

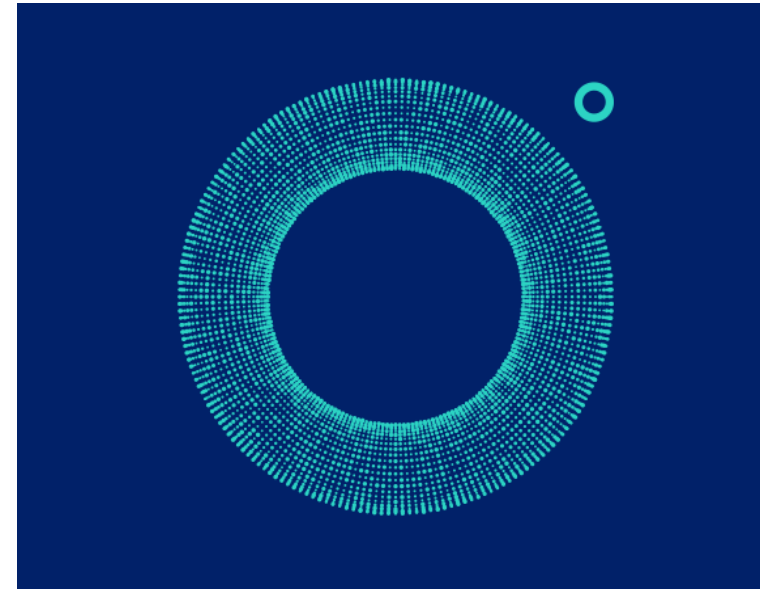
Building the Correct Workflow to Identify the Best Development Opportunity in the United States

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SIS Global Forum 2019



Overview

OneEnergy Partners, LLC Overview

Tools Utilized

- Networks
- Collaboration Tools
- Screen Share
- Skittle Map

Deal Flow & Execution

- Fundraising
- Basin Evaluation
- Dial for Deals
- Operations

Results

Next Steps

- Offset Results & Development Plan
- Wellbore Placement
- Completion Design
- Relationships with offset operators

OneEnergy Partners, LLC Overview

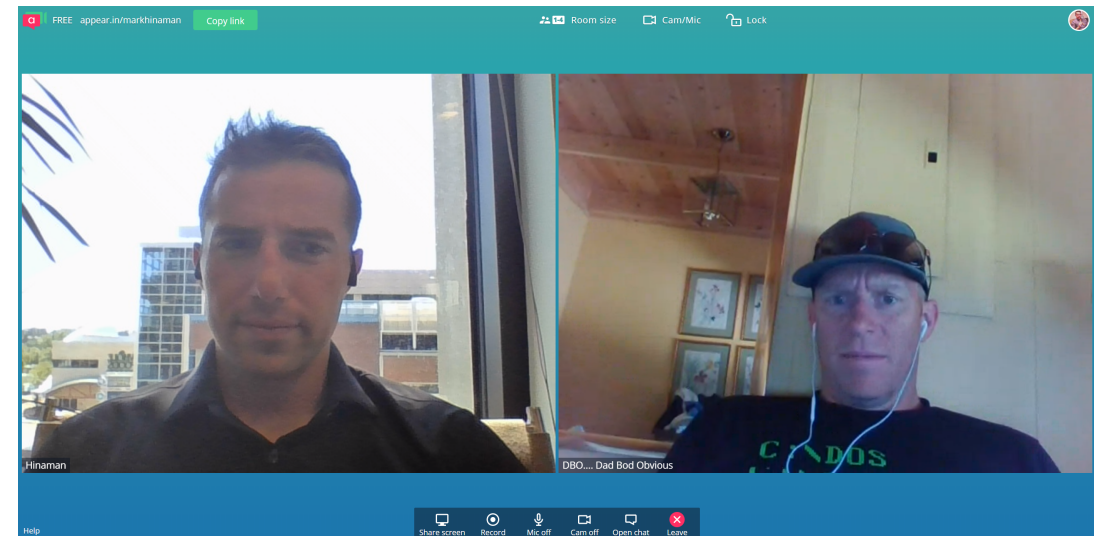
- Formed by a trio of partners in March 2016 with an equity commitment from Carnelian Energy Capital Management, L.P.
- Founders blended financial, investment, technical, and operational experience across most major US basins
- Didn't have specific geographic focus and had flexibility in deal type
- Aggregated over 12,000 acres in the Delaware Basin in New Mexico, USA
- Exited position throughout 2018 via three primary transactions

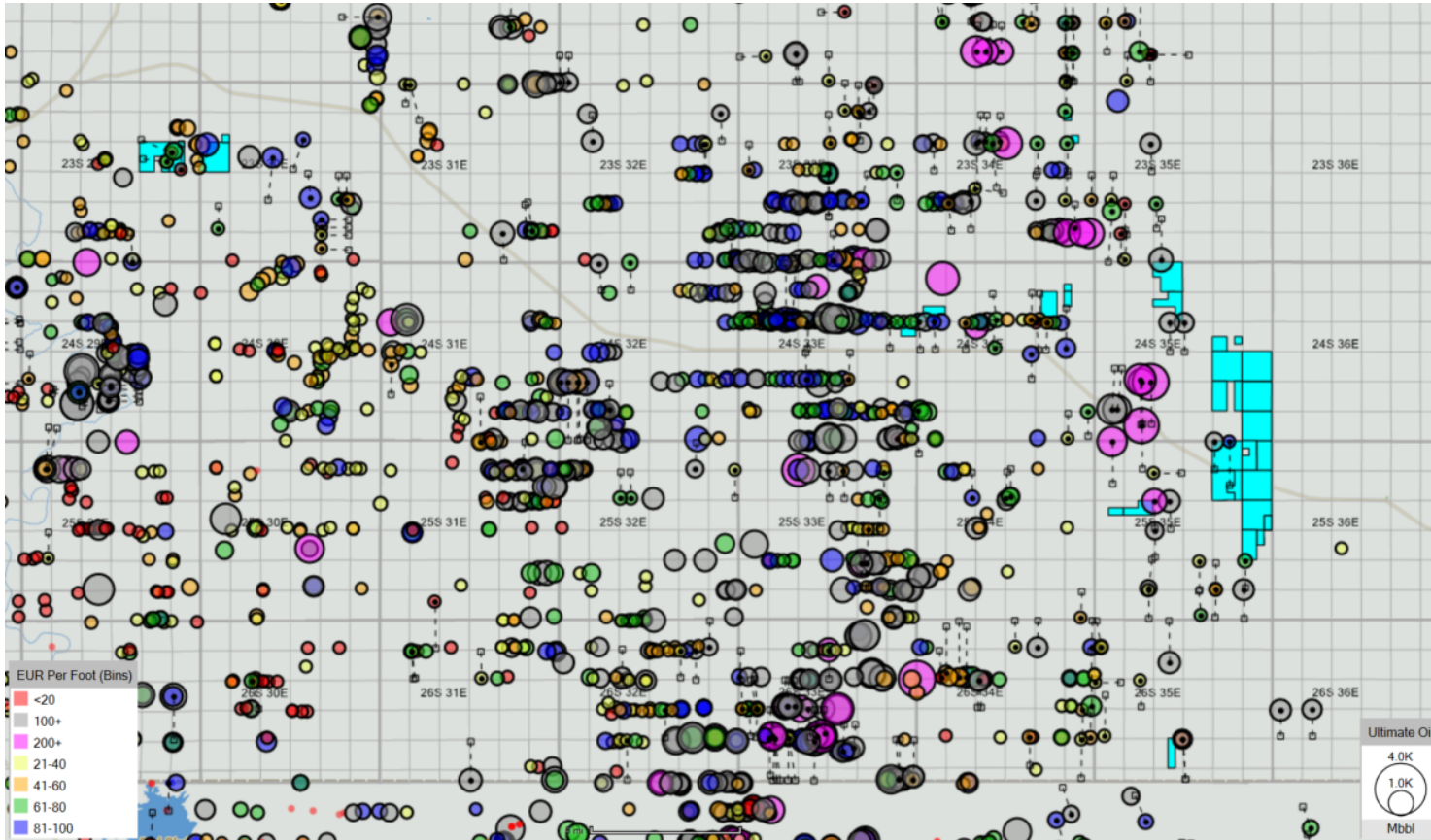
The logo for OneEnergy Partners is centered on the right side of the slide. It features the company name in a bold, sans-serif font. The word "OneEnergy" is in a larger, bold font, and "Partners" is in a smaller, all-caps font directly below it. The text is dark gray. The logo is set against a light gray circular background, which is itself surrounded by a thick red ring. The entire graphic is positioned on a dark gray background.

OneEnergy
Partners

Tools Utilized

- Networking starts with people
- Pipedrive
 - Customer Relationship Management (CRM) Tool modified to serve as Deal Tracker
 - Allowed tracking of deals, meetings, news, intelligence, etc.
- Screen Share / Video Chat
 - 8 people working in 4 separate cities across United States
 - Best in class professionals
 - Leveraged relationships across the country





Tools Utilized

- “Skittle” Map
 - Utilized public data aggregated by data vendor (Nav Port – now RSEG)
 - Declined wells to target high bbl/ft EUR areas that had seen limited activity
 - Triangulated highest producing regions
 - Resource plays work because they’re low risk and geo-engineering driven
- Granular Map
 - Built map in MS Excel with every state and fed record title holder by section
 - Added in fee sections overlaid with county lease history to identify areas unleased

Deal Flow & Execution – First Phase



Basin Evaluation

Deal centric view: trying to find areas where entry price to NAV was most heavily discounted (removes a lot of “RISK”)

Spoke to everyone and declined areas by county to prioritize target basin

Triangulated to Delaware Basin within the Permian in Southeast New Mexico



Hustle to Access Deals

Called every private operator with vertical operated wells

Called every historical fed and state sale winner

Found areas that had unique circumstances leading to their availability (aka entry)

Deal Flow & Execution – Operations

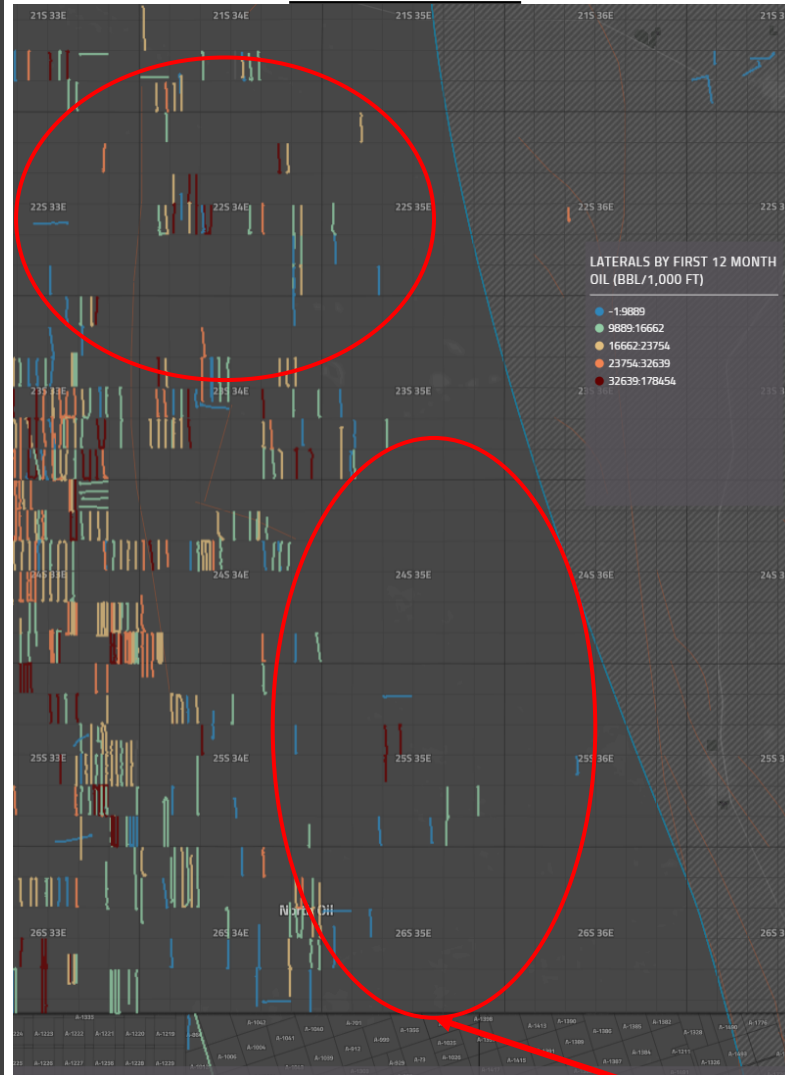
- Closing Deals Quickly
 - Market awareness was key
 - Expiring lease required rapid drilling development
 - Small team executed faster than any large organization
- Collaboration with previous engineers, field supervisors, and contractors
- Solved problems with the best solutions given available information



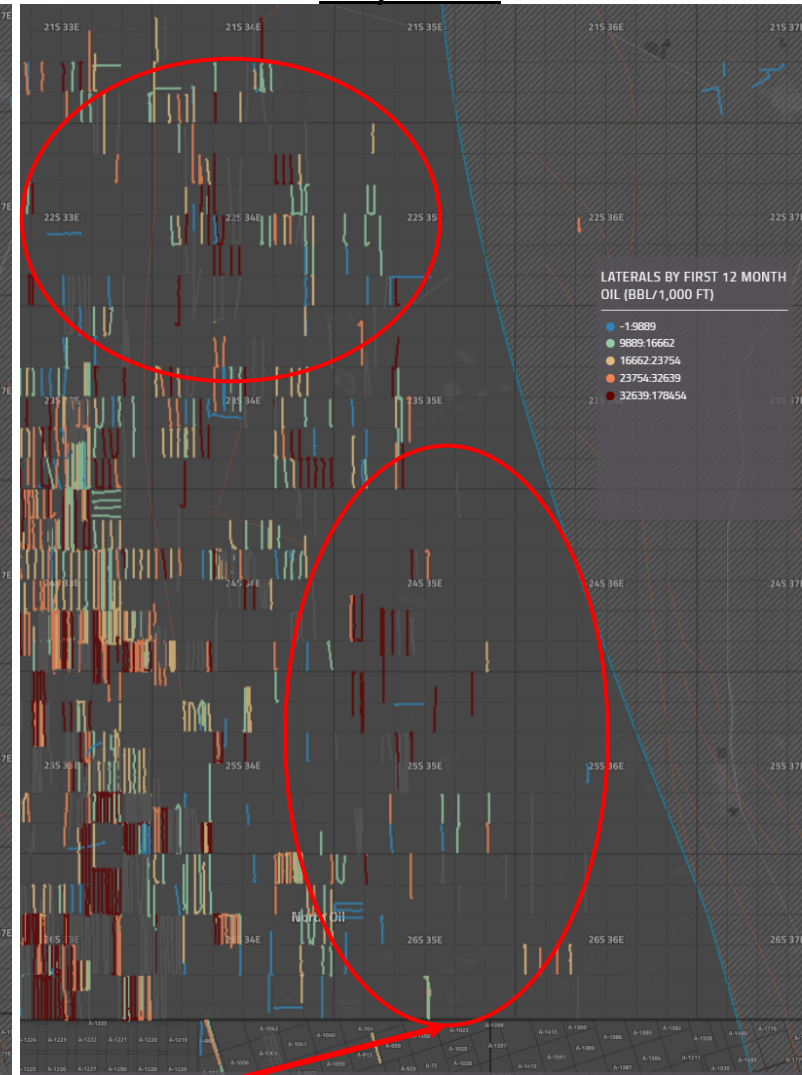
Results

- Started with 0 acres in March of 2016
- By summer of 2017, team had aggregated over 12,000 acres & two producing wells
- Surrounding wells are some of the best in North America
- Almost all deals were “off-market”
 - Offset parts of the position have been transacted for >\$95,000 per acre

March 2016



July 2019

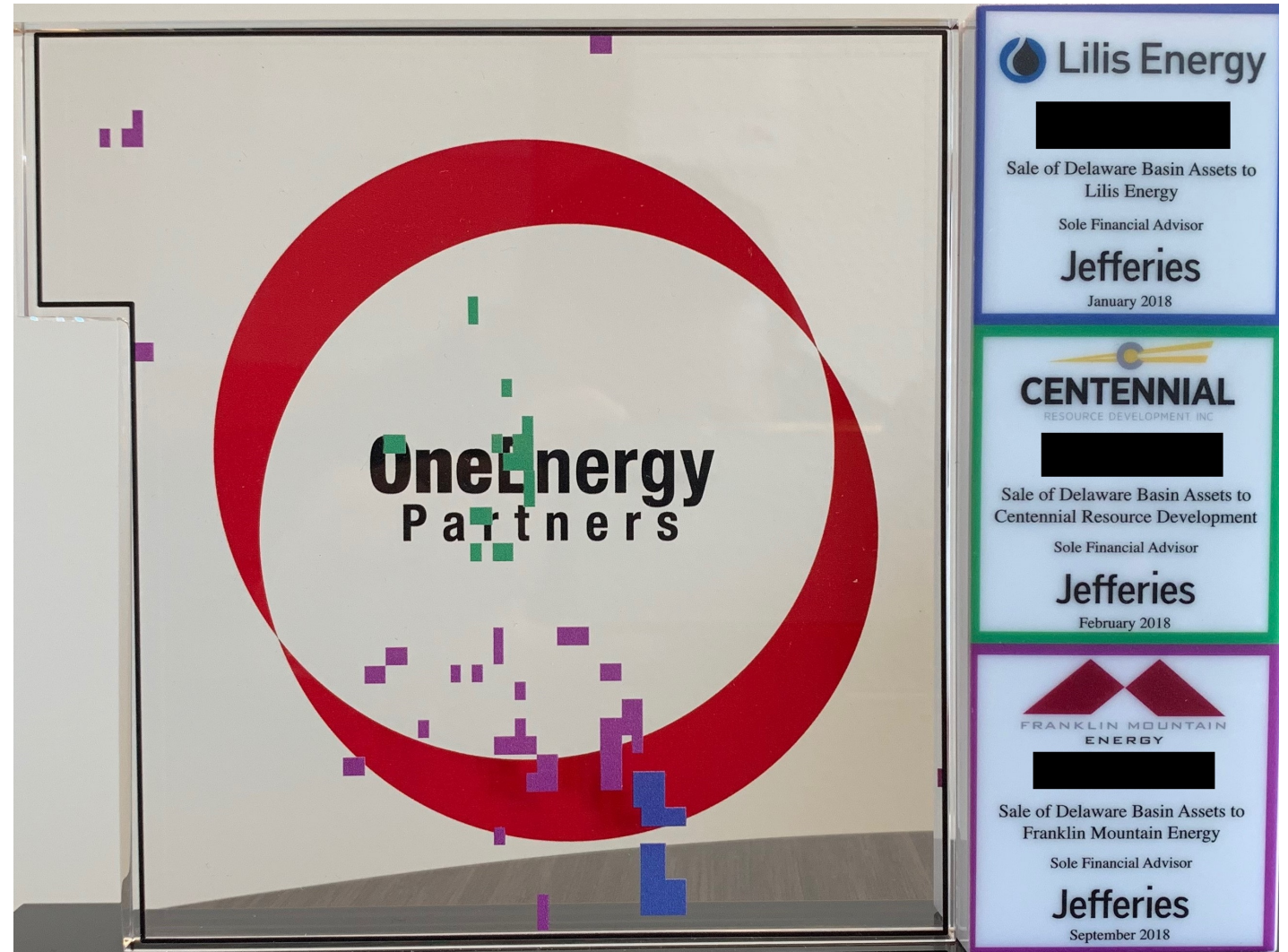


Targeted Areas

Image & Data Source: RS Energy Group

Results

- Producing ~500 bopd
- Sold to three separate surrounding operators
- Final sale resulted in transition of core team to Franklin Mountain Energy





Next Steps: Franklin Mountain Energy

- Patient and strategic capital plans to develop the asset
- Estimate ~100 gross locations available to drill in the next 4 to 6 years
- Intend to own and grow the asset as a long-term investment
- Drill your returns!

Next Steps: Drill your returns!

- Evaluate Wellbore Spacing
 - Conduct initial analysis to determine optimal spacing for long term development
 - Utilize first wells, reservoir modeling, or other tools to evaluate correct spacing solution
- Precise Cluster Placement
 - Design cluster placement based on rock properties, improved wireline calibration, and geologic modeling
- Relationships with offset operators
 - Share infrastructure costs (roads, water pits, pipeline, etc.)
 - Share knowledge and learnings about operations

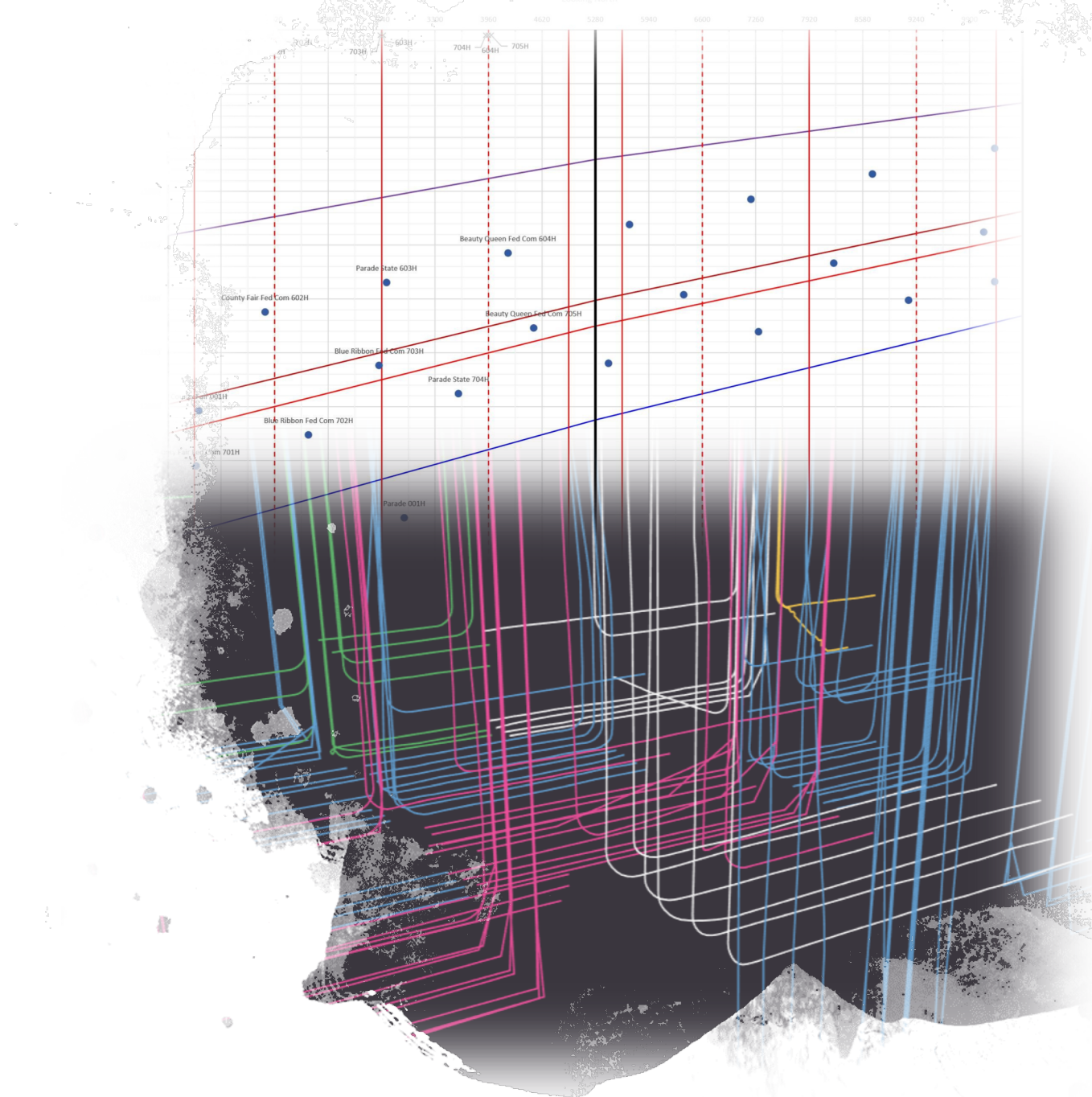


Image Source: RS Energy Group



Thank you.

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