

EAGLE RIVER

A photograph of an oil drilling rig in a field of tall, golden-brown grass. The rig is a tall, white metal structure with a derrick. In the background, there are other industrial structures, including a yellow tank and a red structure. The sky is blue with some white clouds. The text 'EAGLE RIVER' is written in white, serif font at the top of the image.

Non-Operated Assets in the STACK

April 2019

PALOMA
PARTNERS IV

Non-Operated Assets for Sale in the STACK

Eagle River Energy Advisors, LLC has been exclusively retained by Paloma Partners IV, LLC (“Paloma”) for the divestiture of certain non-operated working interest assets located in the STACK play of Blaine, Dewey, and Canadian Counties, Oklahoma.

SIGNIFICANT PRODUCTION BASE WITH POTENTIAL UPSIDE

- ~\$496,000/mn net cash flow (June – Nov 2018 average)
- ~\$2.0MM projected 12 month net cash flow
- Exposure across over-pressured gas and oil hydrocarbon phase window**

STACK NON-OPERATED POSITION

- ~6,284 net / ~35,183 gross acres non-operated leasehold
- Leasehold is ~54% held by production
- 32 PDP wells** with average working interest of 6.3%
- Continental Resources** operates majority of existing production base with exposure to other major independents

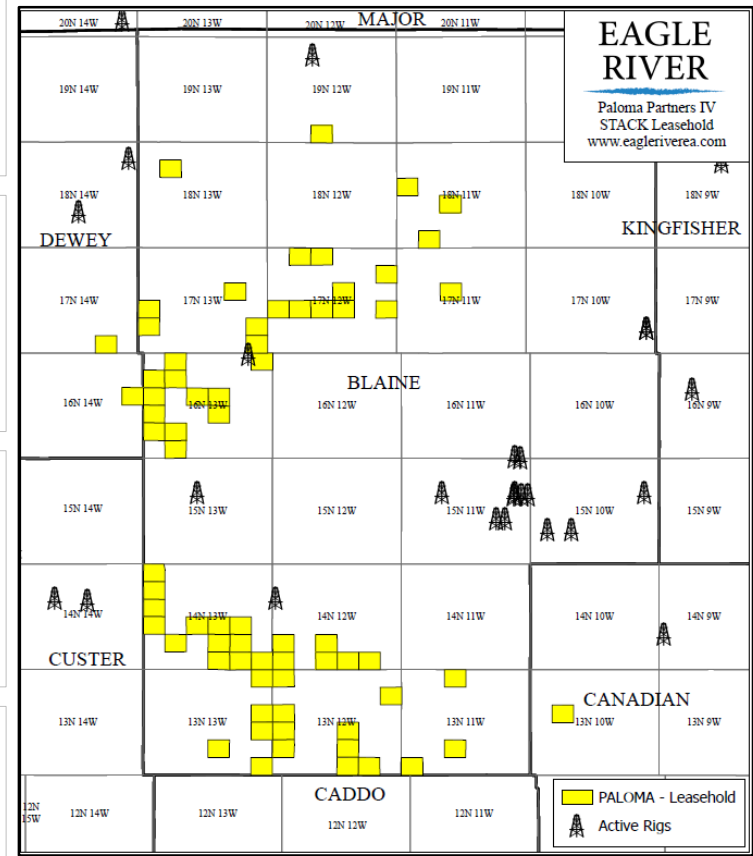
ENGINEERED RESERVES

- ~6,152 Mcfe/d forecasted April 2019 net production (5% Liquids)
- ~11.4 Bcfe / \$7.1MM PV10 PDP net Reserves
- Active Woodford and Meramec** development and permitting around leasehold

OPERATORS ACTIVELY DEVELOPING STACK ASSETS

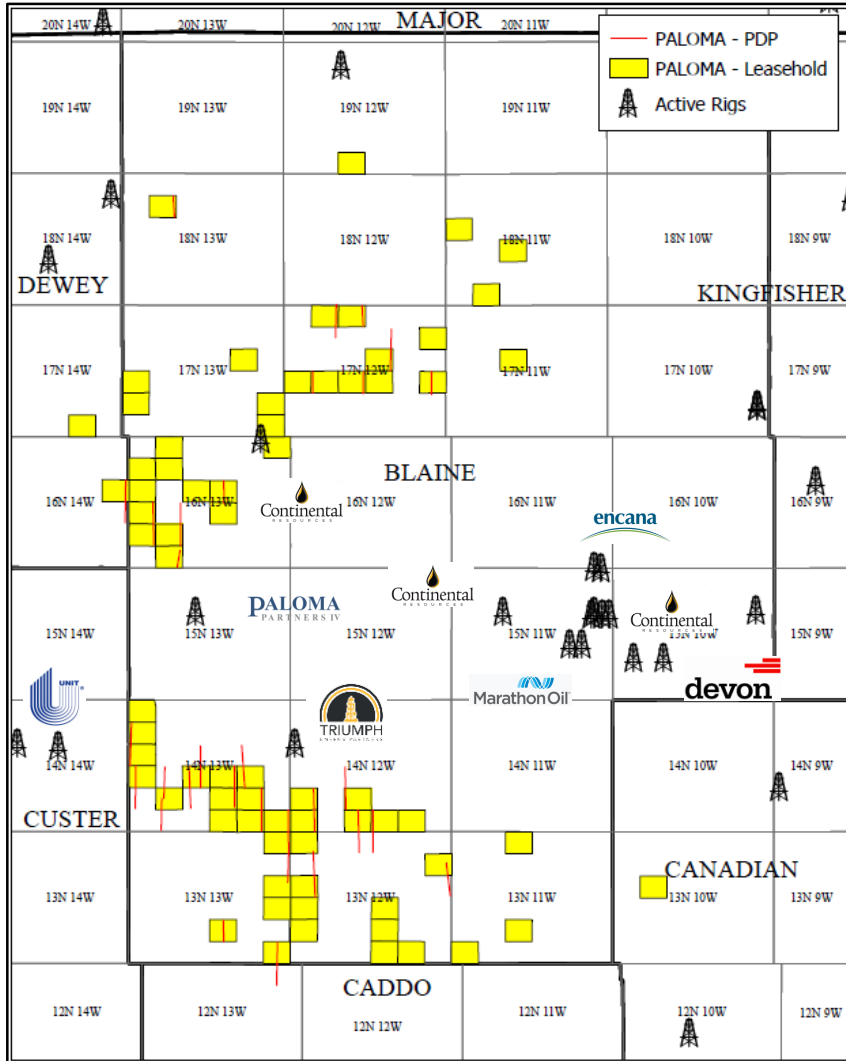
- Top STACK operators (**Continental, Devon, Marathon, and Encana**) actively permitting and drilling offset to leasehold position
- STACK operators transitioning to full development with multi-well pad development
- Over 20 rigs** active in the area

NON-OPERATED LEASEHOLD POSITION



Non-Operated Leasehold Position / STACK

NON-OPERATED LEASEHOLD SUMMARY



(1) Net production represents forecasted April 2019

STACK | NON-OPERATED LEASEHOLD

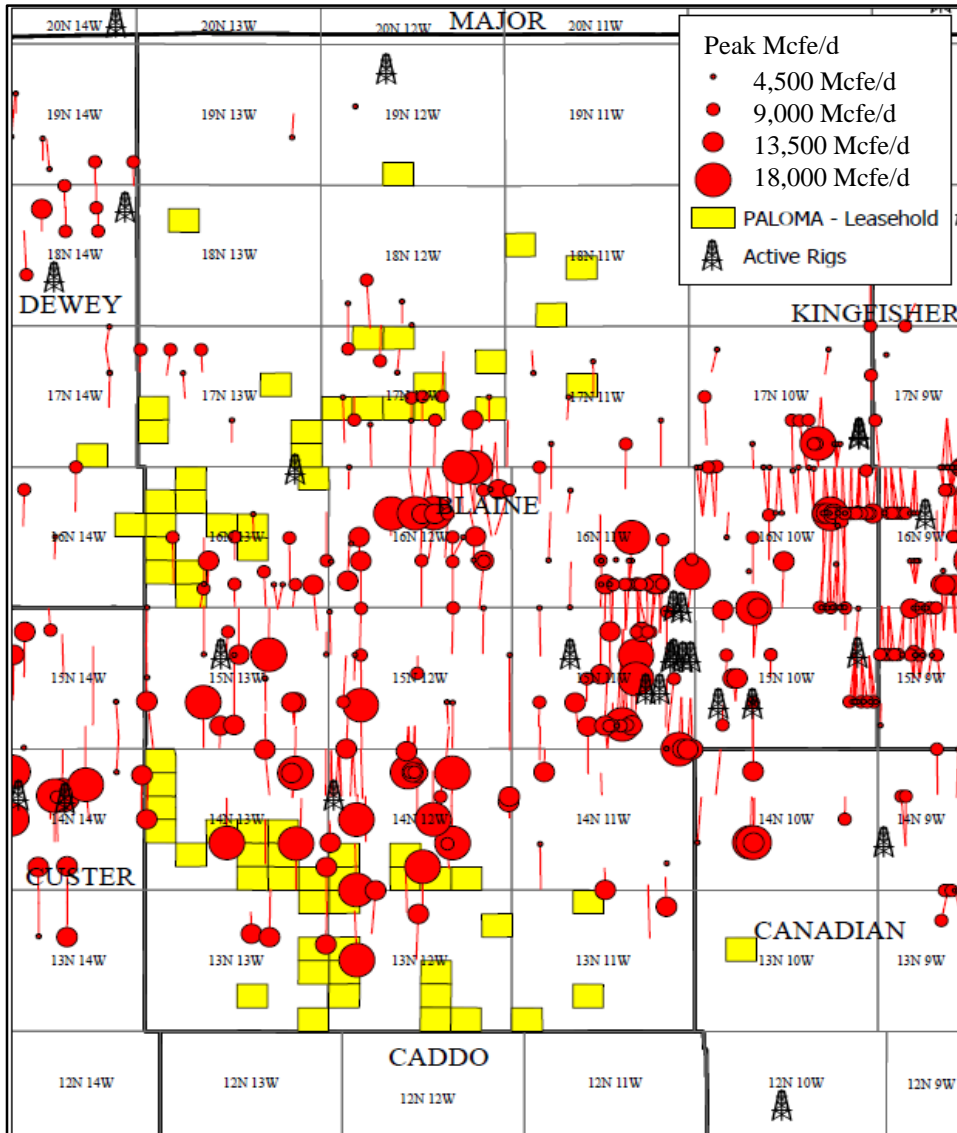
- ~6,284 net acres (~54% HBP)
- Leasehold under notable STACK operators: Continental Resources, Marathon, Encana, and Others
- 32 producing wells with 6.3% average working interest
- 2 Continental DUC wells

LEASEHOLD SUMMARY

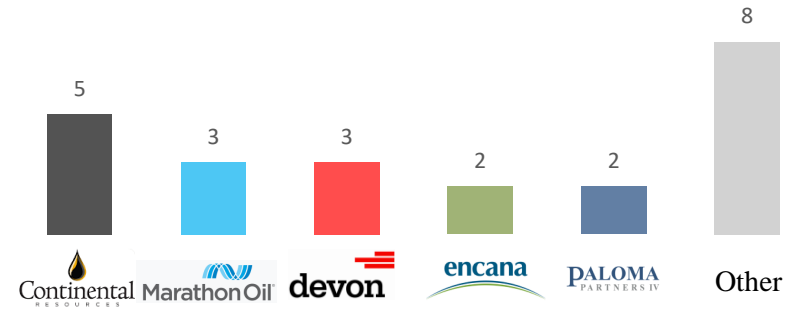
Operator	Net Acres	Net Production (Mcf/d)	Existing Wells	Permits	Total Wells
Continental	1,388	5,294	20	2	22
ACACIA	237	216	2	-	2
COR	128	1	3	-	3
MarathonOil	79	220	2	-	2
encana	45	56	1	-	1
OTHER	4,407	365	4	-	4
TOTAL	6,284	6,152	32	2	34

Offset Well Results and Activity / STACK

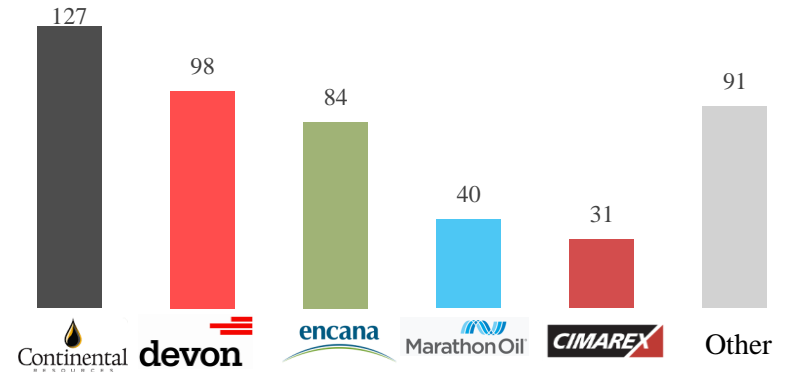
2017+ VINTAGE WELL RESULTS



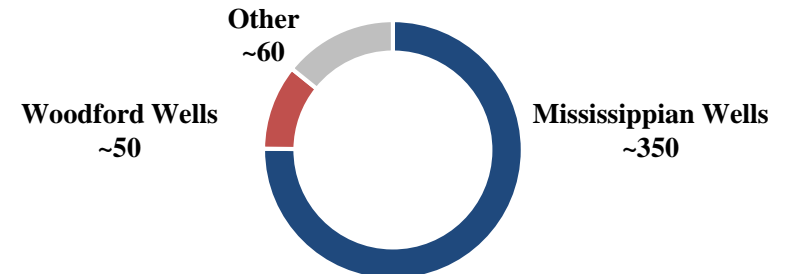
20+ RIGS ACTIVE AROUND LEASEHOLD



400+ HORIZONTALS DRILLED IN LAST 2 YEARS



MULTIPLE BENCHES ARE BEING ACTIVELY TARGETED



SALES PROCESS OVERVIEW | CONTACT INFORMATION

SALES PROCESS OVERVIEW

Process Timeline

- Effective Date: Apr 1, 2019
- VDR Access: May 8 – June 12, 2019
- Bids Due: June 12, 2019 4:00 PM MT
- Requests for information should be directed to **Brian Green** or **Brendon Morin**

May						
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	

June						
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 30	24	25	26	27	28	29

VDR Available
 Holidays

Evaluation/Data Rooms
 Bids Due

EAGLE RIVER TEAM

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