



OIL & GAS ASSET
CLEARINGHOUSE

Lode Holdings

Producing Mineral Package

Gaines County, TX

COMPREHENSIVE A&D SERVICES FOR THE OIL & GAS INDUSTRY

WWW.OGCLEARINGHOUSE.COM

Executive Summary

Bids Due
April 2, 2020

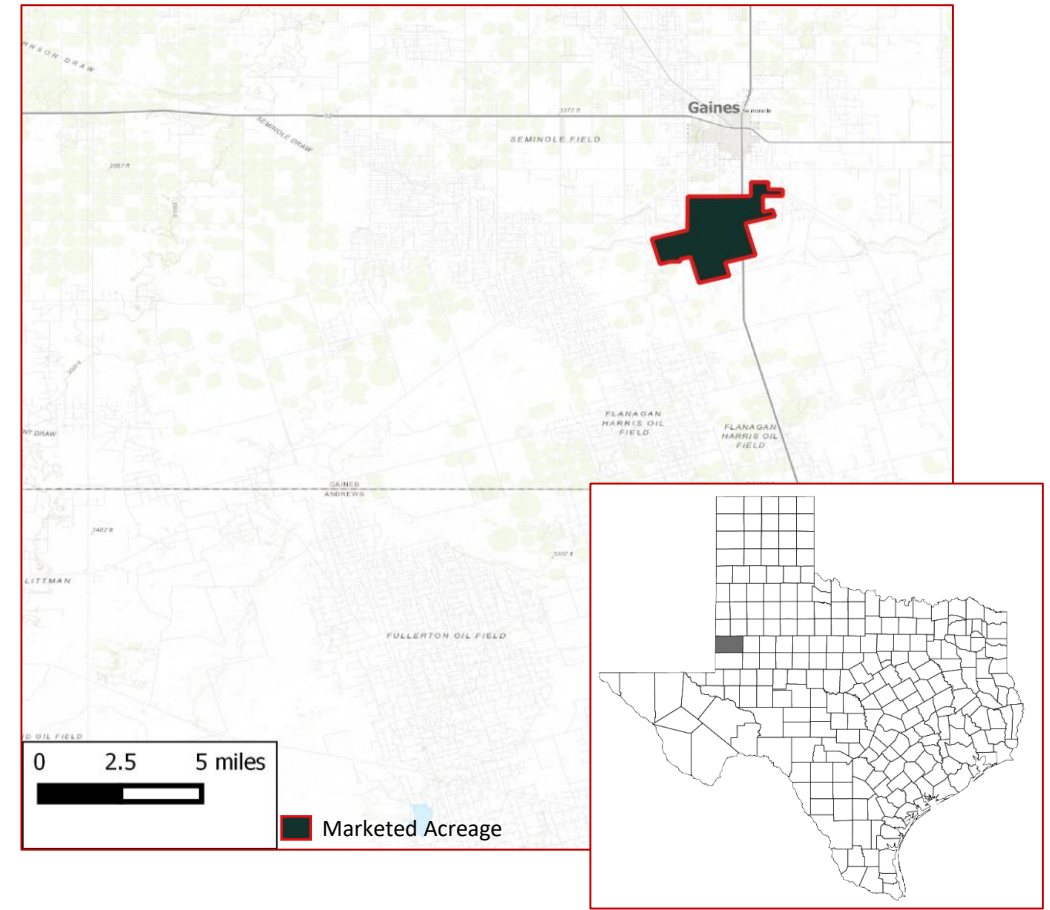
Private Sale

The Oil and Gas Asset Clearinghouse, LLC is partnering with a Lode Holdings, LLC. to market a mineral package that includes 202.237 net acres in Gaines County, Tx.

Asset Highlights

- 4,481 / 202 acres in Gaines County, Tx (gross / net)
- 56.52 net acres leased or HBP
- Leased acreage by Comstock and Sabinal
- \$750/ NMA 3-year lease bonus received in 2018
- **73** offset horizontal San Andres wells brought on since 01/2018
- Recent offset drilling activity by Ring Energy, Occidental, Lime Rock, Texland
- **677k PV10** per San Andres well type curve at 17.5% RI

Total producing wells	1
Leased Acreage	56.52 net acres
Unleased Acreage	145.72 net acres
11/2018 net CF	\$8,660



Operator Presence in the Vicinity

Occidental Petroleum’s Seminole San Andres Unit 4021S well achieved an average IP24 rate of 997 BOE/d in Jul-2018.

Pollux 1H; 1-Mar-2018
Ring Energy Inc
San Andres
IP24: **715 BOE/d (91% oil)**
Lateral length: **4,948 feet**

Cronus 1H; 24-May-2018
Ring Energy Inc
San Andres
IP24: **673 BOE/d (97% oil)**
Lateral length: **4,985 feet**

JD Biles 912W 2H; 18-Oct-2018
Elk Meadows Resources LLC
San Andres
IP24: **867 BOE/d (99% oil)**
Lateral length: **380 feet**

Underwood D 3H; 4-Aug-2018
Ring Energy Inc
San Andres
IP24: **777 BOE/d (96% oil)**
Lateral length: **4,550 feet**

University 14 1H; 12-Aug-2018
Ring Energy Inc
San Andres
IP24: **660 BOE/d (93% oil)**
Lateral length: **3,912 feet**

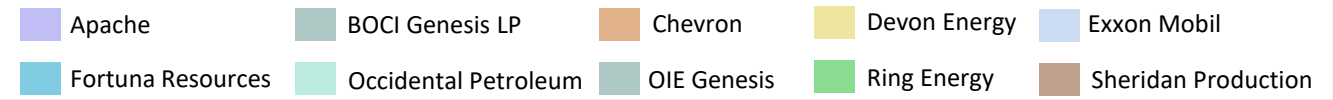
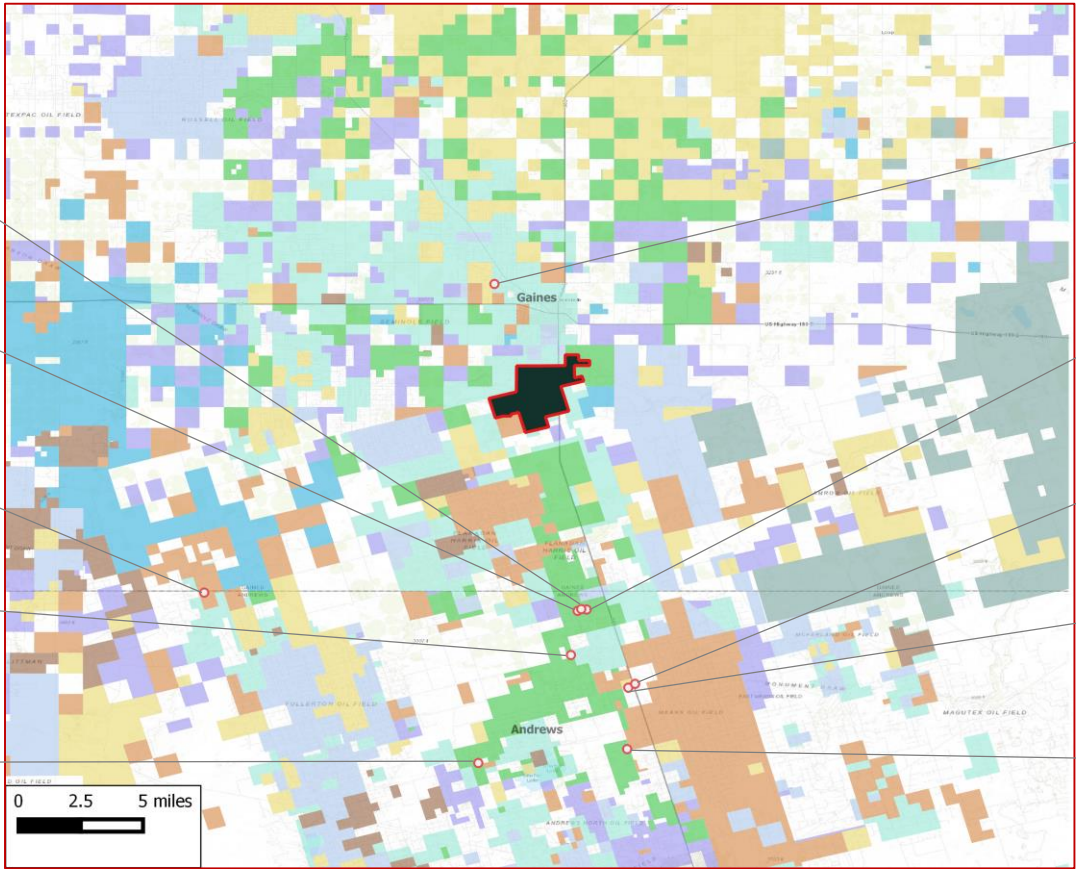
Seminole San Andres Unit 4021S; 23-Jul-2018
Occidental Petroleum
San Andres
IP24: **997 BOE/d (60% oil)**

Ceto 1H; 19-Jun-2018
Ring Energy Inc
San Andres
IP24: **816 BOE/d (97% oil)**
Lateral length: **4,524 feet**

Stark 1H; 18-Apr-2018
Lime Rock Resource
San Andres
IP24: **670 BOE/d (94% oil)**
Lateral length: **4,653 feet**

Kent 315AH; 26-Nov-2018
Lime Rock Resources
San Andres
IP24: **676 BOE/d (94% oil)**
Lateral length: **4,188 feet**

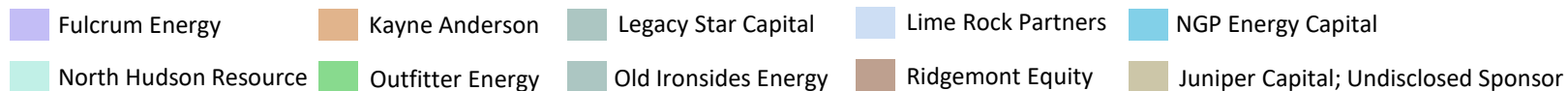
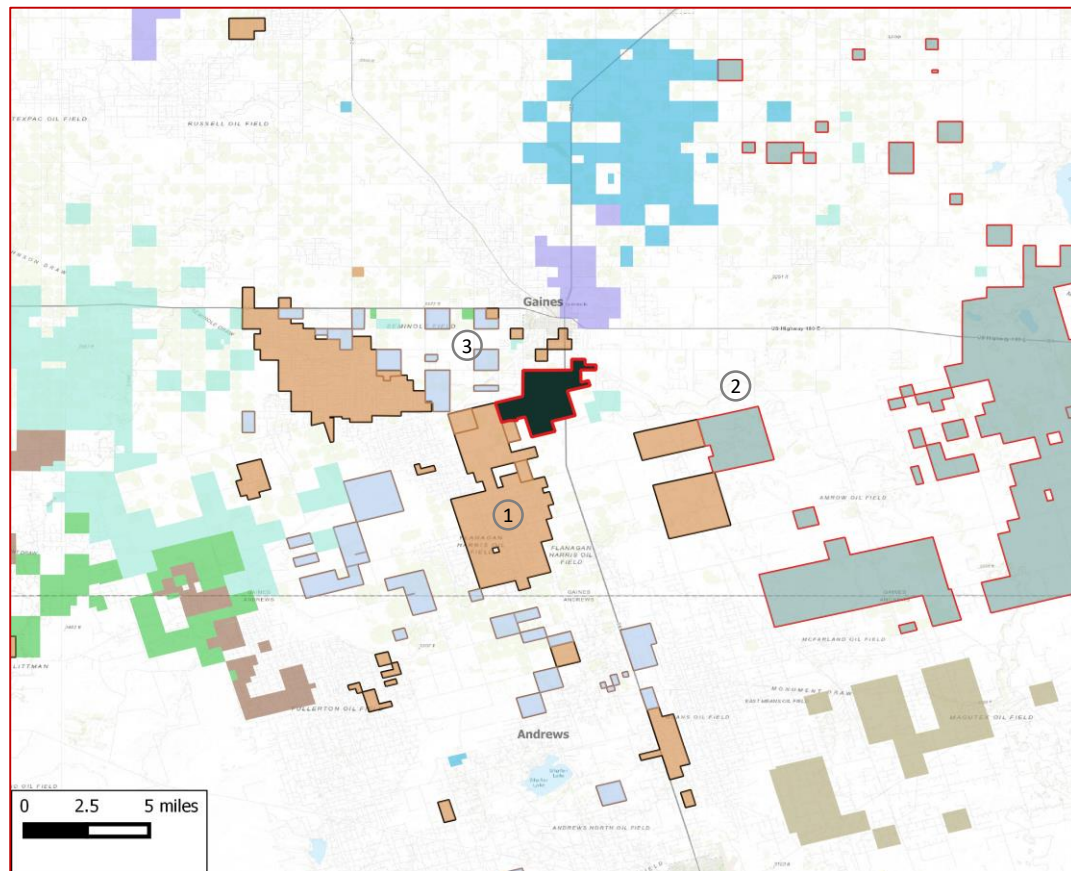
White 3H; 9-Mar-2019
Ring Energy Inc
San Andres
IP24: **738 BOE/d (88% oil)**
Lateral length: **4,779 feet**



Footnotes: Wells within a 20-mile radius tested post Jan-2018
BOCI Genesis and OIE Genesis hold overlapping acreage post their acquisition from J Cleo Thompson in May-2016 and Feb-2017 respectively

Private Equity Presence in the Vicinity

Operators include NGP Energy Capital backed Blackbeard Operating and Kayne Anderson backed Sabinal Energy



①

Sabinal Energy LLC

Sabinal Energy was formed in Jul-2016 with an equity commitment from **Kayne Anderson**.

Commitment (\$): **\$300 million**

Brief: Permian focused company; acquired assets primarily from Chevron and Diamondback Energy.



②

BOCI Genesis LP

BOCI Genesis LP received funding from **Legacy Star Capital Partners** in Aug-2016.

Commitment (\$): **\$115 million**

Brief: Acreage in Gaines Co., Andrews Co., Martin Co., and Dawson Co., TX.



③

CrownRock LP

CrownRock LP received funding from **Lime Rock Partners** in Feb-2007. The company also received preferred equity commitments from **Magnetar Capital** and **EIG Global Energy Partners** in Jan-2018.

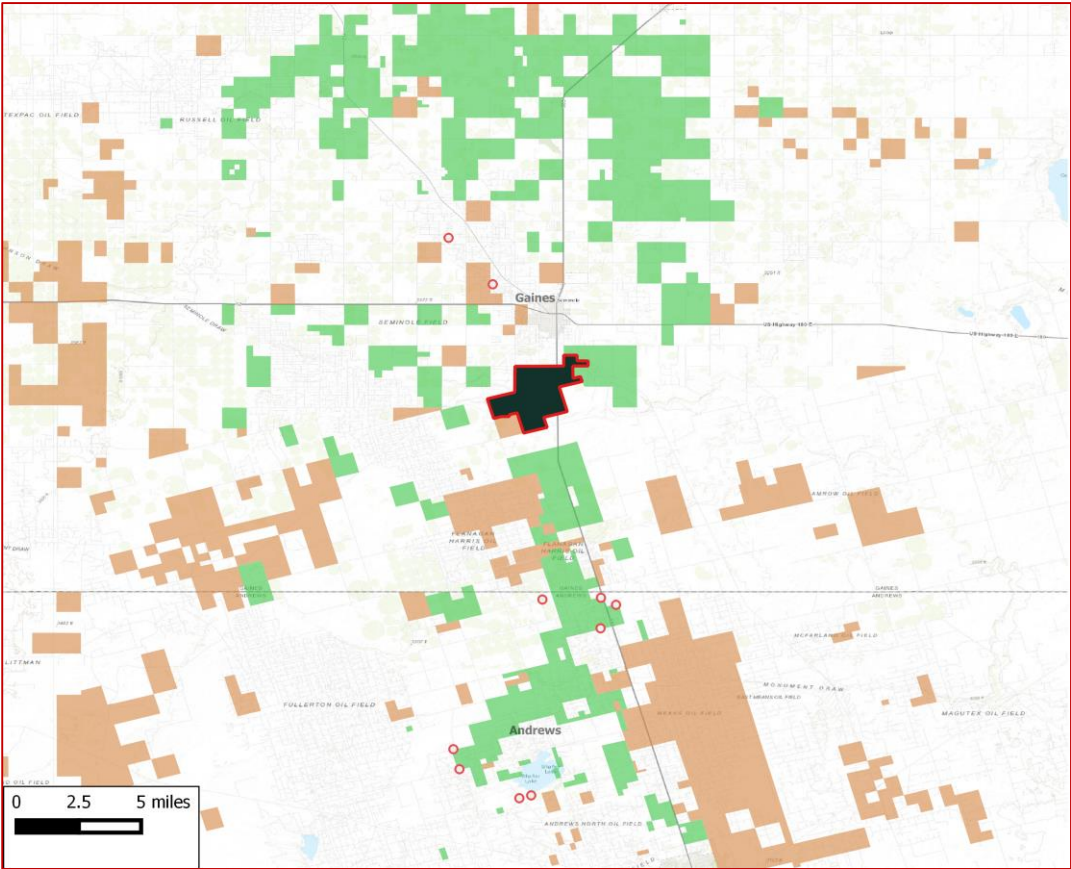
Commitment (\$): **\$75 million**

Brief: Assets in Permian, San Juan and Paradox basins.



Operator Activity in Region

Potential Buyers include Ring Energy and Chevron Corp



Ring Energy Inc
Ring Energy is focused in exploring the Central Basin Platform and the Delaware basin prospects. The company has drilled over 1,400 vertical and 100 horizontal San Andres wells on the CBP. The company’s current acreage is also contiguous with the marketed property. Additionally, the company’s strategy has focused on acquiring select properties in the Permian Basin with development opportunities for future years.

Chevron Corp
Chevron Corp is one of the largest producers of oil and natural gas in the Permian basin. The company holds about 2.2 million net acres of which more than 80% have either low or no royalty payments. The company has allocated \$4 billion for Permian unconventional development for the year 2020.

Historical Transactions

Scout Energy – Linn Energy; Feb-2018
Deal Type: **Property**
Deal Value: **\$119.5 million**
Assets: **Ector, Andrews, Crane, Howard, Irion and Schleicher Cos., TX**
6,300 BOE/d 2017 production
14.4 MMBOE PD reserves



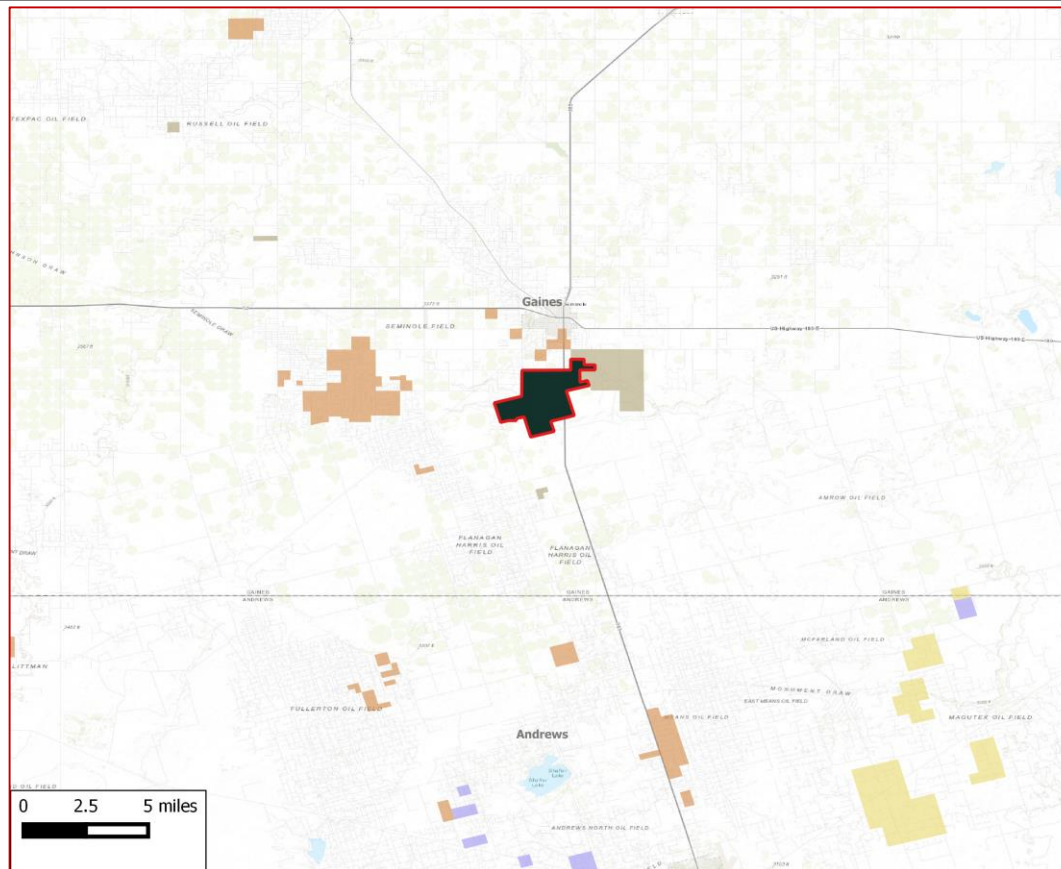
Ring Energy – Wishbone Energy Partners; Feb-19
Deal Type: **Property**
Deal Value: **\$300 million**
Assets: **37,206 net acres (49,754 gross)**
6 MBOE/d (80% oil, 13% NGLs & 7% gas)
Jan-2019 production
34.3 MMBOE proved reserves (42% PD)



Sabinal Energy, Undisclosed – Diamondback; May-2019
Deal Type: **Property**
Deal Value: **\$322 million**
Assets: **110,012 total net acres**
6.5 MBOE/d 2019E production

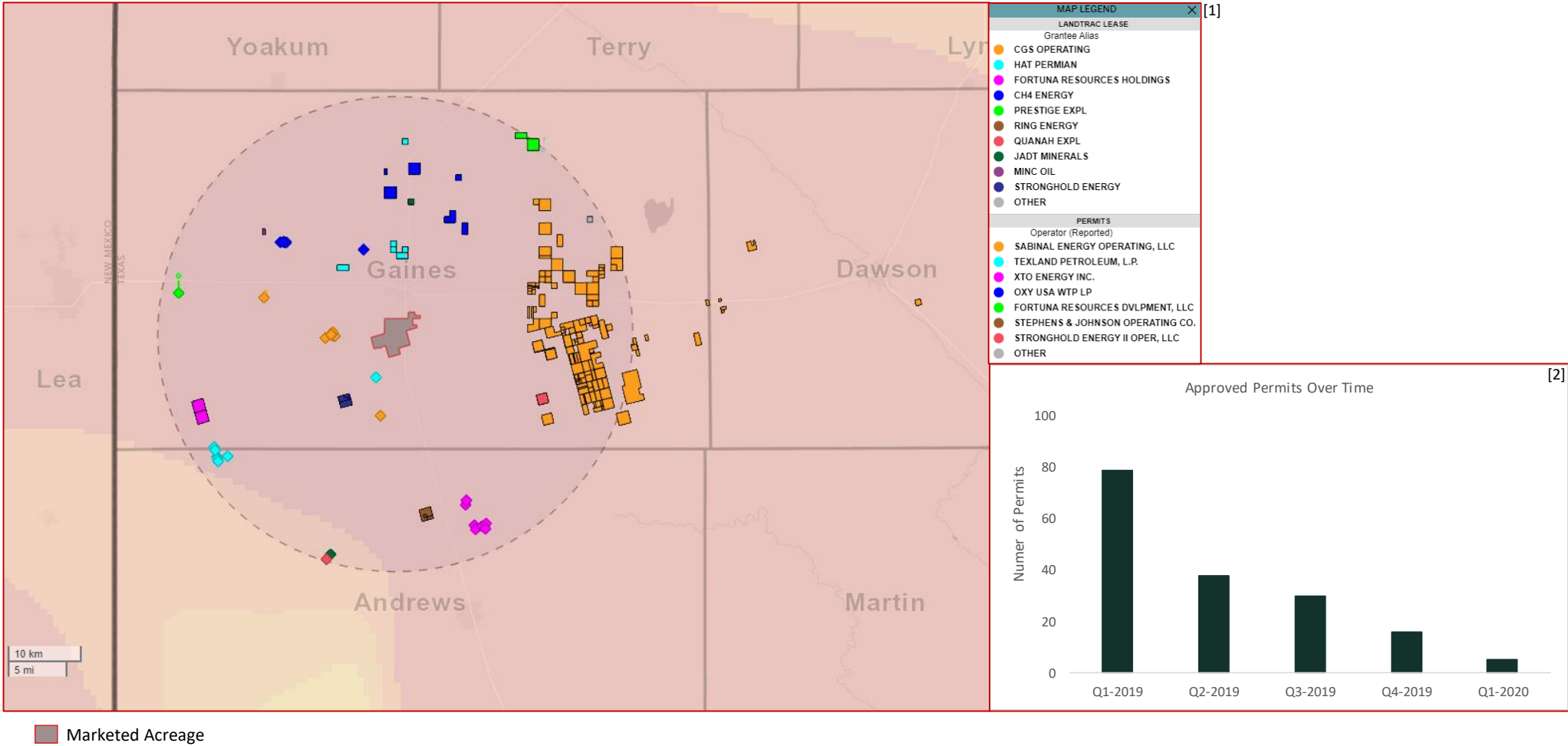


Ecopetrol – Occidental Petroleum; Jul-19
Deal Type: **JV**
Deal Value: **\$1,500 million**
Assets: **97,000 net acres for 100% WI (47,530 net to Ecopetrol)**
326.53 MMBOE PUD reserves for 100% WI (160 MMBOE PUD reserves net to Ecopetrol)



Developmental Activity in the Vicinity

30 Permits have been approved within the vicinity of the marketed acreage during the last six months.

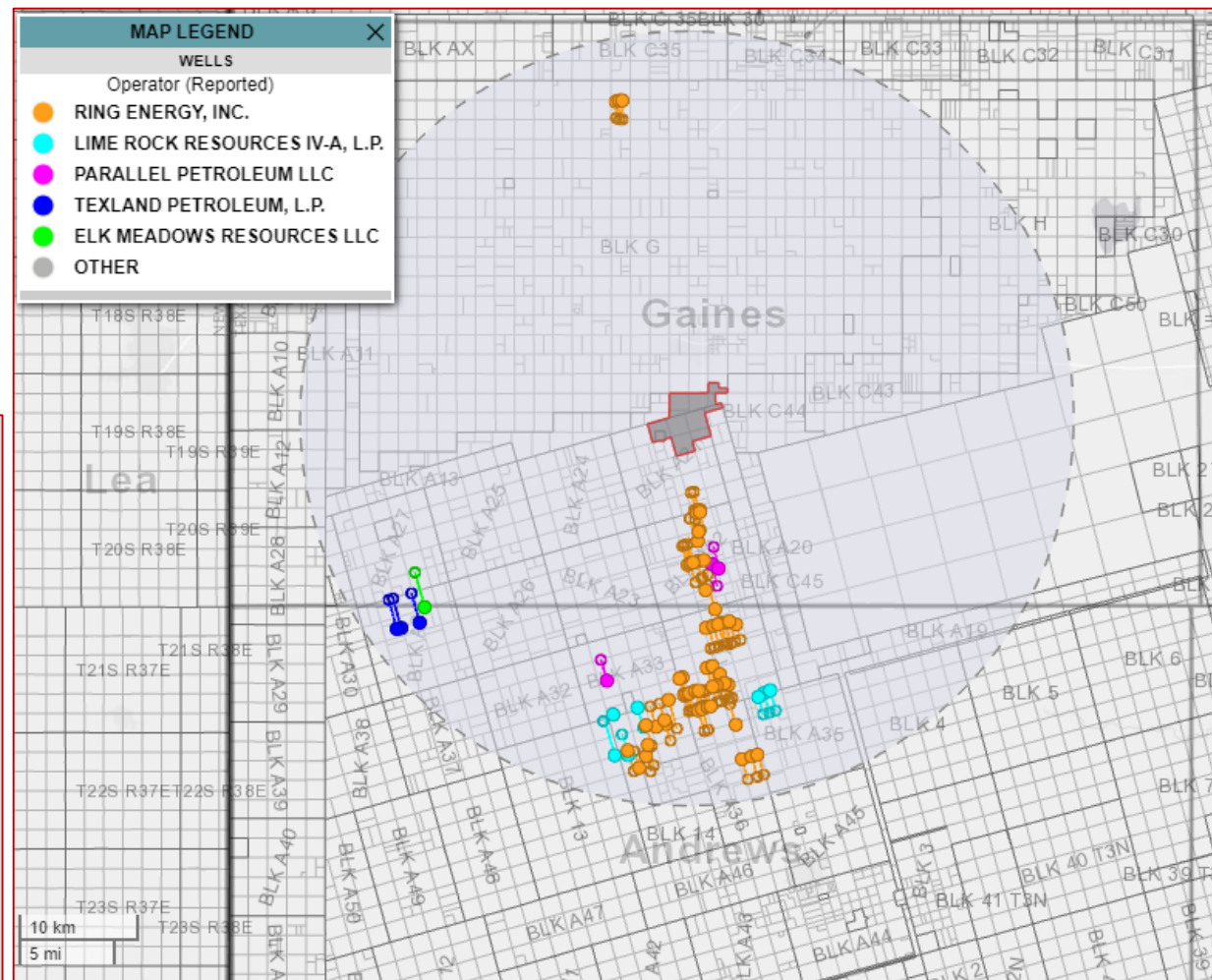
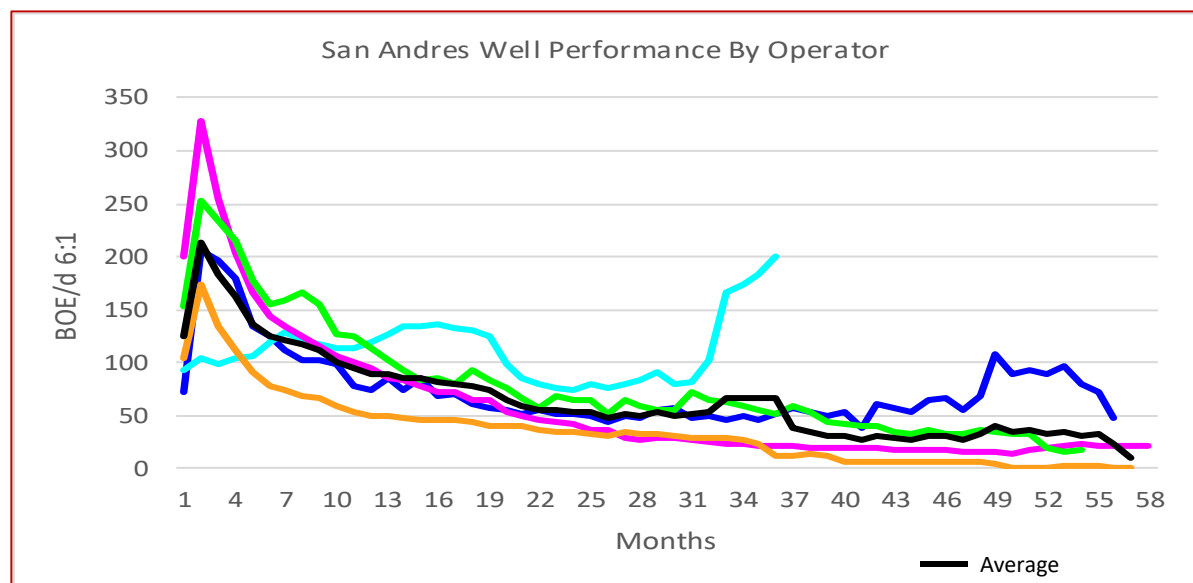


Footnotes: [1] Lease Activity heatmap for the last 6 months, Landtrac Leases and Permits approved within a 20-mile radius of the marketed assets during the last 6 months
[2] Permits approved within a 20-mile radius of the marketed assets

Type Curve

Horizontal San Andres Well Performance by Operator

- Based on 73 offset horizontal San Andres wells brought on production after 01/2018
- TC assumes RI of 17.5%
- 220 / 80 IP30 production rate (bopd / mcf/d)
- 134 / 60 EUR (Mbbbl / MMcf)
- \$677k PV10 per well at 17.5% RI**



Sale Process

- Electronic data room available March 9, 2020
- Bids due April 2, 2020
- Bid instructions available in EDR

March							April						
Su	M	T	W	Th	F	Sa	Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30		

EDR Open

Bids Due

For additional questions or information, please contact our team:

Bo Wanger
Inside Sales
BWanger@ogclearinghouse.com
(972) 702-1760

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

Matt Stowers
Business Development
Matt@ogclearinghouse.com
(832) 601-7657

Oil & Gas Asset Clearinghouse
Phone: (281) 873-4600
Email: sales@ogclearinghouse.com

Lode Holdings, LLC (“Company”) are selling certain type of asset in Gaines County, TX. 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.