



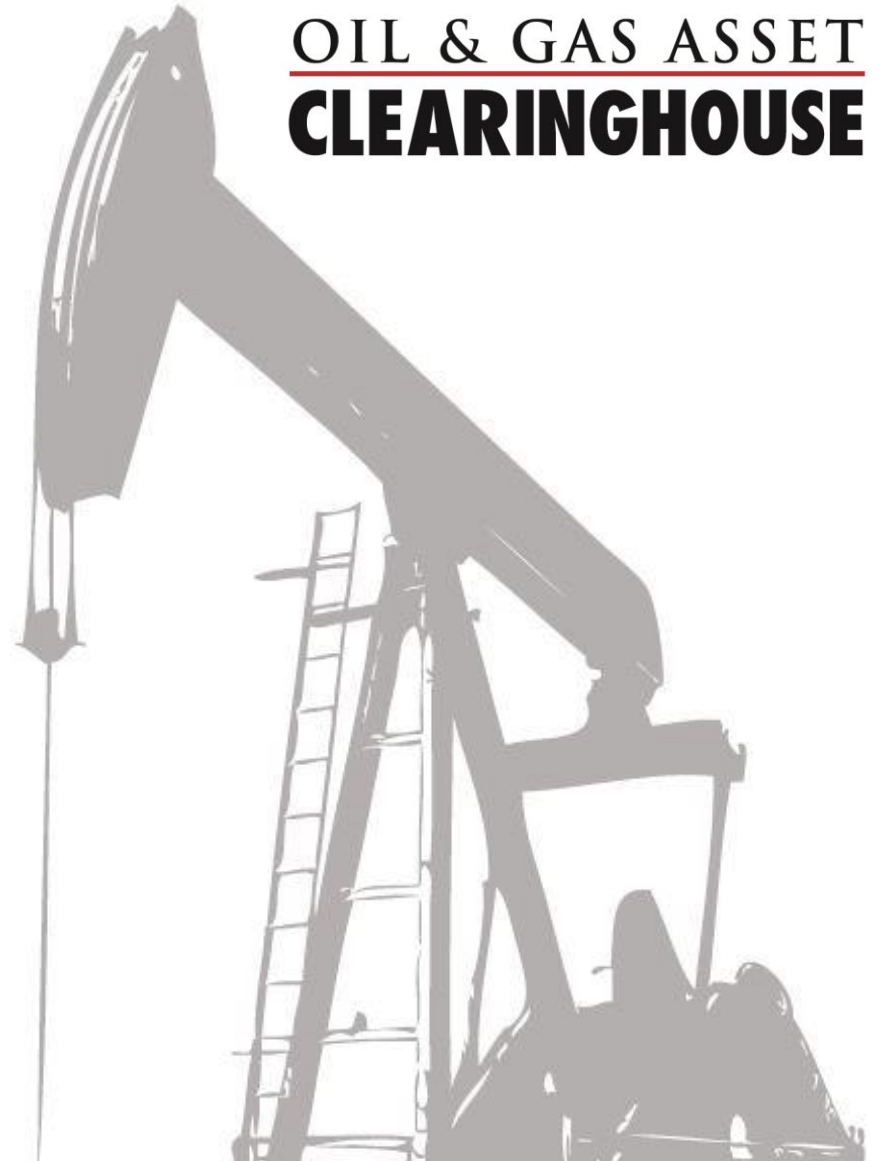
OIL & GAS ASSET
CLEARINGHOUSE



H&L
OPERATING

**Operated Working Interest
Package**

TX, OK, KS



COMPREHENSIVE A&D SERVICES FOR THE OIL & GAS INDUSTRY

WWW.OGCCLEARINGHOUSE.COM

Executive Summary

Bids Due
November 12, 2020

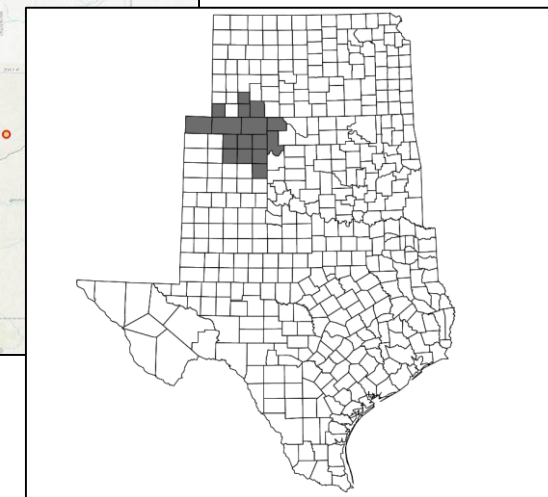
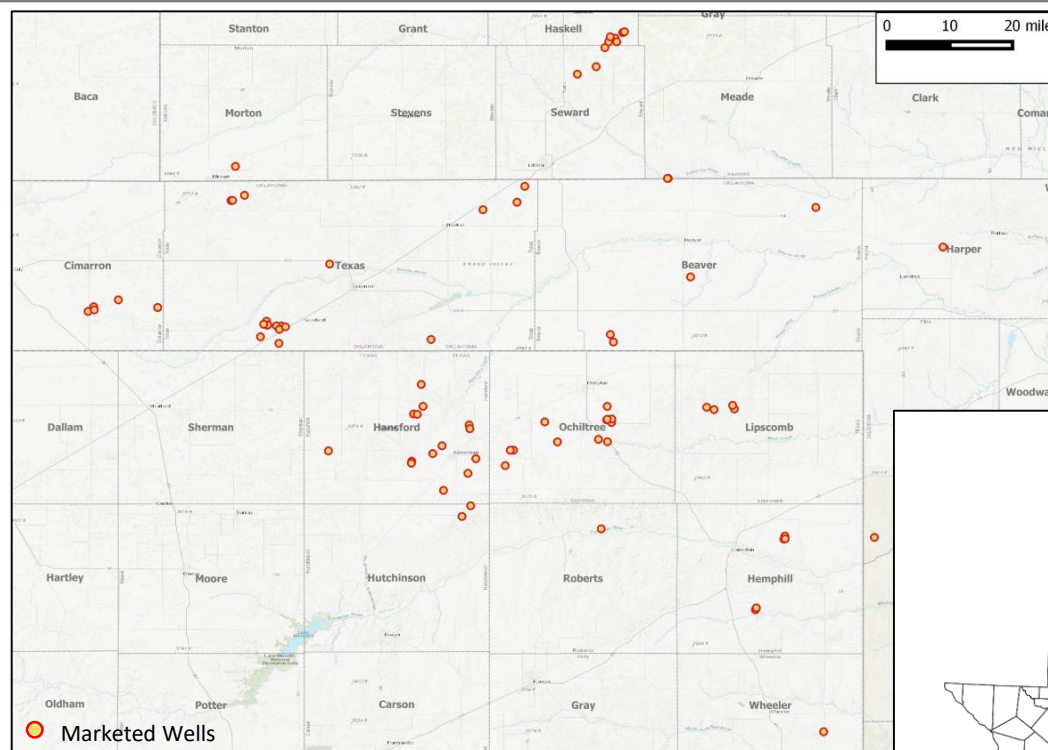
Private Sale

The Oil and Gas Asset Clearinghouse, LLC is partnering with H&L Operating to market an operated Working Interest (WI) package that includes 82 wells in Texas, Oklahoma, & Kansas

Asset Highlights

- 100 / 79% Avg. ownership in 82 wells (WI / NRI)
- Producing from Morrow, Cleveland, Atoka, etc.
- Operated by CSODA Operating dba H&L Operating
- 39,613.05 Gross acres
- 1,571 / 1,235 avg. daily gas production (gross / net)
- 23 / 17 avg. daily oil production (gross / net)
- \$17,242 / mo average net cash flow (pre-Covid)
- \$2.864 million PV10 of PDP

| | |
|-----------------------|-------------------------|
| Total producing wells | 56 |
| Avg. WI / NRI | 100 / 79% |
| Net Daily Production* | 1,235 / 17 (mcf / bopd) |
| Avg. Net Cash Flow* | \$17,242 / mo |



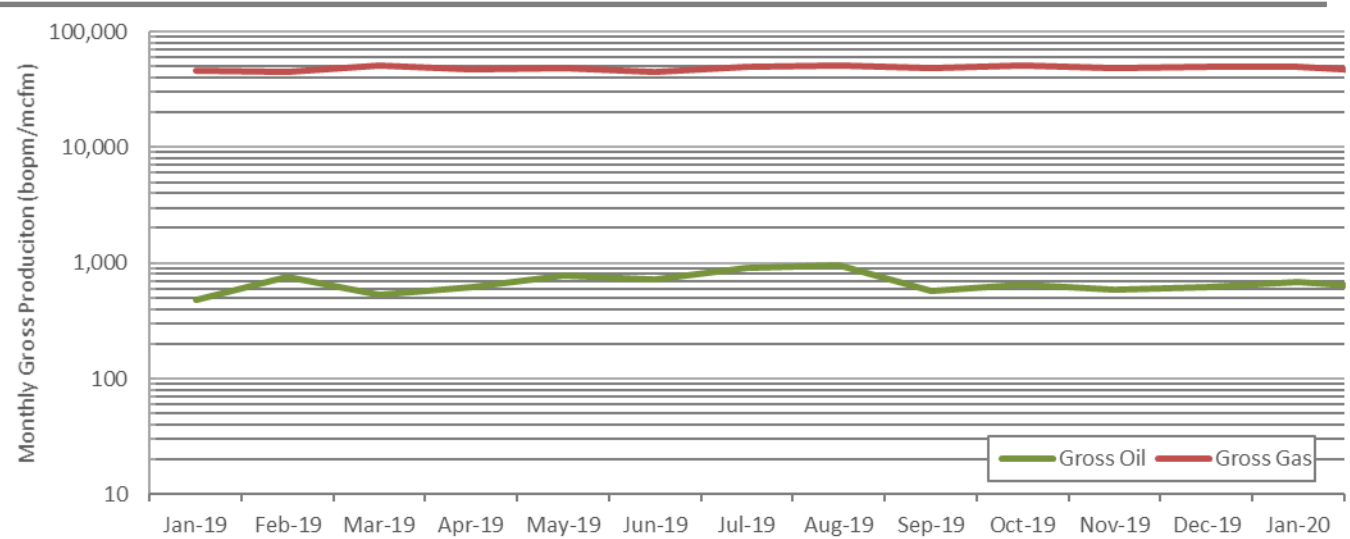
PDP & Cash Flow Summary

Bids Due
November 12, 2020

Private Sale

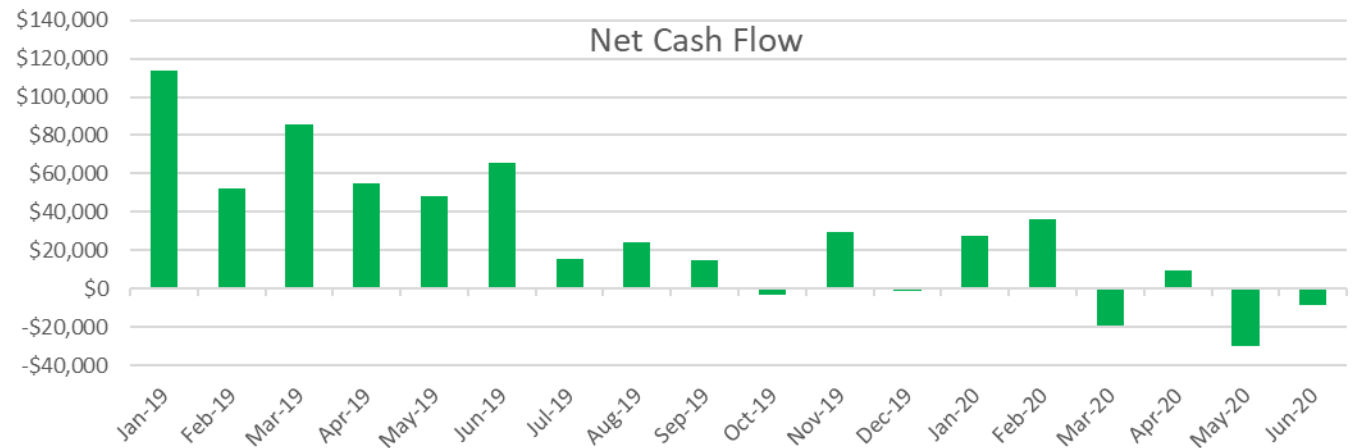
Monthly Production

- 56 active gas wells
- 1,571 / 1,235 avg. daily gas production (gross / net)
- 23 / 17 avg. daily oil production (gross / net)
- Producing from Morrow, Cleveland, Atoka, etc.



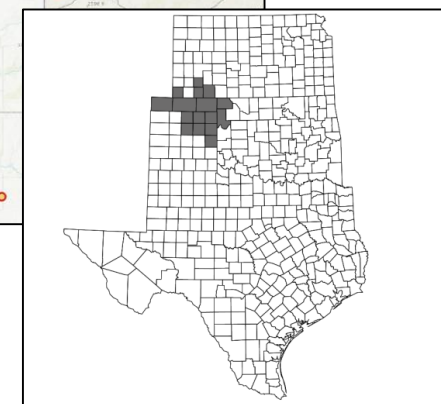
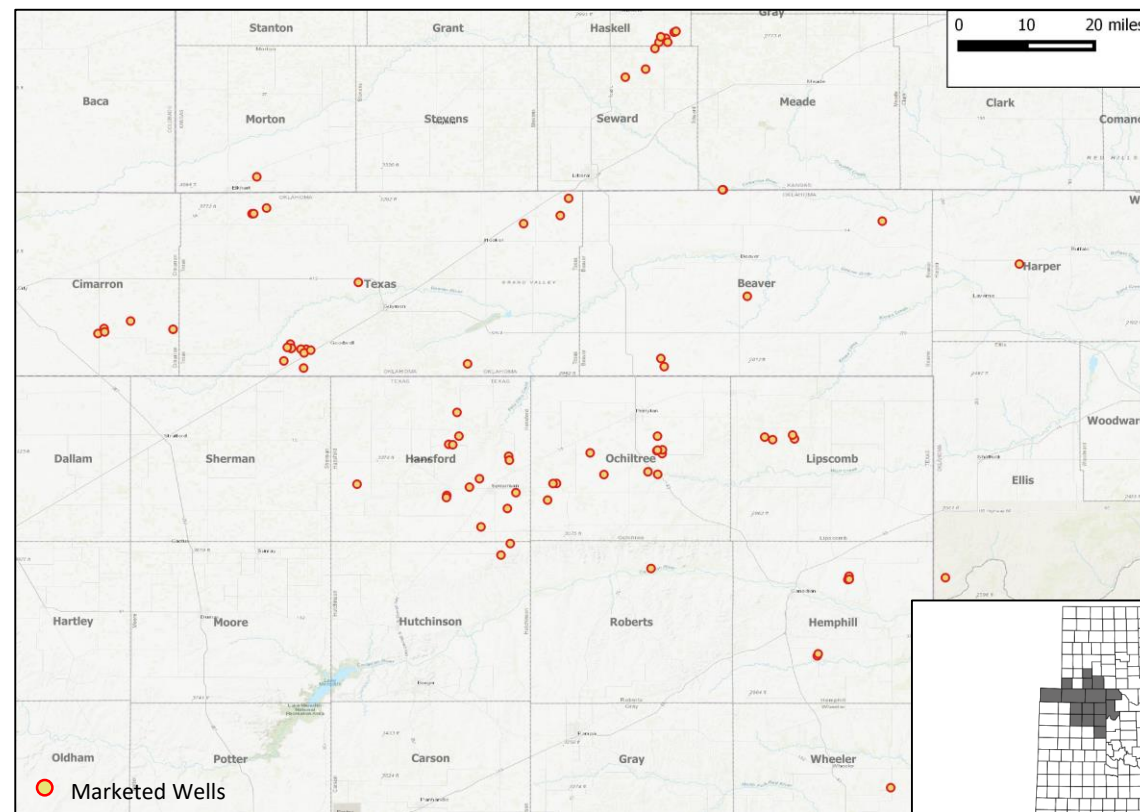
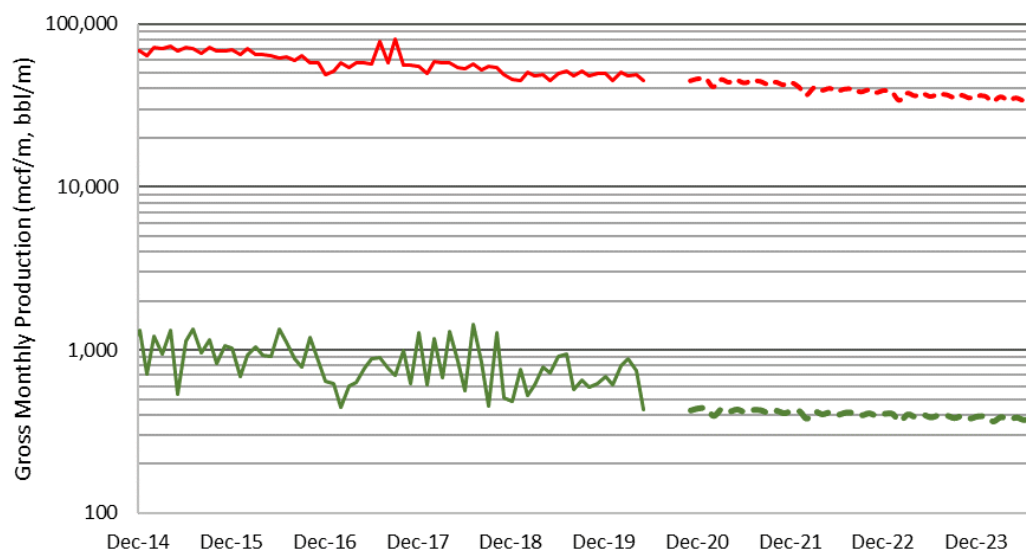
Monthly Cash Flow

- \$17,242 / mo avg. net cash flow (pre-Covid)
- \$55,260 / mo avg. next 12 months forecasted cash flow
- \$(6.78) / boe avg. LOE



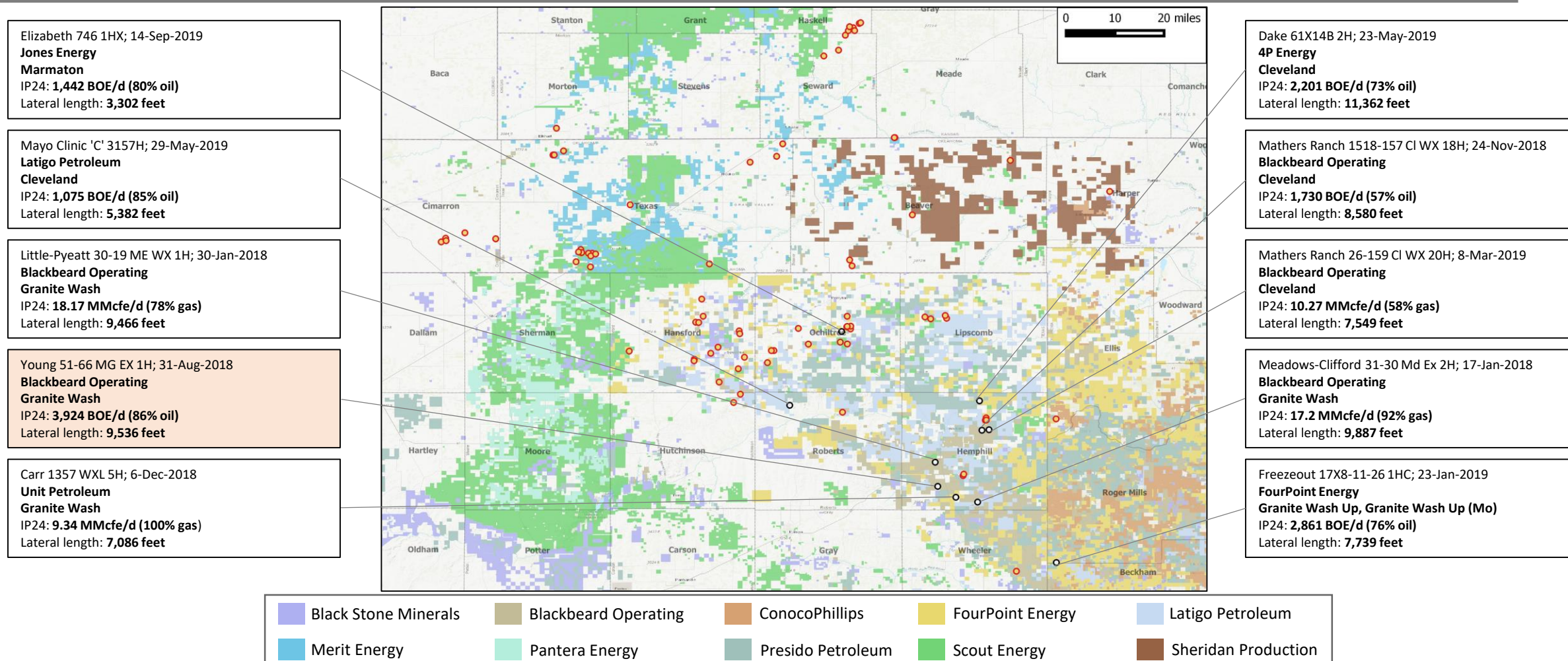
PDP Summary

- \$2.864 million PV10 of PDP
- 1,137 / 11 avg. net production forecasted next 12 months (mcf / bopd)
- \$55,560 / mo estimated next 12 months avg. cash flow
- 65 Mbbl / 4,975 MMCF net reserves (oil / gas)

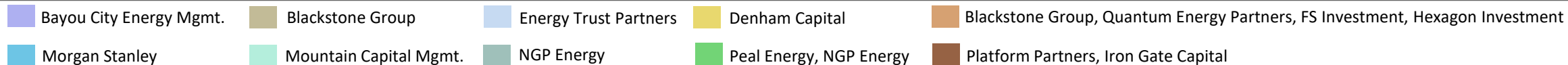
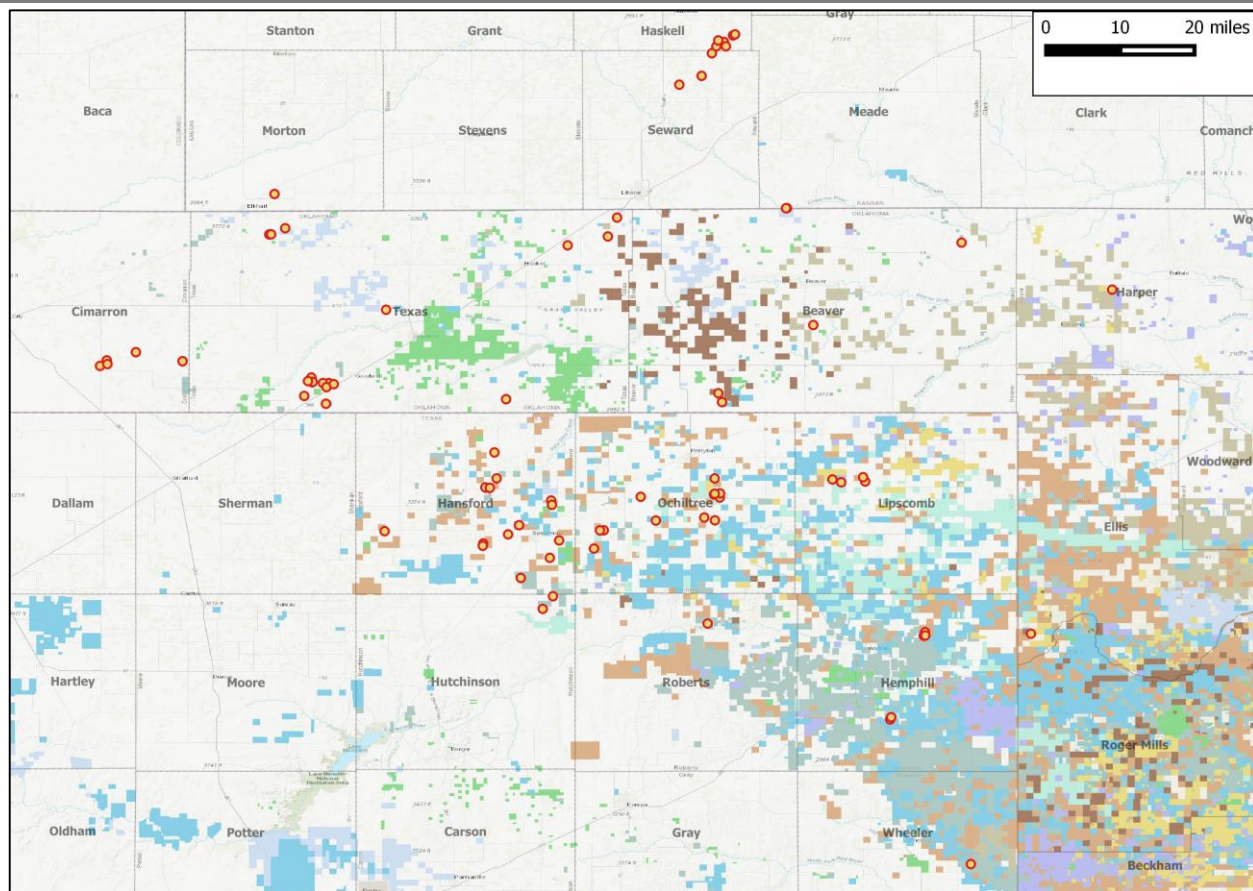


Operator Presence in the Vicinity

Blackbeard Operating's Young 51-66 MG EX 1H well, with a lateral length of 9,536 feet, achieved an average IP24 of 3,924 BOE/d in August 2018



Private Equity Presence in the Vicinity



FourPoint Energy LLC

FourPoint Energy LLC, raised \$2.137 billion through equity from Quantum Energy Partners, Blackstone Group, EIG Global Energy Partners and FS Investment Corp, during 2014 to 2017.

Commitment (\$): **\$2.137 billion**

Brief: Over 2 million gross acres and 190 MBOE/d gross production in Western Anadarko basin, built cumulatively through \$3+ billion acquisitions.



Tapstone Energy LLC

Tapstone Energy LLC was formed in Sep-2013 with an equity commitment from GSO Capital Partners LP. The company received another equity commitment from Kennedy Lewis Investment Management LLC in Apr-2020.

Commitment (\$): **\$500 million**

Brief: Focused on NW STACK play with ~154,000 net acres primarily in Woodward Co., Dewey Co., and Ellis Co., OK



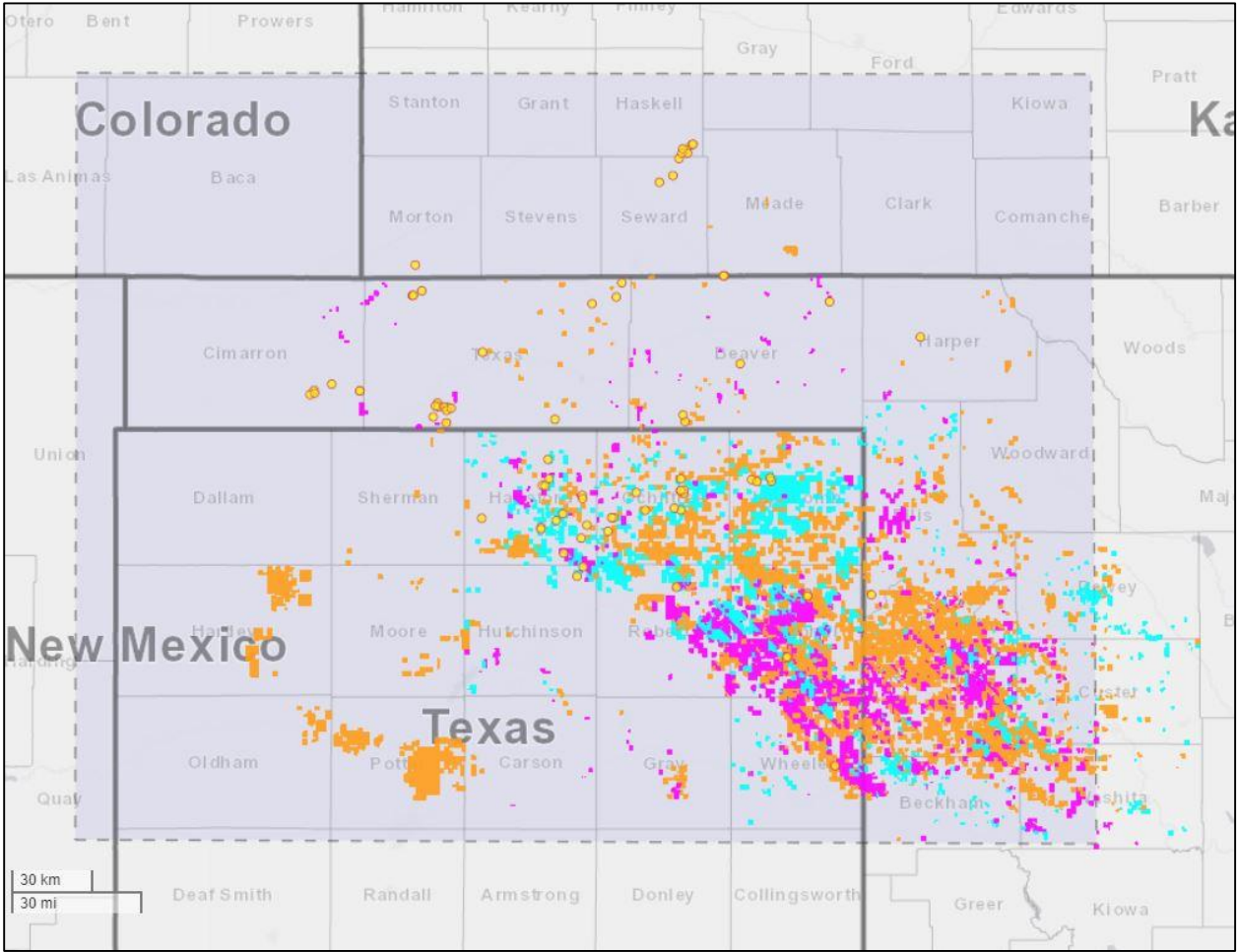
Encino Energy LLC

Encino Energy LLC, received equity commitment from Platform Partners LLC in Feb-2012 and from Iron Gate Capital in Jan-2012. The company raised money through equity between 2013 and 2016 according to SEC filings.

Commitment (\$): **\$290 million**

Brief: Focused on Anadarko basin with assets in Oklahoma and Texas.





Presidio Petroleum LLC

Presidio Petroleum is a leading oil and gas efficiency company founded to acquire, operate, and optimize producing oil and natural gas properties in the Anadarko Basin and other established U.S. onshore basins. It recently acquired all the oil and natural gas producing properties from Templar Energy LLC and certain affiliates in the Anadarko Basin.

Latigo Petroleum Inc.

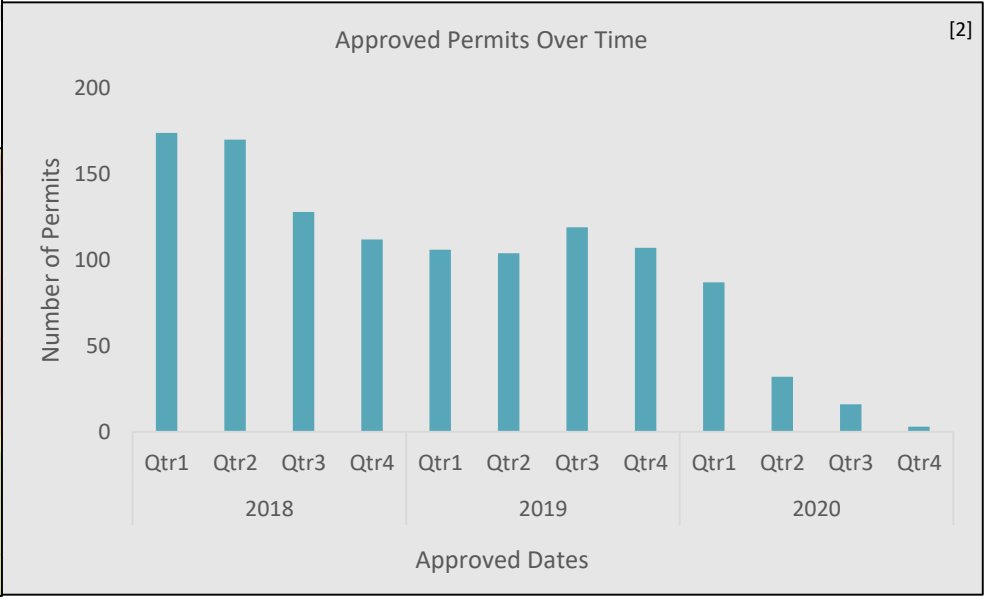
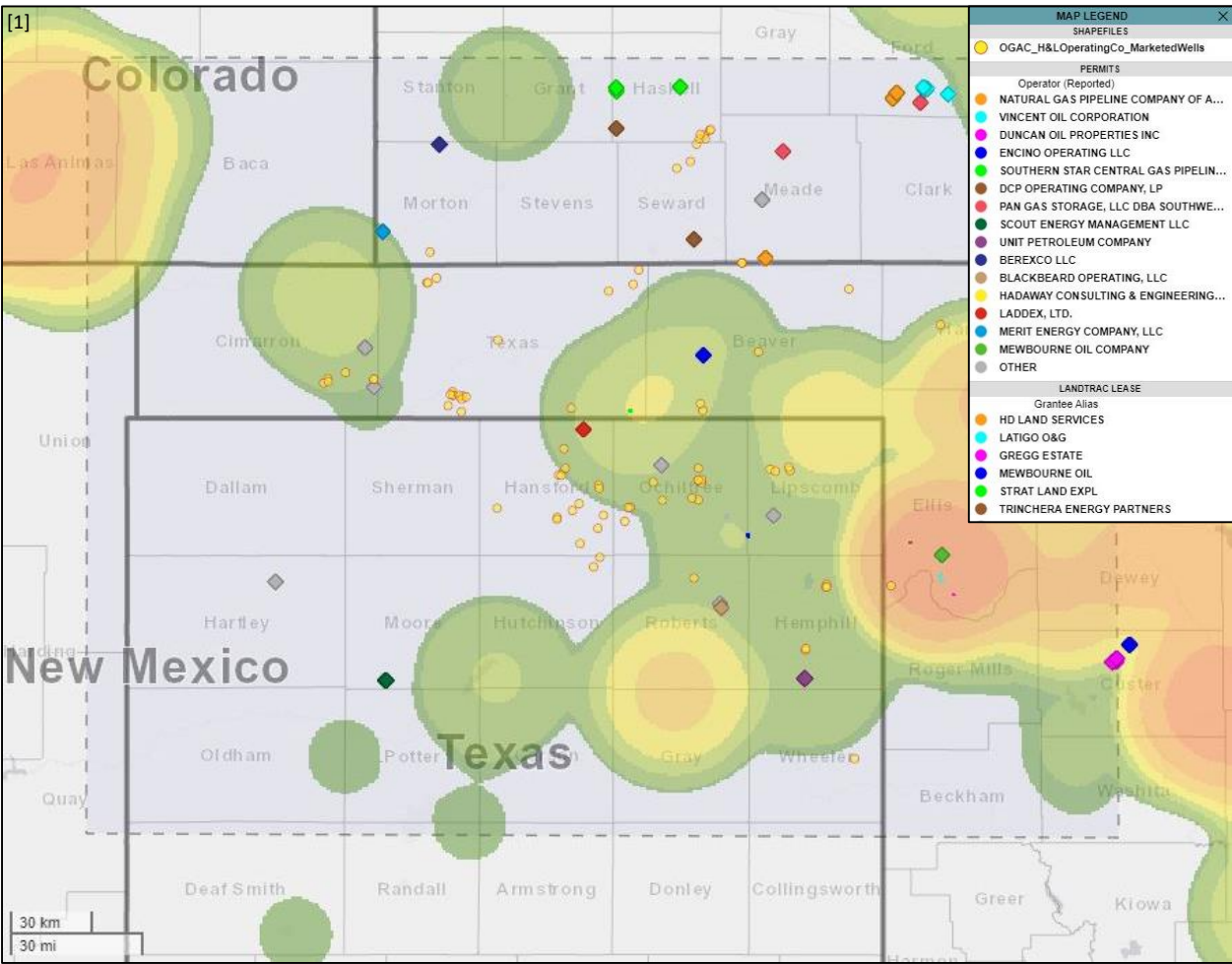
Latigo Petroleum conducts Operating and drilling programs across the US. It has operations set up in the Anadarko Basin as well and has a substantial amount of acreage around the marketed properties.

Blackbeard Operating LLC

Blackbeard Operating, backed by NGP Energy Capital Management, operates as a privately held Operating and production company. The company is focused on acquisitions of new assets and the development of existing assets through low risk drilling, recompletion, and workover program. The company owns substantial acreage around the marketed properties.

Developmental Activity in the Vicinity

574 permits have been approved within the highlighted AOI since January 2019



Footnotes: [1] Lease Activity heatmap for the last 6 months, approved permits and landtrac leases within the highlighted AOI during the last 6 months; Highlighted AOI is roughly 225miles x 175miles
[2] Permits approved within the highlighted AOI

Sale Process

- Electronic data room available October 22, 2020
- Bids due November 12, 2020
- Bid instructions available in EDR

| October | | | | | | | November | | | | | | | |
|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|----------------|
| Su | M | T | W | Th | F | Sa | Su | M | T | W | Th | F | Sa | |
| | | | | 1 | 2 | 3 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | EDR Open |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | Bids Due |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | Effective Date |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 | 29 | 30 | | | | | | |

For additional questions or information, please contact our team:

Bo Wagner
Business Development
BWanger@ogclearinghouse.com
(972) 702 - 1760

Tyler Post
Director - Engineer
Tpost@ogclearinghouse.com
(903) 520 - 2278

Oil & Gas Asset Clearinghouse

Phone: (281) 873-4600

Email: sales@ogclearinghouse.com

H&L Operating ("Company") is selling Operated WI in Kansas, Oklahoma, and Texas. Oil & Gas Asset Clearinghouse, LLC ("Clearinghouse") is the exclusive technical, marketing, and transaction advisor for this sale. The Company and Clearinghouse make no representations or warranties, either express or implied, as to the accuracy or completeness of this information or its suitability for any purpose. The sales process contemplated herein is not exclusive. The Company and Clearinghouse reserve the right to withdraw all or any portion of the assets or change all or any terms of this sales process at any time without notice to any potential purchaser.