

# Operated Central Basin Platform CO<sub>2</sub> Opportunity DETRING ENERGY ADVISORS

## Permian Production Partners

**Permian Production Partners, LLC (“PPP”)** has retained Detring Energy Advisors to market for sale its oil and gas leasehold, conventional properties, and related infrastructure in Ward and Winkler Counties, Texas. The assets offer a unique opportunity to acquire (i) **~2,900 Boed of low-decline, oil-weighted net production** with reliable cash flow from long-life fields with ongoing CO<sub>2</sub> flood operations; (ii) **100% operated & 100% held-by-production position of ~60,000 net acres**, which allows for continued operational optionality; and (iii) **robust upside opportunities** including **CO<sub>2</sub> flood expansion** via northern and southern areal expansion, **vertical EOR expansion** offering access to additional reserves in uncompleted zones, and **expansion of CO<sub>2</sub> recycle facilities**, adding additional compression capacity to bring CO<sub>2</sub> flood patterns online.

### Oil-Rich, Conventional Production

~2,900 Boed | Stable, Low Decline

- **Robust liquids-weighted production (~100% oil) generating ~2,900 Boed**
  - PDP PV10: \$68MM
  - ~1,000 active producers, ~600 active injectors, and 2 water supply wells
  - Avg. WI of 99% and avg. NRI of 81% with an elevated lease NRI of 82%
- **Steady, low-decline production from long-life fields with both primary production and active EOR operations**
  - 8% NTM production decline

### ~60,000 Concentrated Net Acres

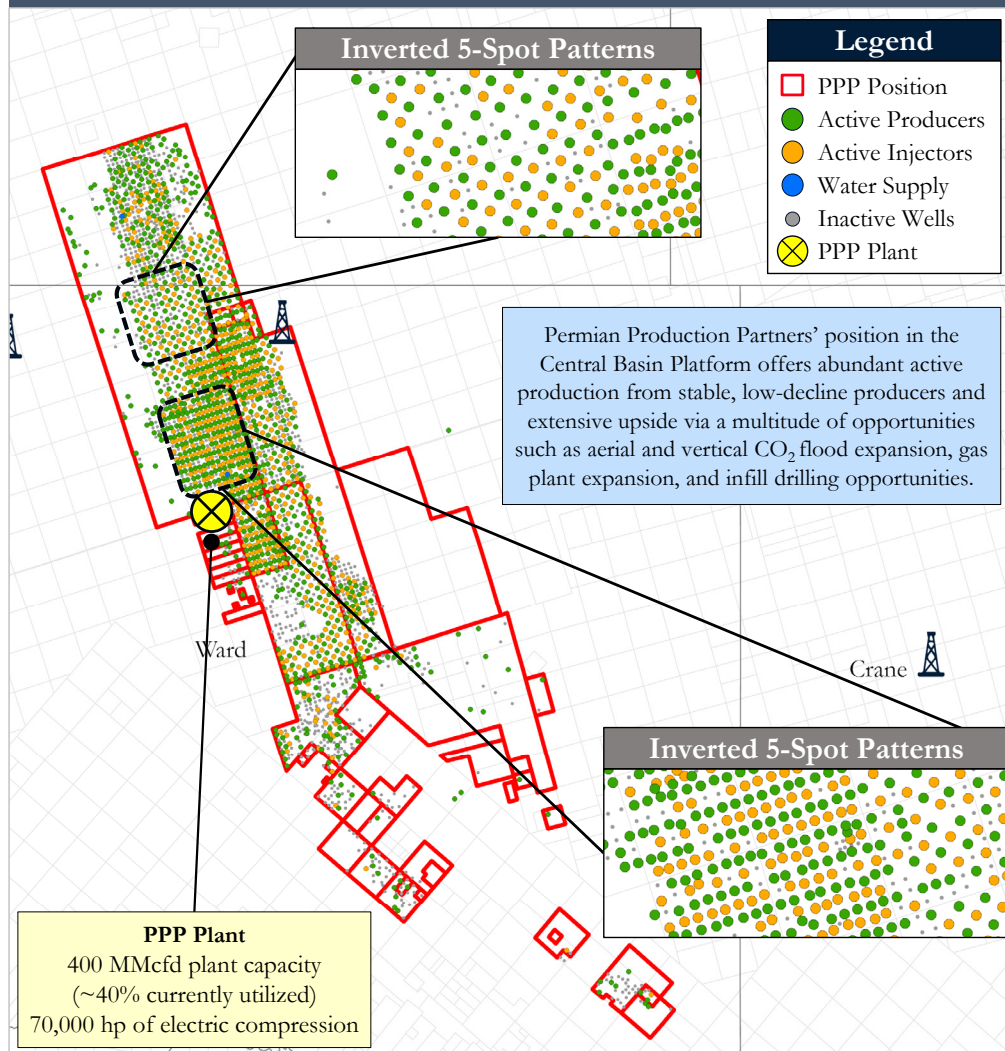
100% HBP | 100% Operated

- **Active enhanced oil recovery operations in Ward and Winkler Counties, Texas**
  - Consolidated, contiguous operated position with advantageous gathering and processing infrastructure
- **Stacked-pay throughout the region enables long-term production uplift**
  - Potential vertical expansion from the Yates through the Queen Sands

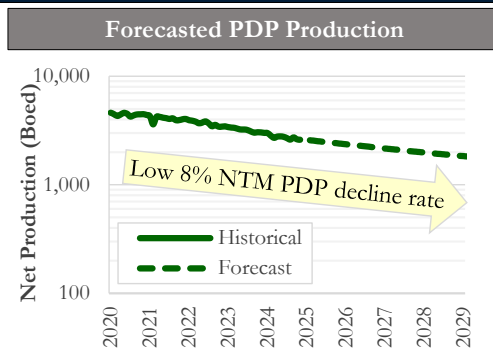
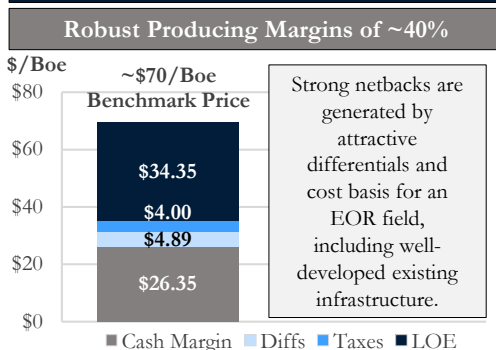
### Profound Upside via Abundant High-Return Opportunities

- **Opportunities to uplift production via vertical recompletion, aerial pattern expansion, and gas facility expansion**
- **Future development opportunities can be 100% funded through PDP cash flow**
  - 3P PV10: \$1.4Bn
  - 3P Net Reserves: 144 MMBoe
- **Multiple high-return capital projects offer material revenue acceleration**
  - Potential to quadruple production from de-risked upside projects

### Location Map | Central Basin Platform



### Stable Legacy Production & Ongoing CO<sub>2</sub> Flood Enhancement



Note: All values, including cash flow, reserves, PV10, and IRRs, are based on an effective date of 1/1/2025 and five-year NYMEX strip as of 1/21/2025.

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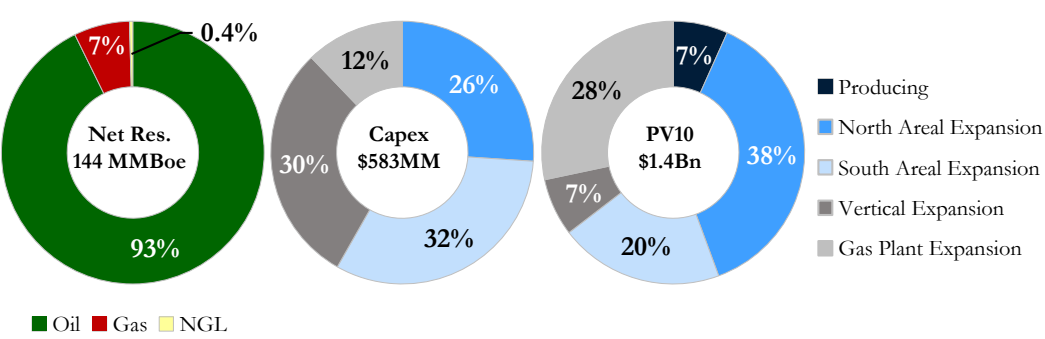
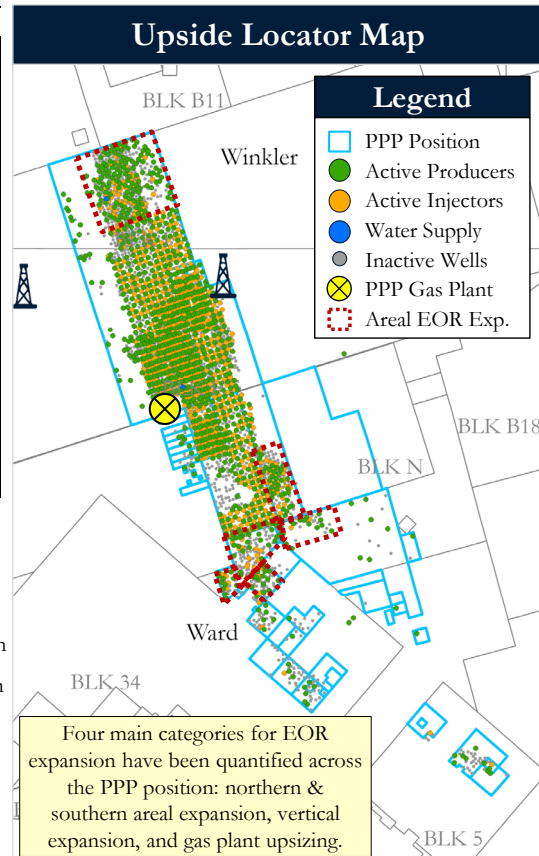
## Permian Production Partners

### Significant, Oil-Weighted Production & Development Potential

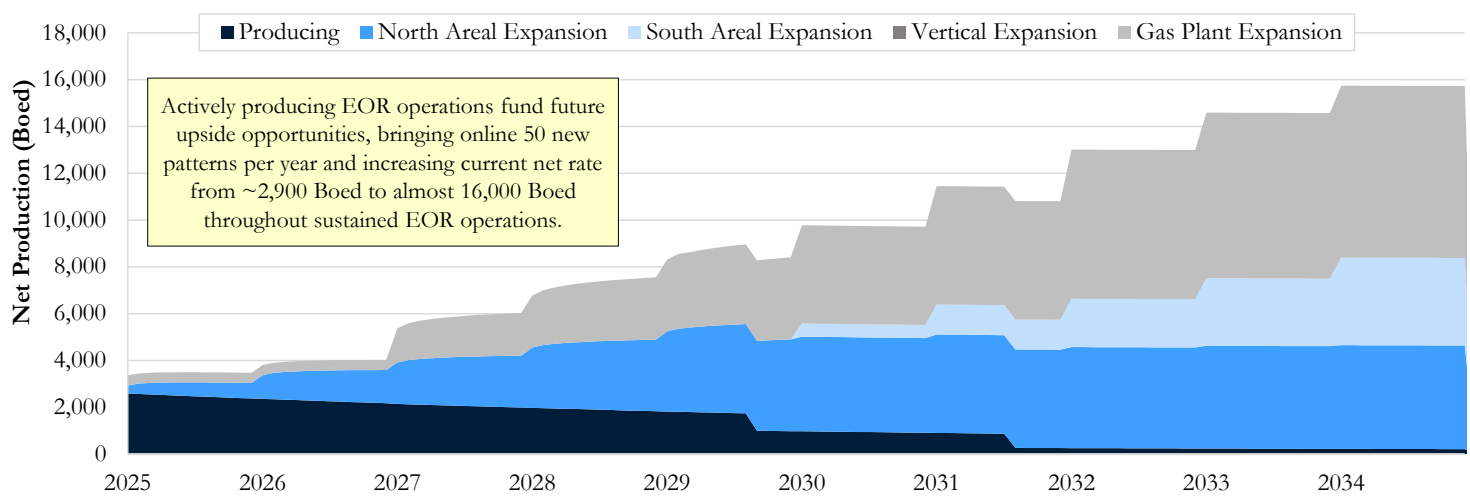
Permian Production Partner's assets are located conveniently in the Central Basin Platform, with ample infrastructure and takeaway capacity. PPP also owns and operates their gas processing facility, which provides flexibility with future operational strategies. The remaining reserves across the position are 93% oil, which provides robust operating cash margins and funds future upside possibilities through free cash flow. Because of the optionality available on the position with the gas plant and infrastructure in place, future upside operations can be commenced as soon as possible.

### Profound Remaining Oil-Rich Reserves in the Highly Coveted Central Basin Platform

|                                 | Net Boed     | Net Reserves |             |             |              |             | CAPEX & NPV  |                |
|---------------------------------|--------------|--------------|-------------|-------------|--------------|-------------|--------------|----------------|
|                                 |              | Oil (MMBbl)  | Gas (Bcf)   | NGL (MMBbl) | Total MMBoe  | % Oil       | CAPEX (\$MM) | PV10 (\$MM)    |
| <b>Proved Producing</b>         |              |              |             |             |              |             |              |                |
| <b>Total Proved Producing</b>   | <b>2,593</b> | <b>5.2</b>   | <b>1.5</b>  | <b>0.3</b>  | <b>5.7</b>   | <b>91%</b>  | <b>\$0</b>   | <b>\$68</b>    |
| <b>Existing Gas Plant</b>       |              |              |             |             |              |             |              |                |
| Areal Flood Expansion - North   | NA           | 42.8         | 0.0         | 0.0         | 42.8         | 100%        | \$152        | \$547          |
| Areal Flood Expansion - South   | NA           | 42.8         | 0.0         | 0.0         | 42.8         | 100%        | 188          | 313            |
| Vertical Flood Expansion        | NA           | 19.5         | 0.0         | 0.0         | 19.5         | 100%        | 173          | 98             |
| <b>Total Existing Gas Plant</b> | <b>NA</b>    | <b>105.1</b> | <b>0.0</b>  | <b>0.0</b>  | <b>105.1</b> | <b>100%</b> | <b>\$512</b> | <b>\$958</b>   |
| <b>Gas Plant Upsize</b>         |              |              |             |             |              |             |              |                |
| Flood Expansion                 | NA           | 23.1         | 57.6        | 0.3         | 33.1         | 70%         | \$71         | \$398          |
| <b>Total Gas Plant Upsize</b>   | <b>NA</b>    | <b>23.1</b>  | <b>57.6</b> | <b>0.3</b>  | <b>33.1</b>  | <b>70%</b>  | <b>\$71</b>  | <b>\$398</b>   |
| <b>Grand Total</b>              | <b>2,593</b> | <b>133.4</b> | <b>59.2</b> | <b>0.6</b>  | <b>143.9</b> | <b>93%</b>  | <b>\$583</b> | <b>\$1,425</b> |



### Additional Low-Cost, High-Return Flood Patterns Increase Near-Term Cash Flow



Note: All values, including cash flow, reserves, PV10, and IRRs, are based on an effective date of 1/1/2025 and five-year NYMEX strip as of 1/21/2025.

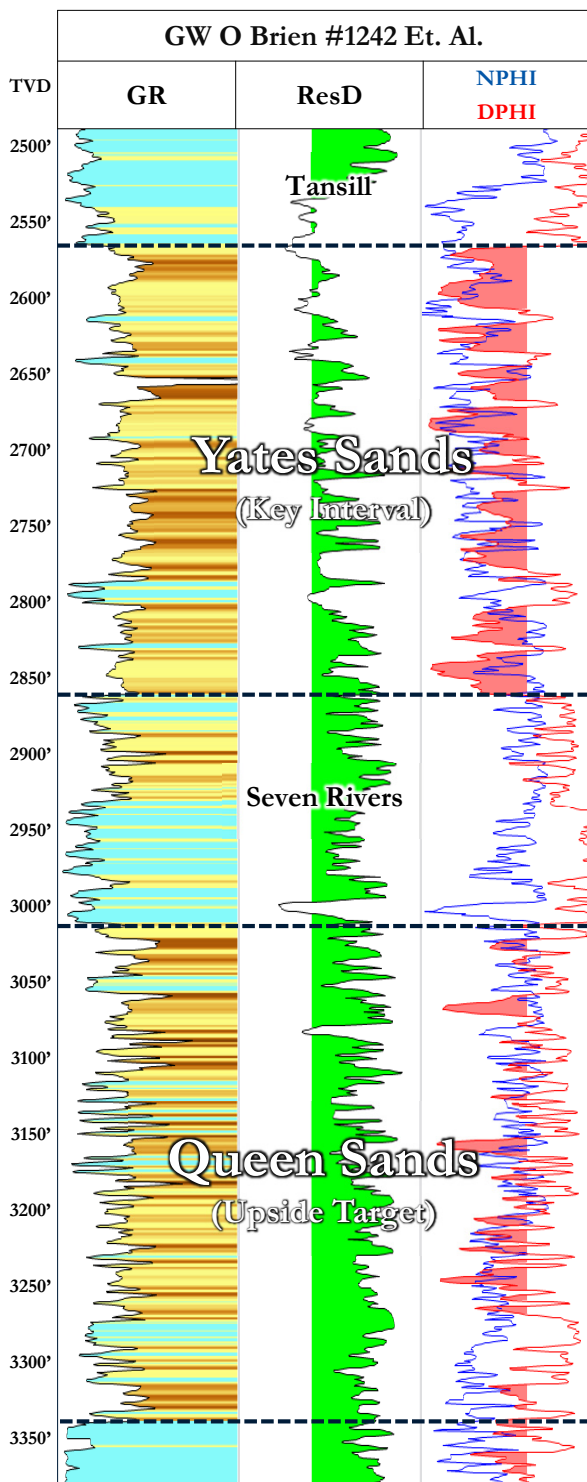
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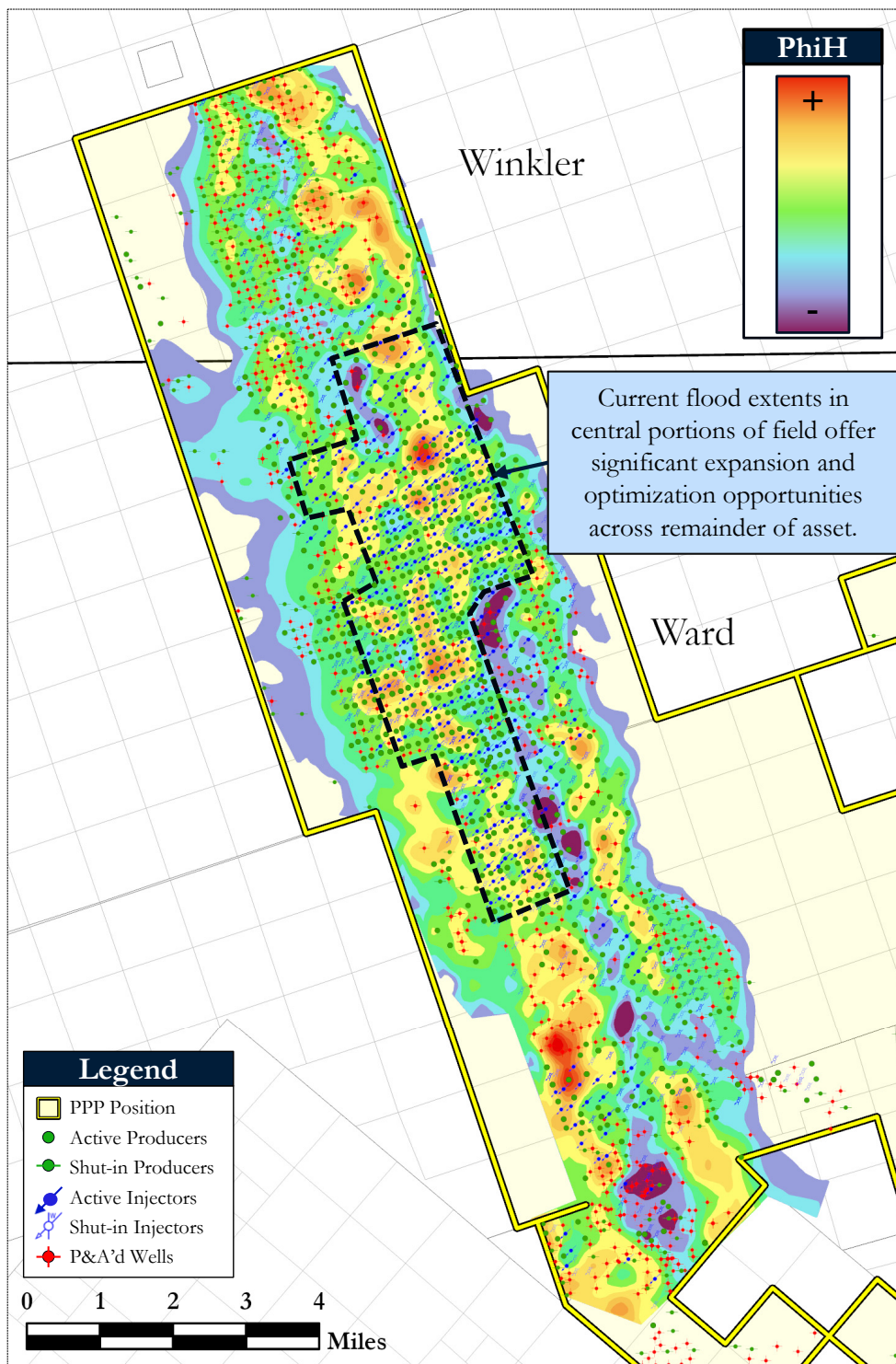
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Permian Production Partners operates the historic North Ward Estes Field that is actively being CO<sub>2</sub> & water-flooded in the Yates Sand across the central portions of the field. The field is defined by a regional stratigraphic trap to the east, as porous Yates Sands pinch out up-dip. Significant flood expansion and optimization potential reside across much of the field, offering abundant long-term upside to this resource rich asset. Significant geologic studies by present and prior operators offer a road map to successful revitalization of the field. Additional development opportunities reside in the underlying Queen Sands.

Type Log



Total Yates PhiH



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## Permian Production Partners

### Process Timeline

| February 2025 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| 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 |    |

| March 2025 |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|
| 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

Permian Production Partners anticipates PSA execution by mid-April with closing occurring by May 31, 2025.

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