Bidwell Recompletion	23	0.2	0.4	Behind Pipe	Uphole Recompletion
<b>Total</b>	<b>634</b>	<b>\$5.7</b>	<b>\$8.7</b>		

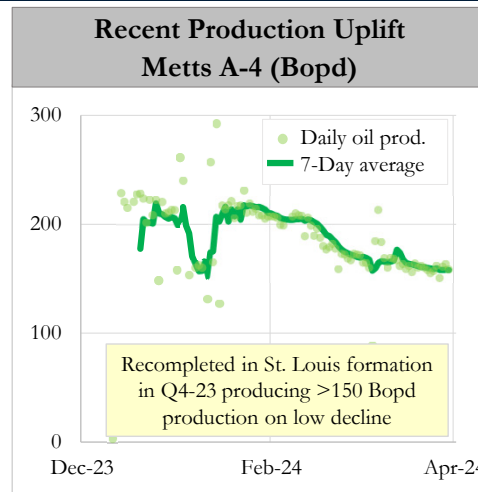
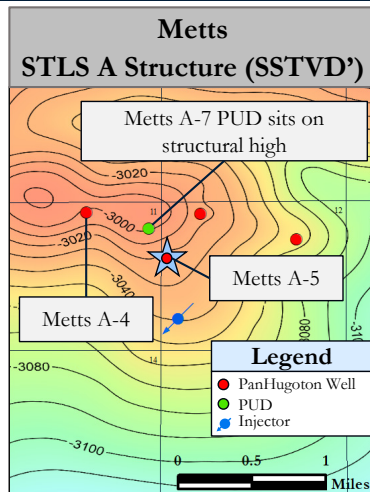
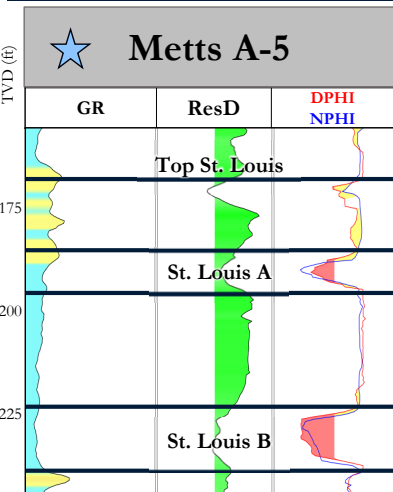
- Recent project successes underwrite upside potential
- Q1 activities bringing additional ~200 Bopd online
- Attractive, low-cost upside potential
  - ROI-D: 2.6x
  - IRR: 50%
- 100% oil-weighted upside
- Reserves backed by volumetric support and recent results

### Koenig Marmaton Unit | Excellent Waterflood Response



- Favorable porosity coupled with a robust waterflood program further bolsters the Marmaton B interval
- Water injection was increased in Nov-23
- 50 Bopd production increase realized from added injection and production is still climbing
- Oil uplift from capital work finished in Q1-24 to further enhance production

### Metts | Oil Upside Opportunity in Structurally Delineated and Charged Reservoir



- Metts A-4 was recompleted in St. Louis formation in early Dec-23
- Initial production of ~230 Bopd IP30 and currently producing >150 Bopd with no water
- Further opportunity to recomplete wells and add producers
- Metts A-7 PUD on structural high with similar performance forecast

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## Process Timeline

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				

May 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	

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays



PanHugoton anticipates PSA execution by late June 2024 and closing by mid-August.

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