



BAYSWATER
EXPLORATION & PRODUCTION



BAYSWATER EXPLORATION & PRODUCTION

ENERCOM DALLAS

APRIL 6-7, 2022

- **Denver Based Oil and Gas Exploration and Production Company**

- Founded 2004; launched private energy funds business in 2009
- Management team with over **250 years of oil and gas experience: land, geoscience, engineering, and operations**
- Successfully **raised and deployed over \$1.1 billion** since 2010 across 4 funds
- Direct Owner/operator model – LP's direct asset ownership; **Bayswater is Fund GP and Asset Operator**

- **Strategy / Approach**

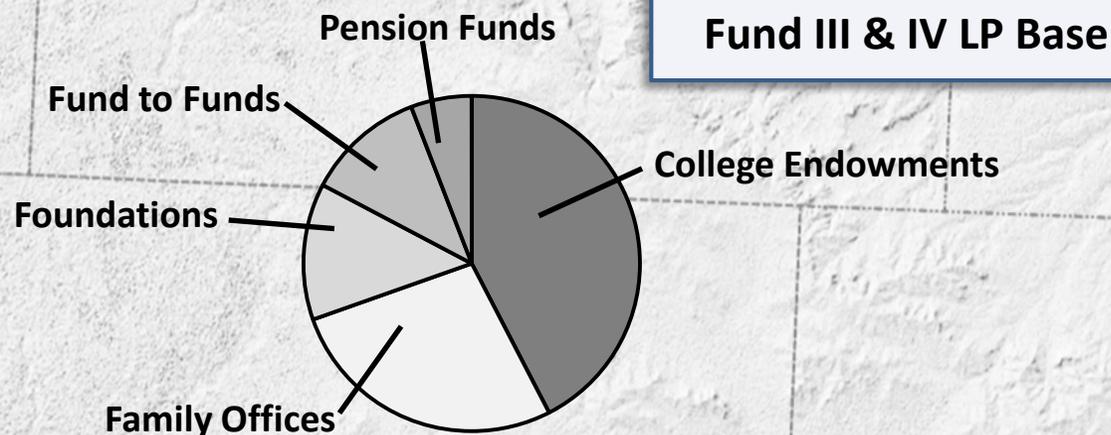
- **Focused on highest quality resource plays in the U.S – Northern Midland, Delaware, DJ Wattenberg**
 - Those with lowest break-even costs , best development economics; a robust competitive service sector, and a healthy arena of strategic buyers of quality assets.
- **Value Creation via Reserves Promotion**
 - Acquiring undeveloped leasehold in low risk or proven areas, drilling horizontal wells, hydraulically fracturing those wells, then producing and selling (hedged) oil and gas
- Majority of capital spending is for **follow-on drilling and completion activities**
- **ESG focused – early mover, transparent reporting**

Bayswater Natural Resource Funds: 2010 - Present

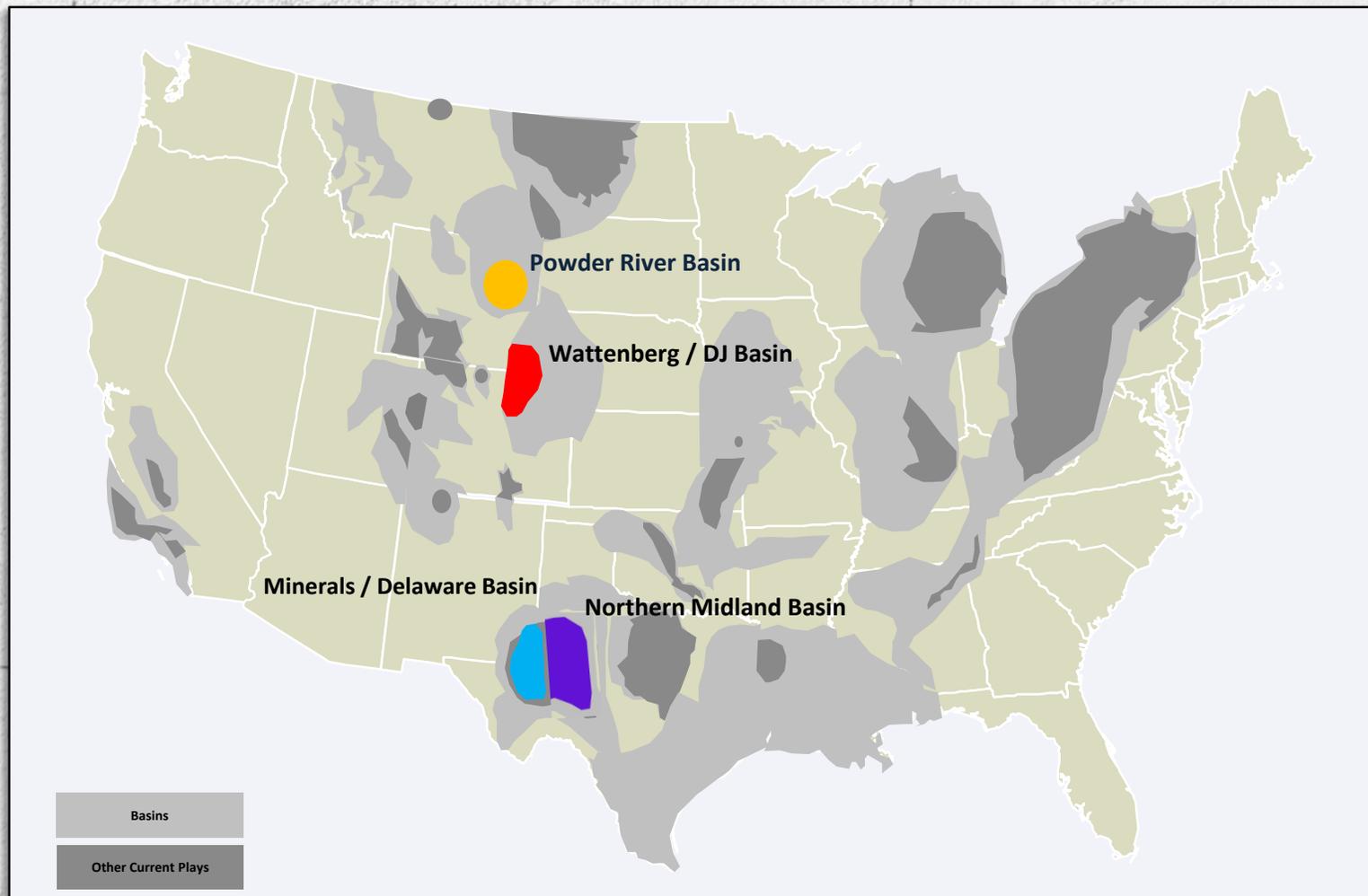
	Fund I	Fund II	Fund III	Fund IV & Annex
Commitments	Fully Realized \$105 million	Fully Realized \$250 million	Active \$390 million	Active \$462 million
Year Closed/Realized	2010/2017	2012/2017	2017/	2019 & 2021/
Focus Area	DJ Basin/Wattenberg	DJ Basin/Wattenberg San Joaquin	DJ Basin/Wattenberg Northern Midland Basin Delaware Minerals	DJ Basin/Wattenberg Northern Midland Basin Delaware Minerals

Bayswater Fund Hallmarks

- Direct Investment / Operator Model
- Blind Pools
- Narrowly Defined Strategic Fairways
- Modest Use of Leverage ~ 1.0x EBITDA
- Recycle Cash Flow
- Investor Returns via Asset Sales / Distributions
- ESG Focused



Bayswater Company Assets



DJ Basin Wattenberg

- 30,000 acres
- 203 Producing Horizontal Wells
- 28 DUCs / currently completing
- Two-rig drilling program
- Continuous 2022 completion program

Northern Midland Basin

- 42,900 acres
- 40 Producing Horizontal Wells
- 10 DUCs
- Two-rig drilling program
- 6 company owned SWD wells

Delaware Basin Minerals Position

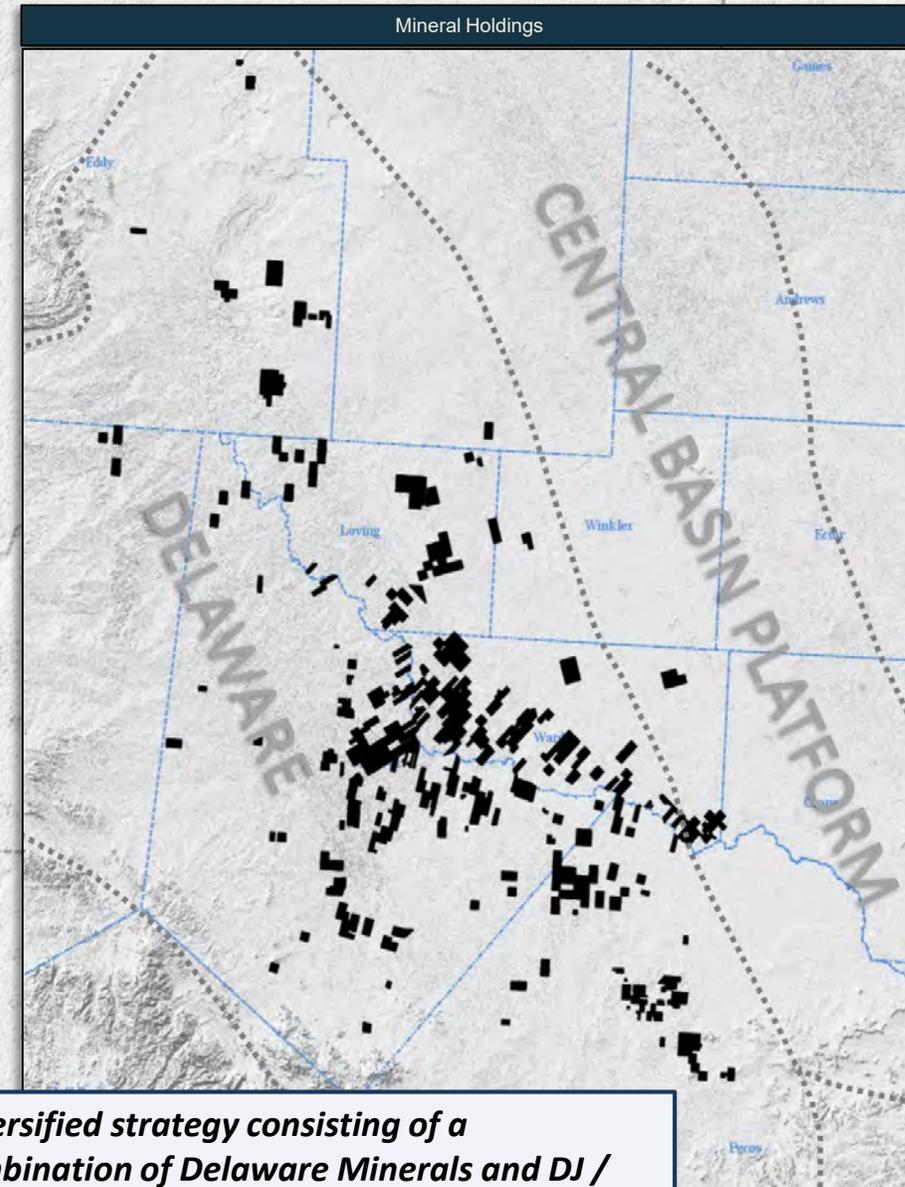
- 10,900 NRA
- 75-80% Undeveloped
- 135 DUC's and 92 Permits currently on DSU acreage
- Q1 2022 - Four rigs on DSU acreage
- 1,500 BOED, \$30 MM 2022E EBITDA

Powder River Basin

- 22,000 acres in Campbell County

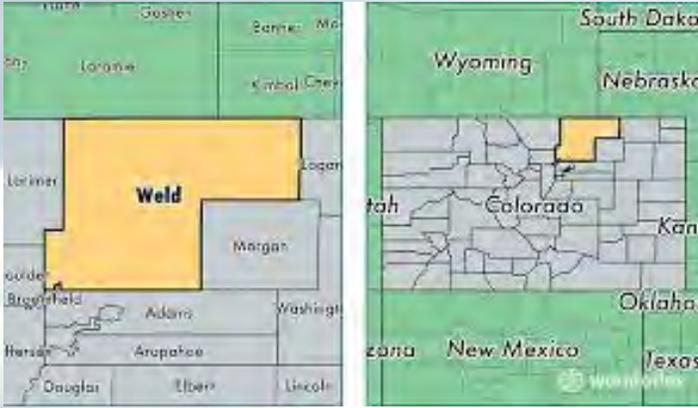
Delaware Minerals Portfolio Overview

<p>Perpetual Interest in the Core of the Delaware Basin</p>	<ul style="list-style-type: none">10,900 net royalty acres in the Delaware Basin, located primarily in Loving, Reeves, Pecos, and Ward CountiesPrimary development zones include the Wolfcamp A and B and 2nd and 3rd Bone Spring with significant upside in additional horizonsAcreage is ~22.5% developed, leaving significant upside in future developmentAverage HZ NRI Owned = 0.52%
<p>High Yielding Inflation Protected Cash Flow</p>	<ul style="list-style-type: none">2022E EBITDA of \$30 millionHigh cash flow per NRA of \$2,750Current net production of ~ 1,500 Boe/d
<p>Top Delaware Basin Operators Committing Significant Capital</p>	<ul style="list-style-type: none">Industry leading operators include Oxy, Exxon, Diamondback, Chevron, Callon, Conoco, PDC, and DevonQ1 2022 averaging 4 rigs on DSU acreage135 DUCs and 92 permits on DSU acreage



Diversified strategy consisting of a combination of Delaware Minerals and DJ / Midland Basin Operated Projects

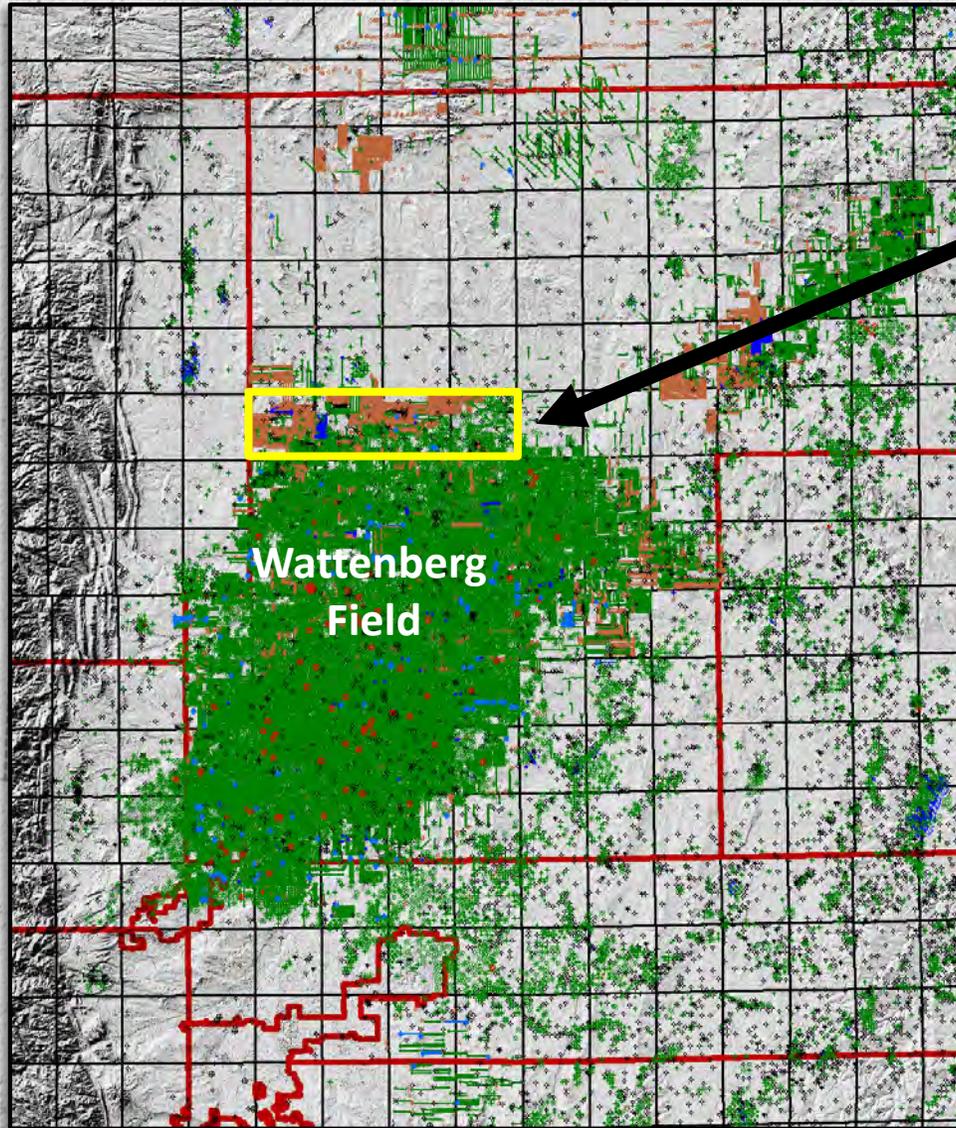
DJ Basin Wattenberg – Weld County



“City of Thornton” Completion Operations Bayswater Fund III Acreage in Rural Weld County



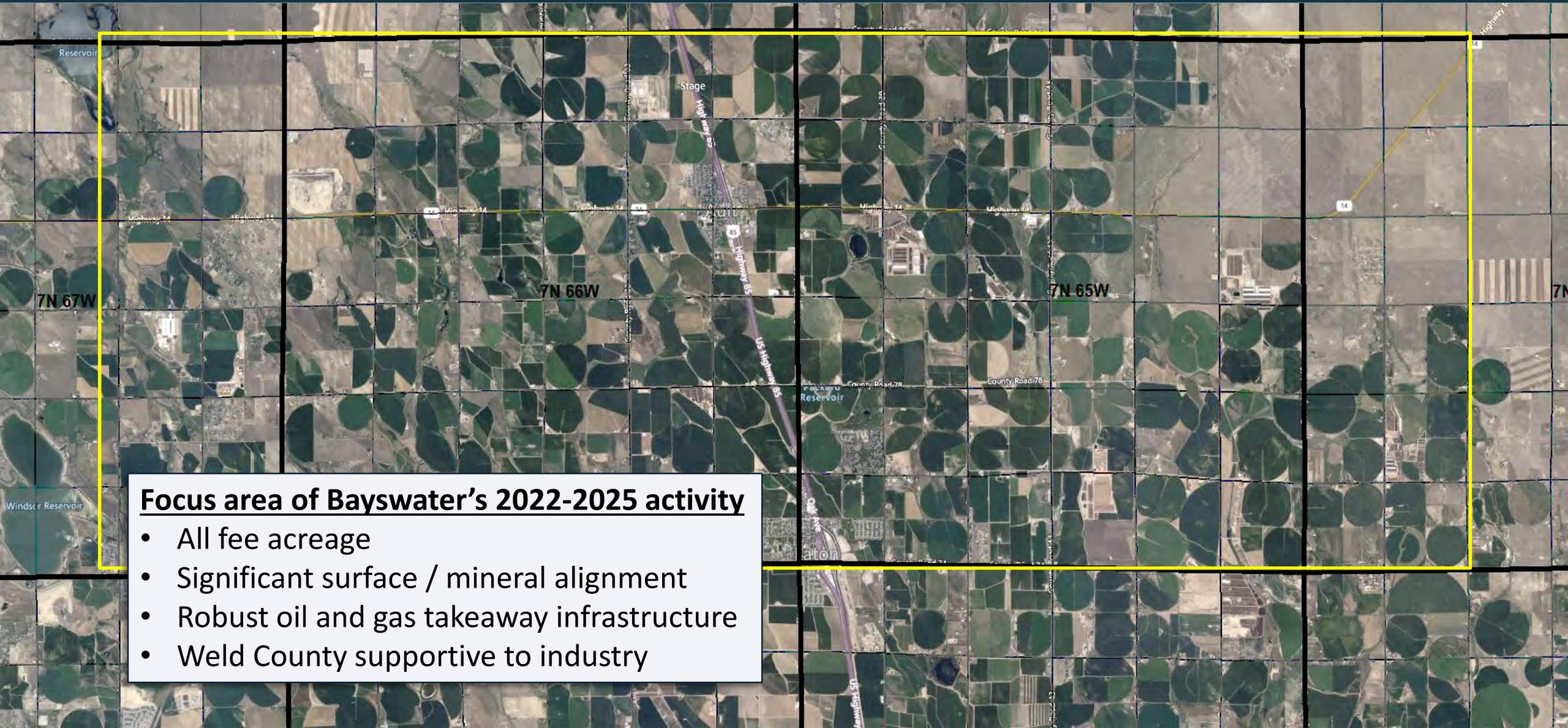
DJ Basin – Core Wattenberg Operating Area



Bayswater's North Wattenberg Focus Area

- Core area since 2009
 - Assembled 30,000 acres in Funds I & II
 - Exited in 5 transactions 2014-2017
- Currently:
 - 30,000 acres and growing
 - 28,000 BOED
 - Planned 2-Rig program 2022
- Surface Culture is rural, agricultural
- All four Wattenberg Benches are full-developed
- Volatile oil band: 40-48^o API

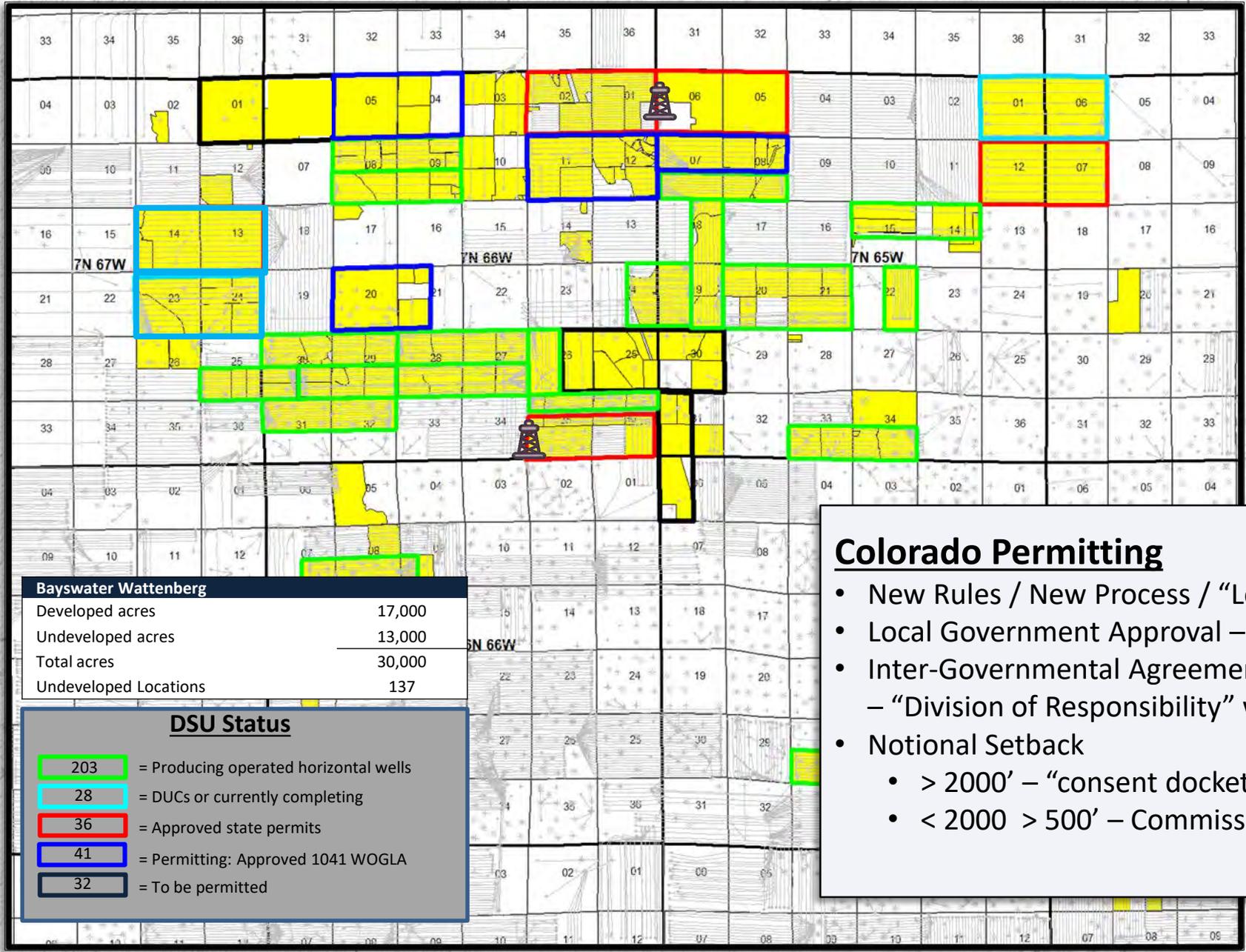
Culture: Rural - Agricultural



Focus area of Bayswater's 2022-2025 activity

- All fee acreage
- Significant surface / mineral alignment
- Robust oil and gas takeaway infrastructure
- Weld County supportive to industry

Bayswater DJ Basin Wattenberg Acreage Position and Status

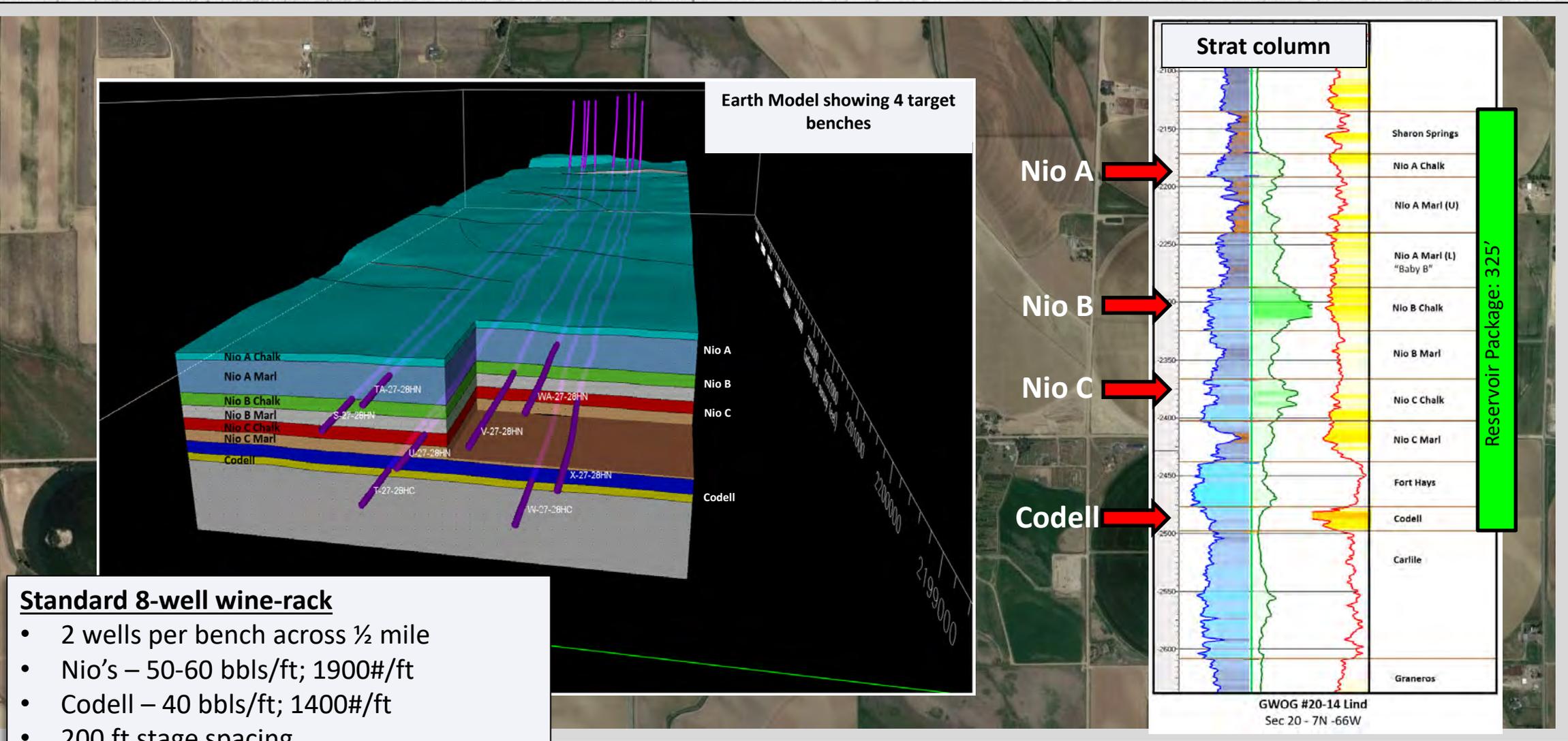


Bayswater Wattenberg	
Developed acres	17,000
Undeveloped acres	13,000
Total acres	30,000
Undeveloped Locations	137

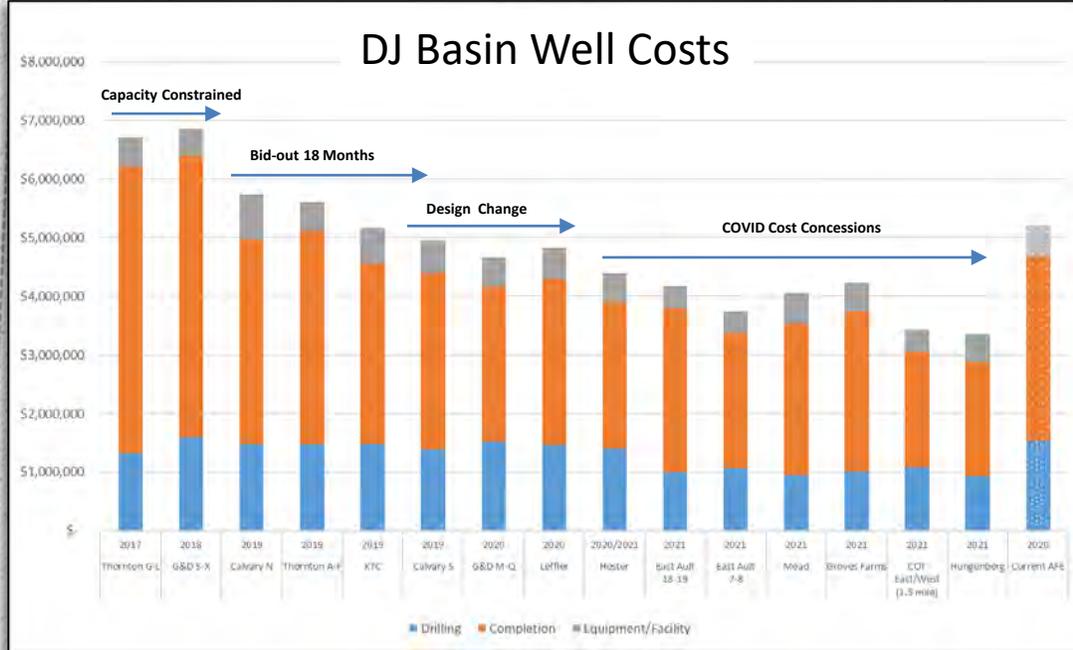
DSU Status	
203	= Producing operated horizontal wells
28	= DUCs or currently completing
36	= Approved state permits
41	= Permitting: Approved 1041 WOGLA
32	= To be permitted

Colorado Permitting

- New Rules / New Process / “Learning Curve”
- Local Government Approval – WOGLA – key
- Inter-Governmental Agreement – Weld / State – “Division of Responsibility” work in progress
- Notional Setback
 - > 2000’ – “consent docket”
 - < 2000 > 500’ – Commission Hearing



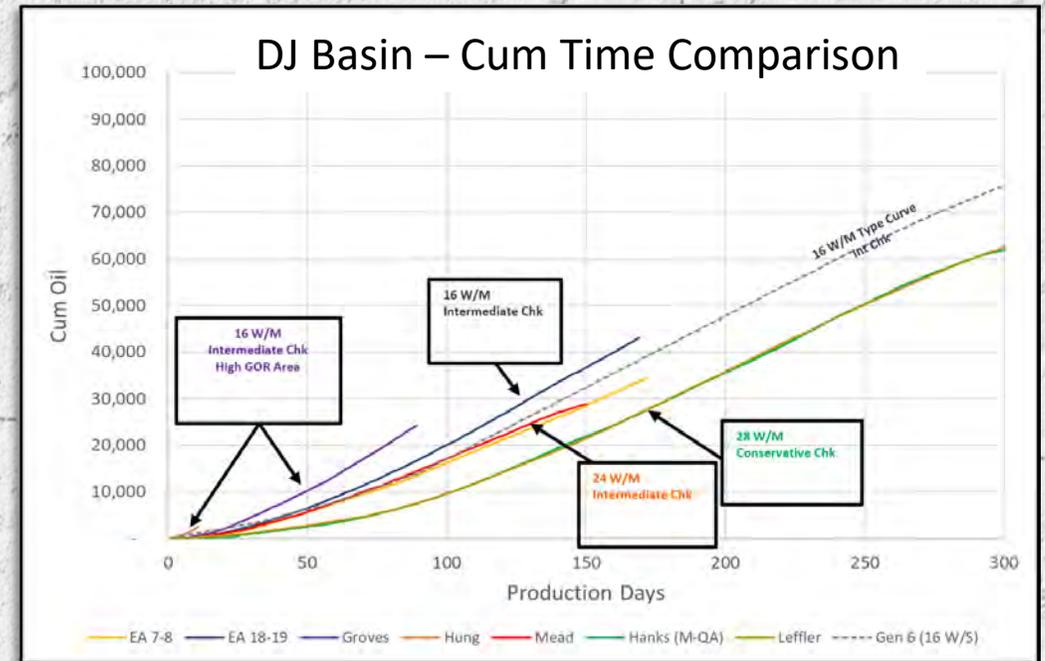
Project Economics – DJ Basin



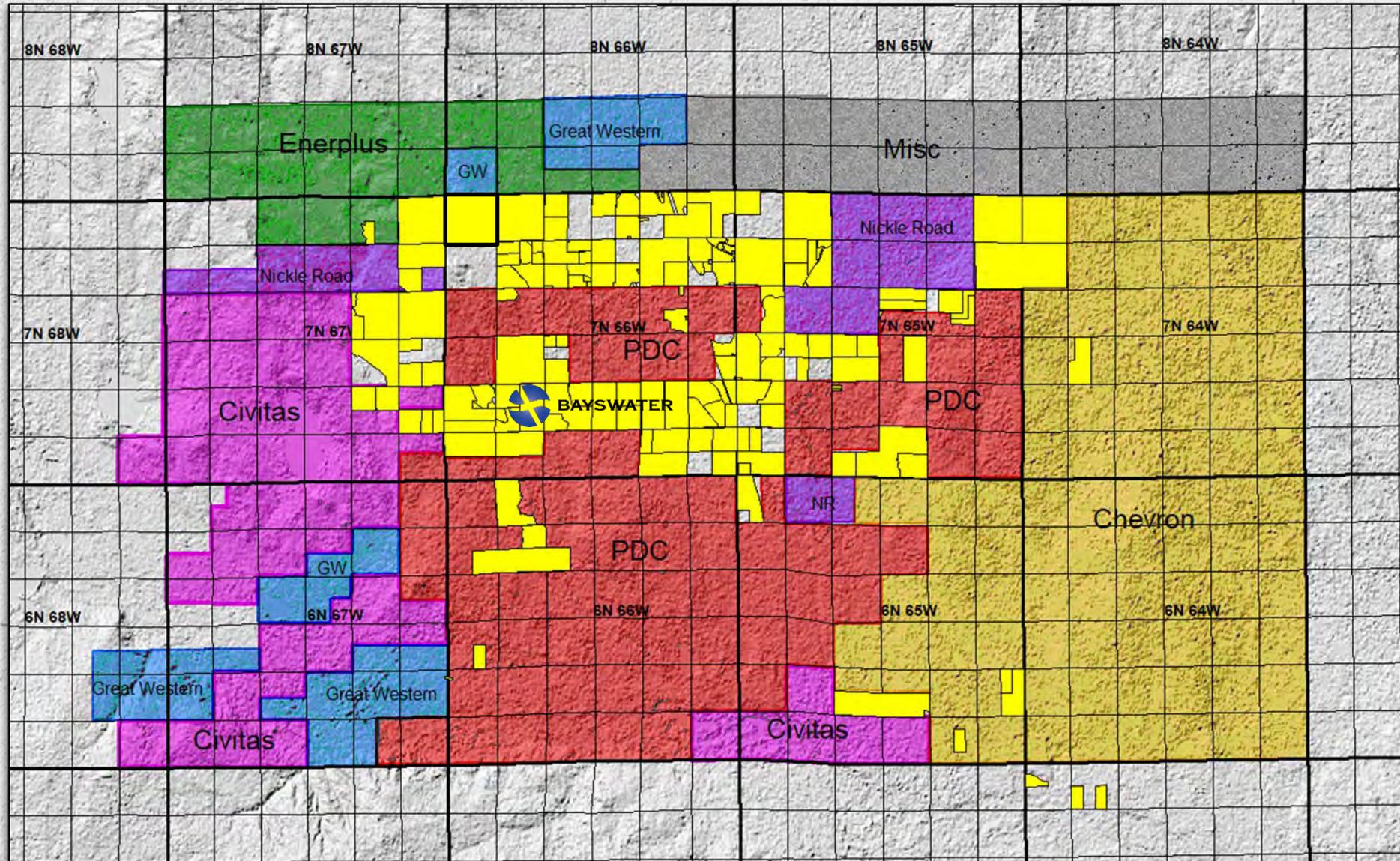
- Cost per well in the DJ Basin was down nearly 50% during 2021
- Current costs are approximately 25% higher now than compared to the 2021 lows for “like” wells.
- Current 5-year strip is c. \$75 vs. c. \$50 in 2019.

DJ Basin IRR - (Single Well Economics) - Gen 6 16 W/S

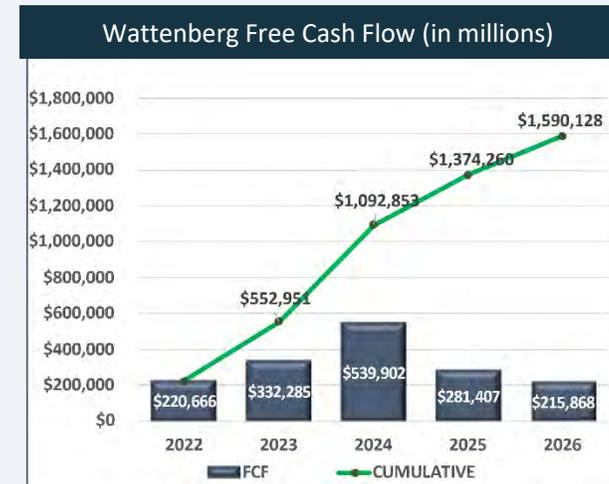
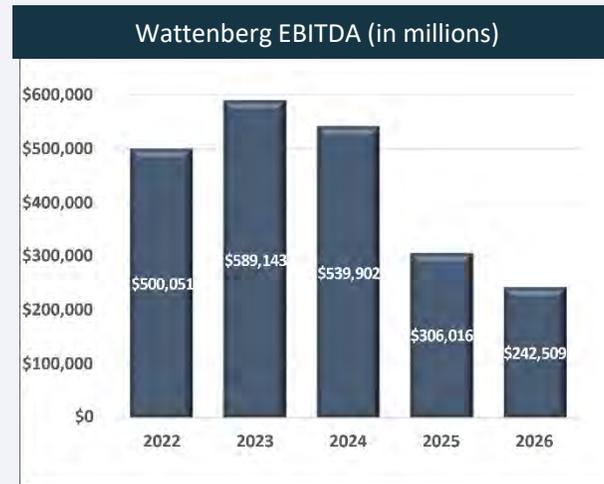
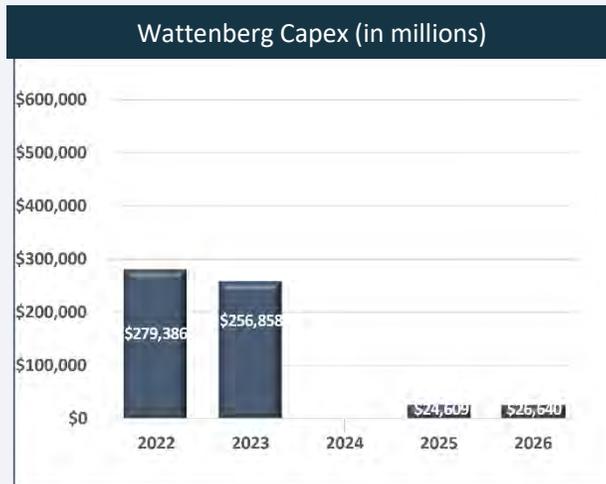
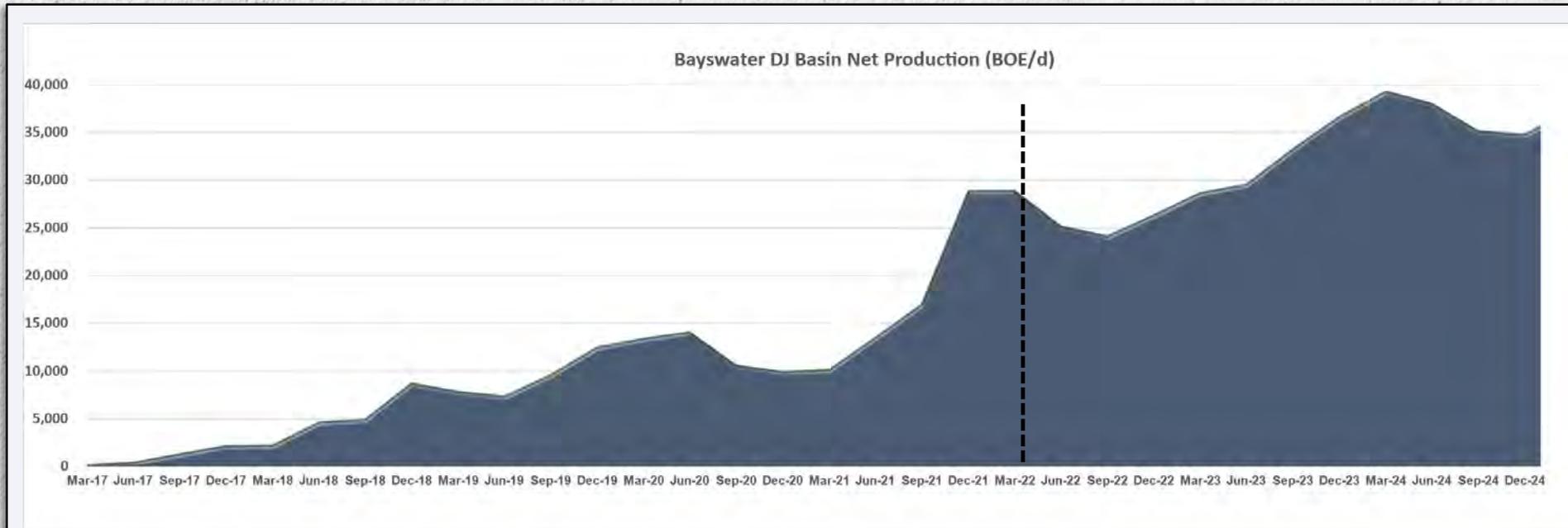
WTI Price (\$-3.5.00 diff)	Drill and Complete Costs (in 000s)						
	\$ 4,500	\$ 4,750	\$ 5,000	\$ 5,250	\$ 5,500	\$ 5,750	\$ 6,000
\$ 100	115%	109%	103%	97%	92%	87%	83%
\$ 90	100%	94%	89%	84%	79%	75%	71%
\$ 80	84%	79%	74%	70%	66%	62%	58%
\$ 70	69%	64%	60%	56%	53%	49%	46%
\$ 60	54%	49%	46%	42%	39%	36%	33%
\$ 50	38%	34%	31%	28%	25%	23%	20%
\$ 40	21%	18%	16%	13%	11%	9%	7%
\$ 30	4%	1%	-1%	-3%	-5%	-6%	0%



Bayswater DJ Basin Acreage Position vs Peers



Bayswater DJ Forecast (5th Largest DJ Wattenberg Producer)



EBITDA and Free Cash Flow based on March 31, 2022 NYMEX strip pricing, less differentials; assumes continued development running 2 rigs in the DJ Basin.

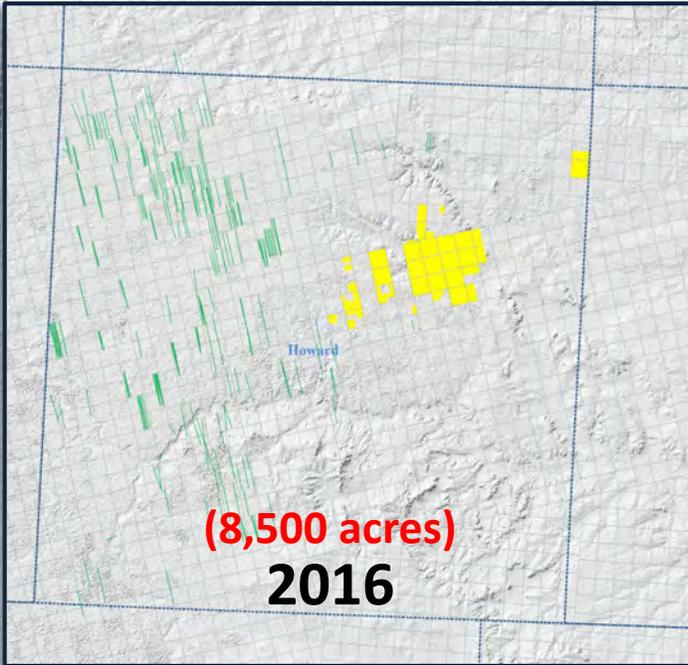
Texas



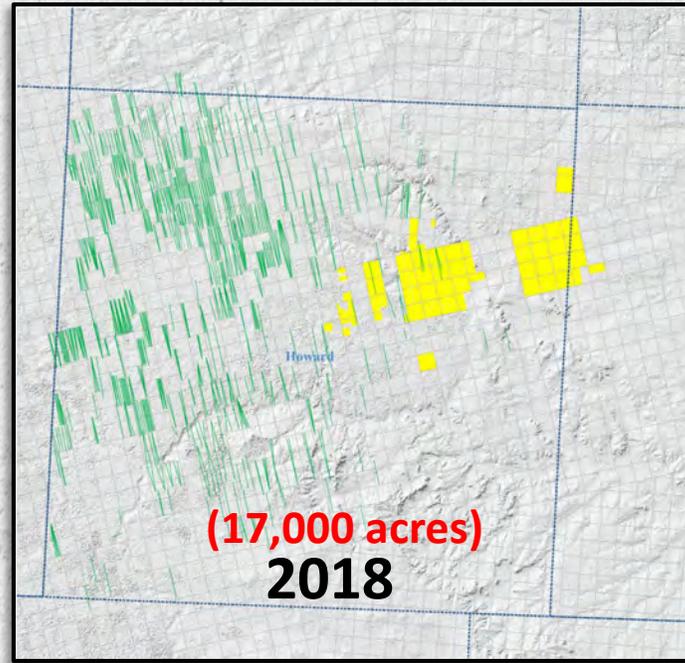
FEAST Project Howard County, TX



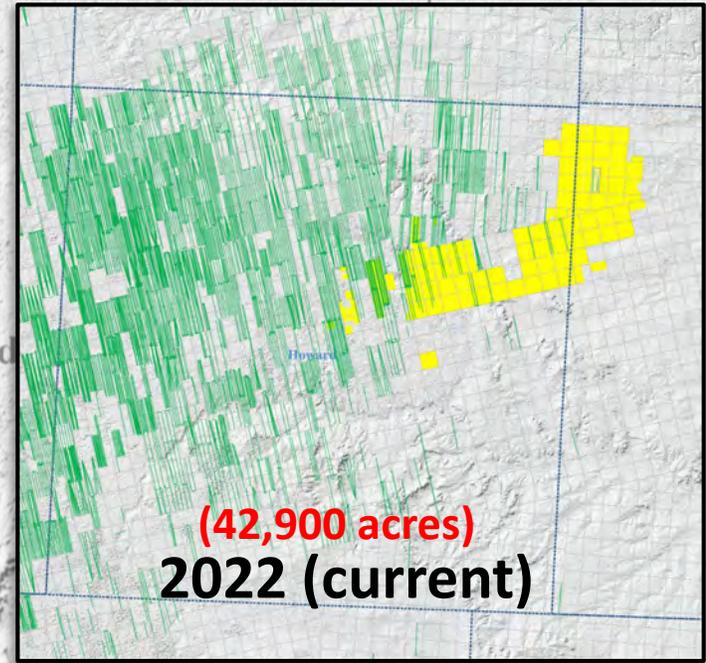
Howard County Development Progression



- 2016 technical study - **began leasing step-out “Tier Two” Wolfcamp acreage**
- **High liquid percentage, low DC&E costs**, yielded attractive project economics



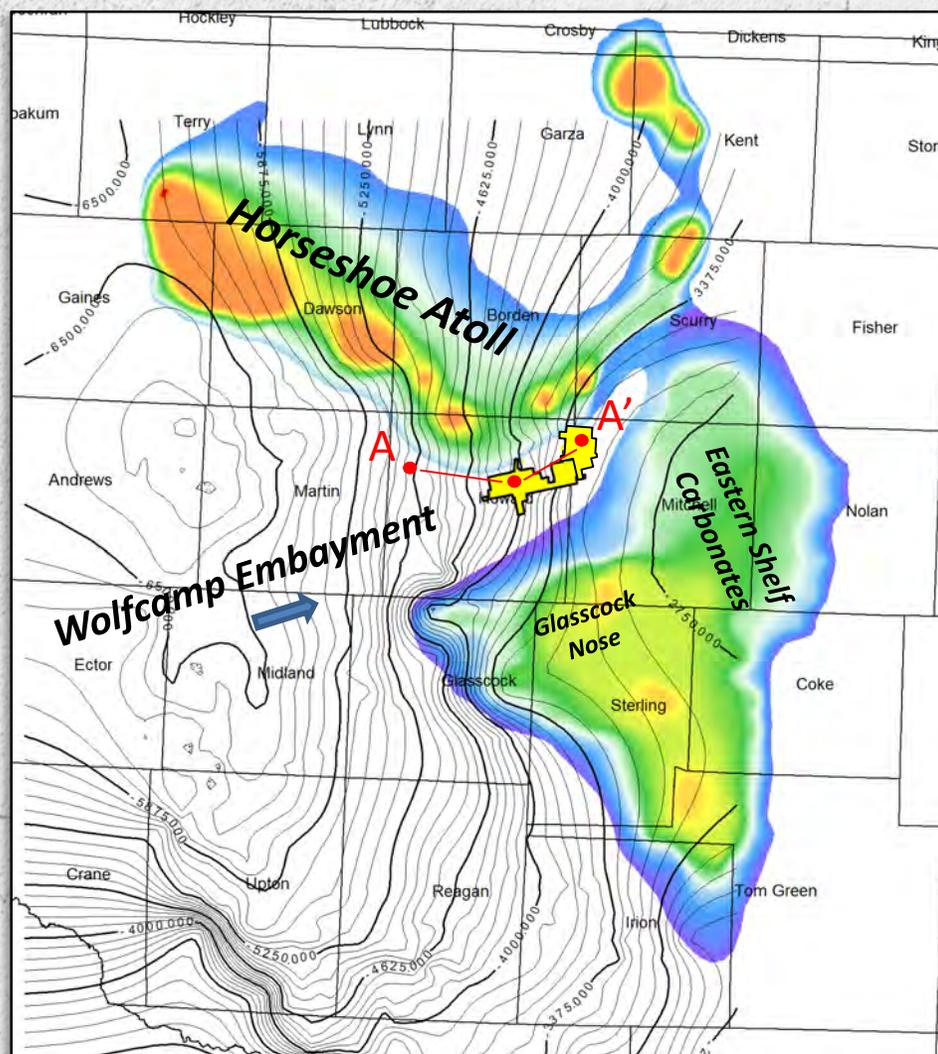
- Existing infrastructure, **friendly regulatory environment**,
- **Repeatable type curve performance was original underwriting risk**



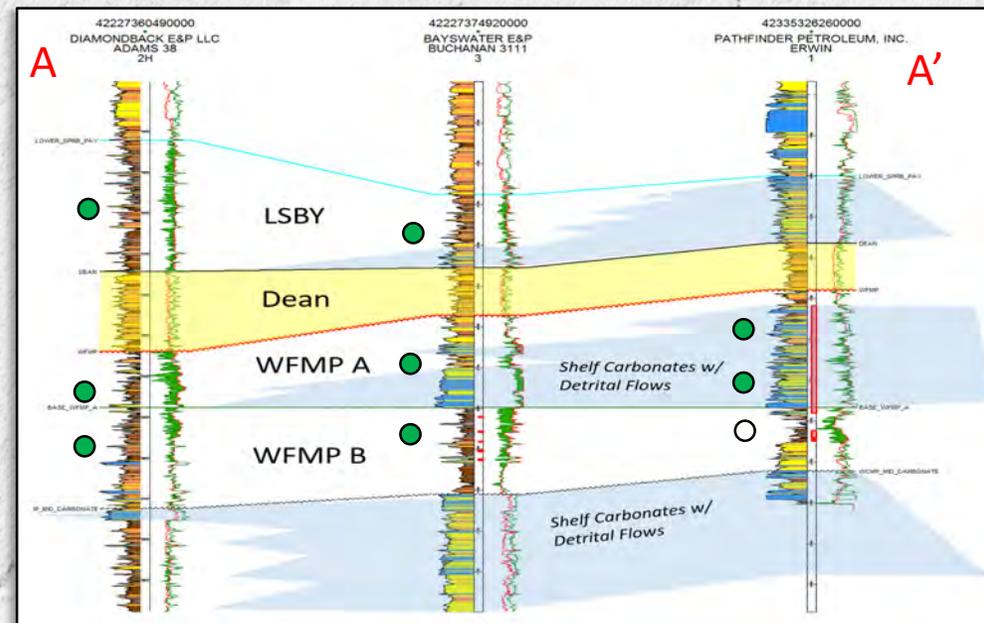
- Currently **1750 WFMP/LSBY HZ's** in Howard County
- **Over 300 eastern horizontal laterals** have been completed in four separate benches yielding solid **“Tier One” economic performance and a well documented type curve**

 **Bayswater Leasehold**

Howard County – Unique Geologic Position

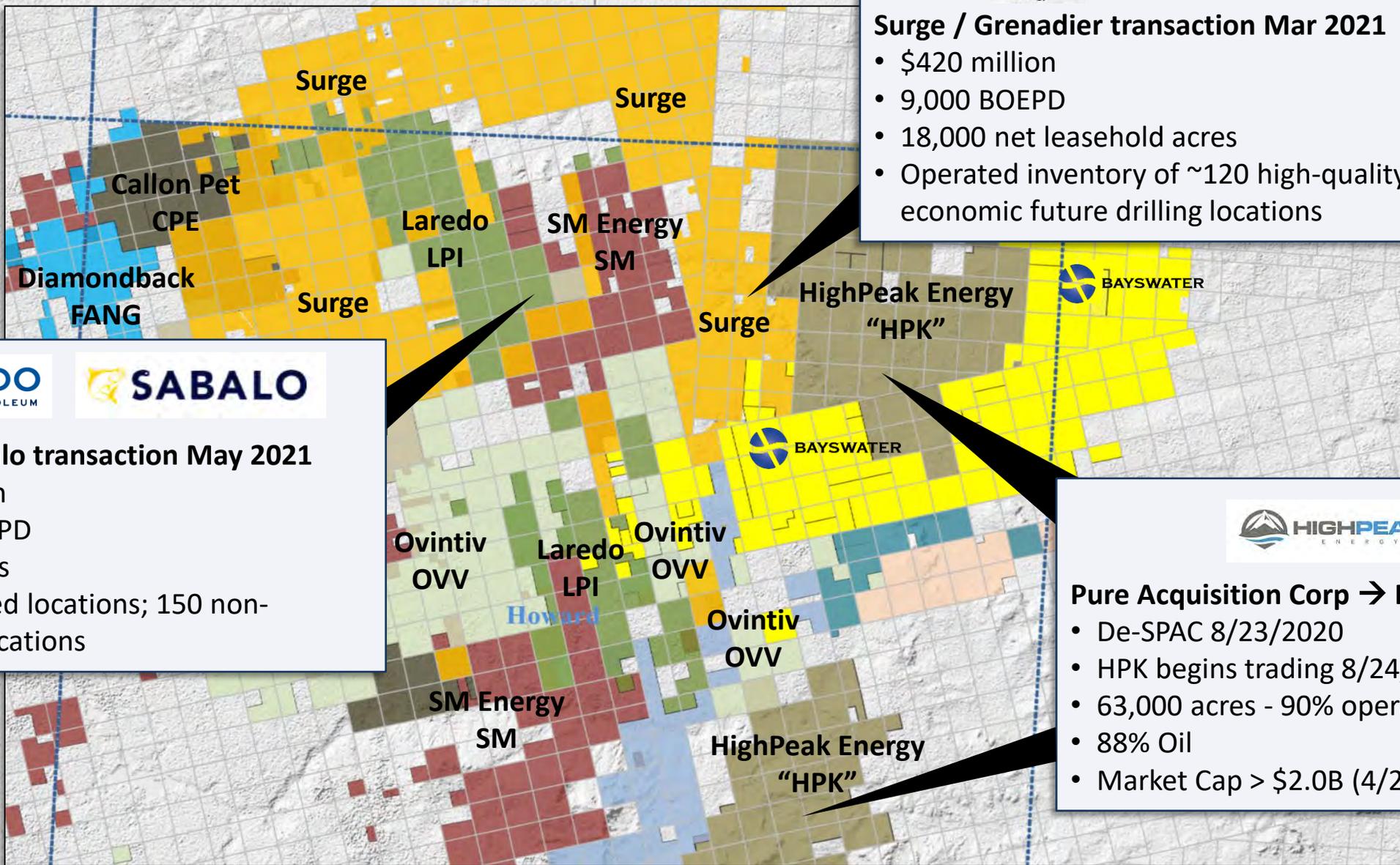


Major Carbonate Features – WFMP Structure



- **Uniquely positioned** - situated between two large carbonate buildups which both shed abundant sediment into basin
 - Horseshoe Atoll (HA, underlying)
 - Eastern Shelf (ES, adjacent/overlying)
- **Area targeted** based on Wolfcamp B rock properties (**shale-focused**)
 - Source rocks continually present
 - Consistent heat flow/maturation
 - Highly oil saturated rock (both shale and carbonate)
 - Substantial vertical well performance (both shale and carbonate)

Howard County Operators



Surge / Grenadier transaction Mar 2021

- \$420 million
- 9,000 BOEPD
- 18,000 net leasehold acres
- Operated inventory of ~120 high-quality / economic future drilling locations



Laredo / Sabalo transaction May 2021

- \$715 million
- 14,500 BOEPD
- 21,000 acres
- 120 operated locations; 150 non-operated locations

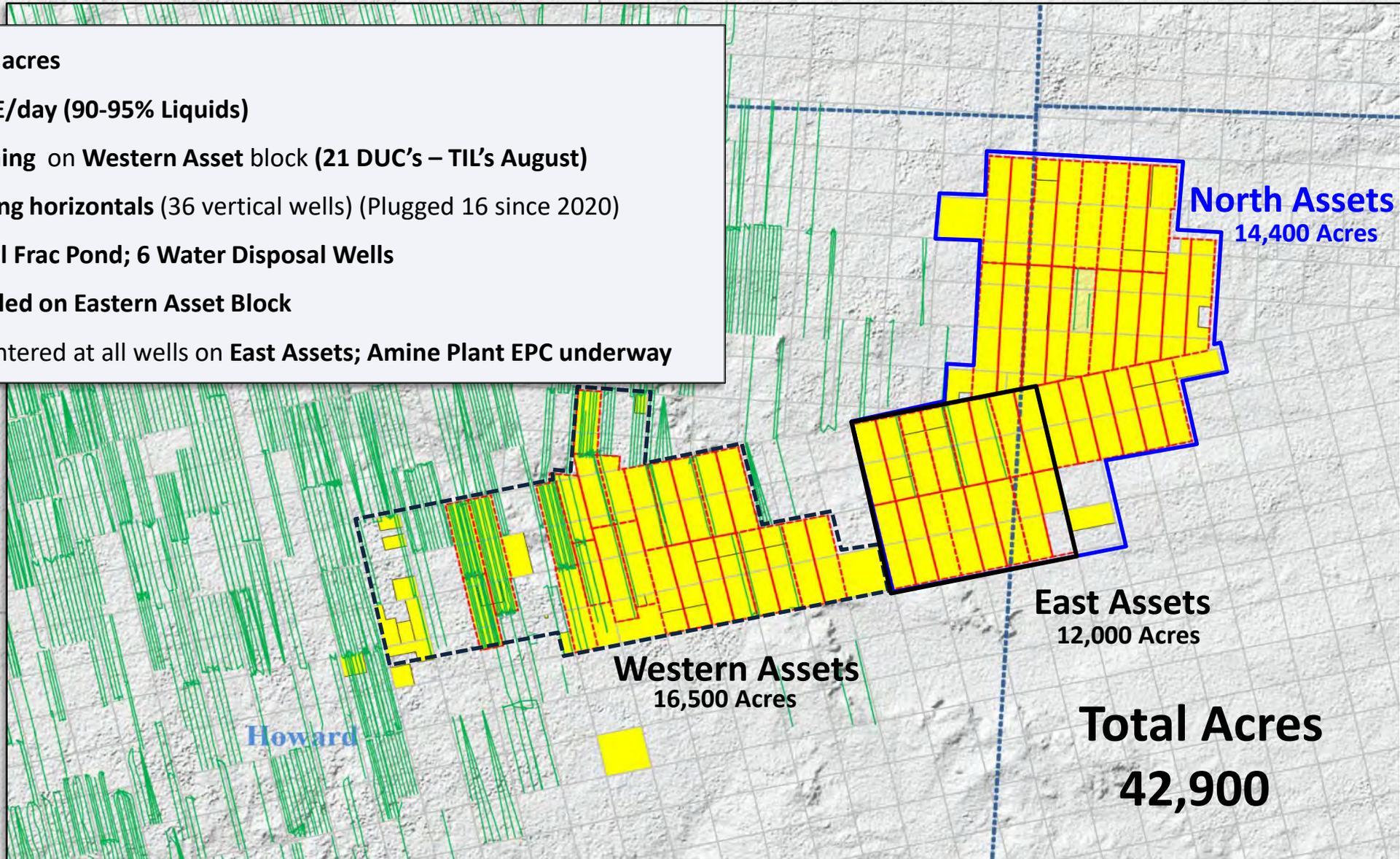


Pure Acquisition Corp → HighPeak Energy

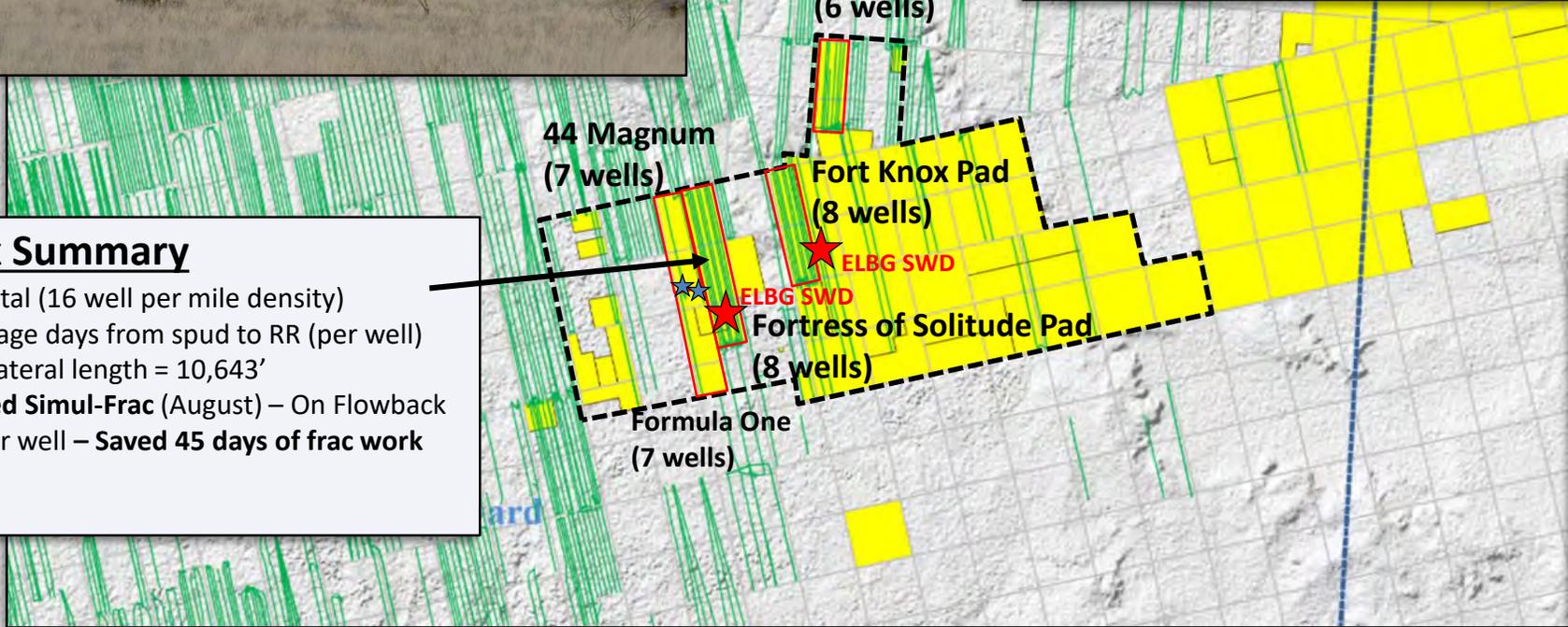
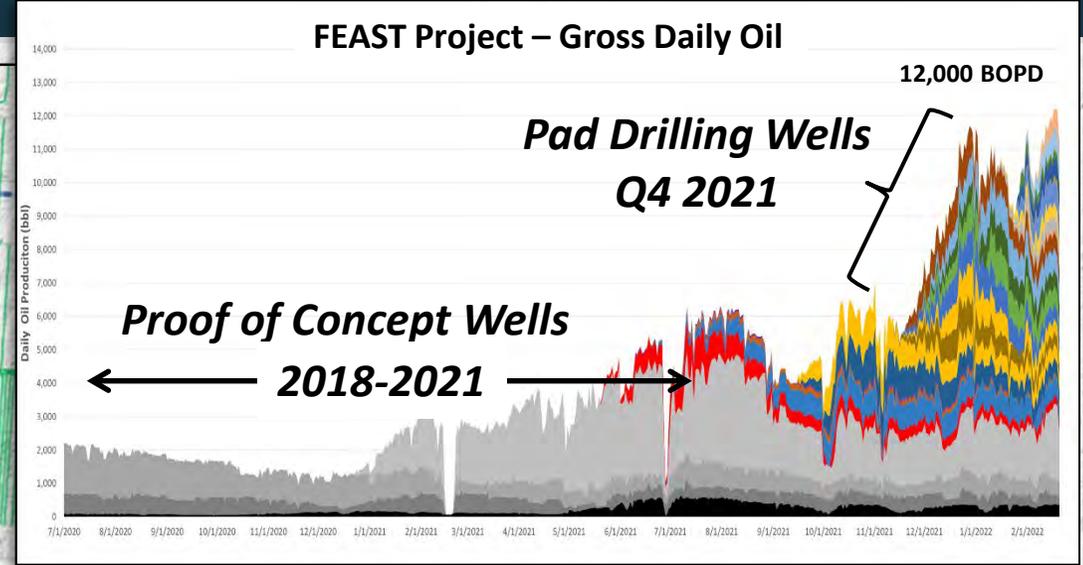
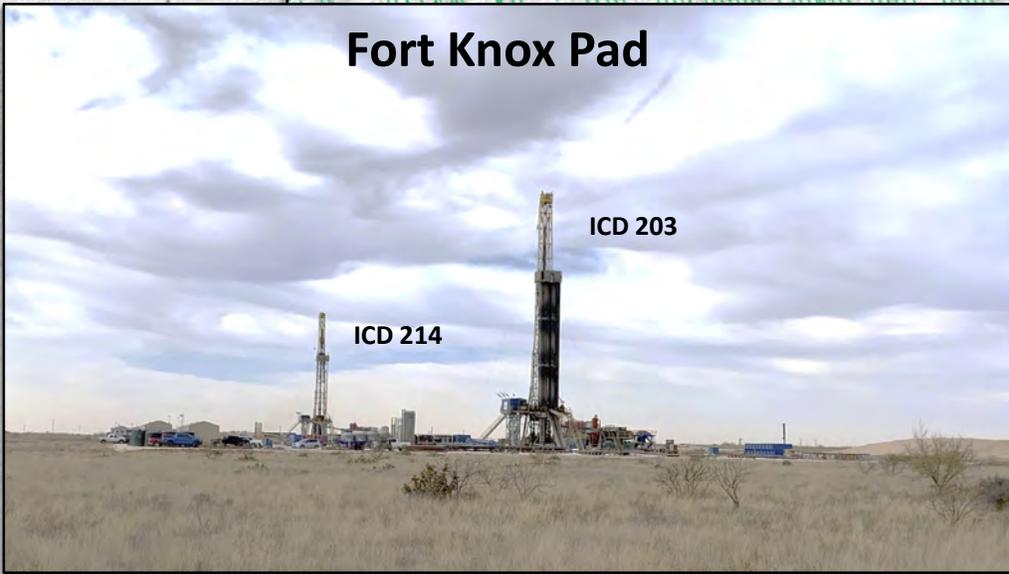
- De-SPAC 8/23/2020
- HPK begins trading 8/24/2020
- 63,000 acres - 90% operated (YE 21)
- 88% Oil
- Market Cap > \$2.0B (4/22)

Howard County – Bayswater Activity Update

- 42,900 net acres
- 13,500 BOE/day (90-95% Liquids)
- 2 Rigs running on Western Asset block (21 DUC's – TIL's August)
- 40 producing horizontals (36 vertical wells) (Plugged 16 since 2020)
- 1.3 MM Bbl Frac Pond; 6 Water Disposal Wells
- 4 wells drilled on Eastern Asset Block
- H2S encountered at all wells on East Assets; Amine Plant EPC underway

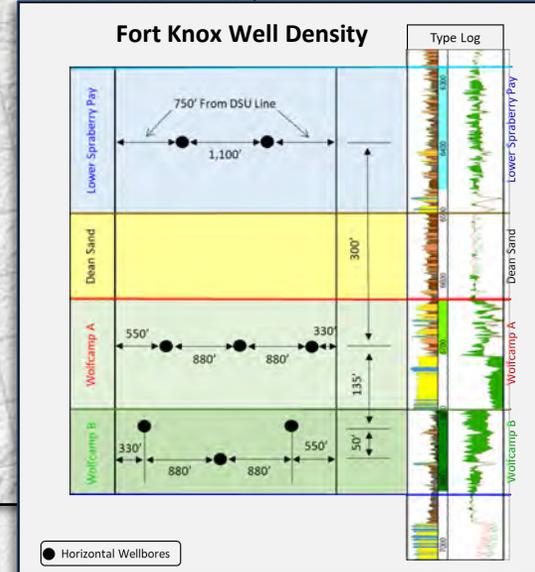


Western Block Activity – Pad Drilling

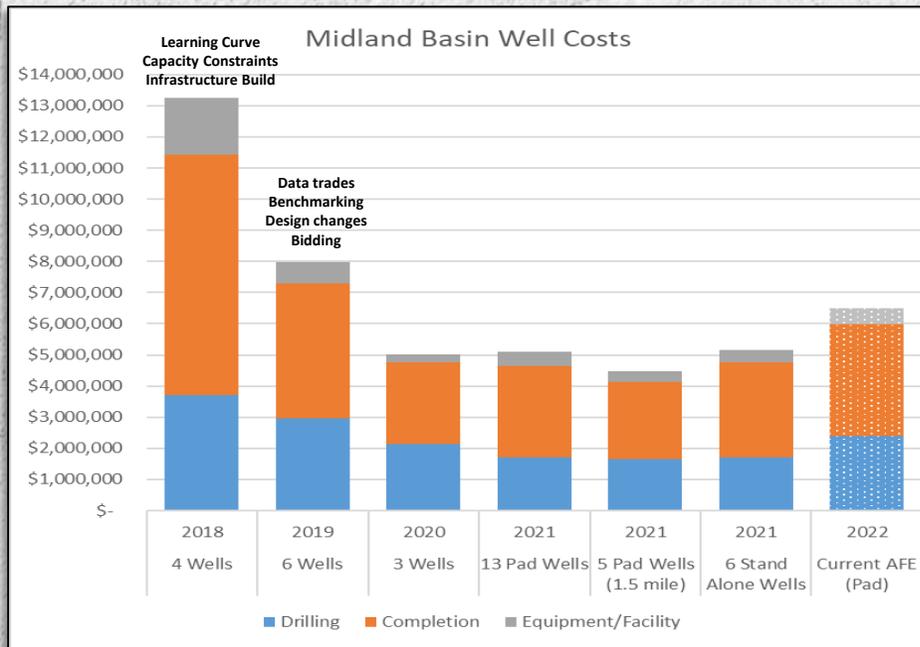


Fort Knox Summary

- 8 wells total (16 well per mile density)
- 12.5 average days from spud to RR (per well)
- Average lateral length = 10,643'
- **Conducted Simul-Frac (August) – On Flowback**
- \$5.4M per well – **Saved 45 days of frac work via SF**



Project Economics – Western Block

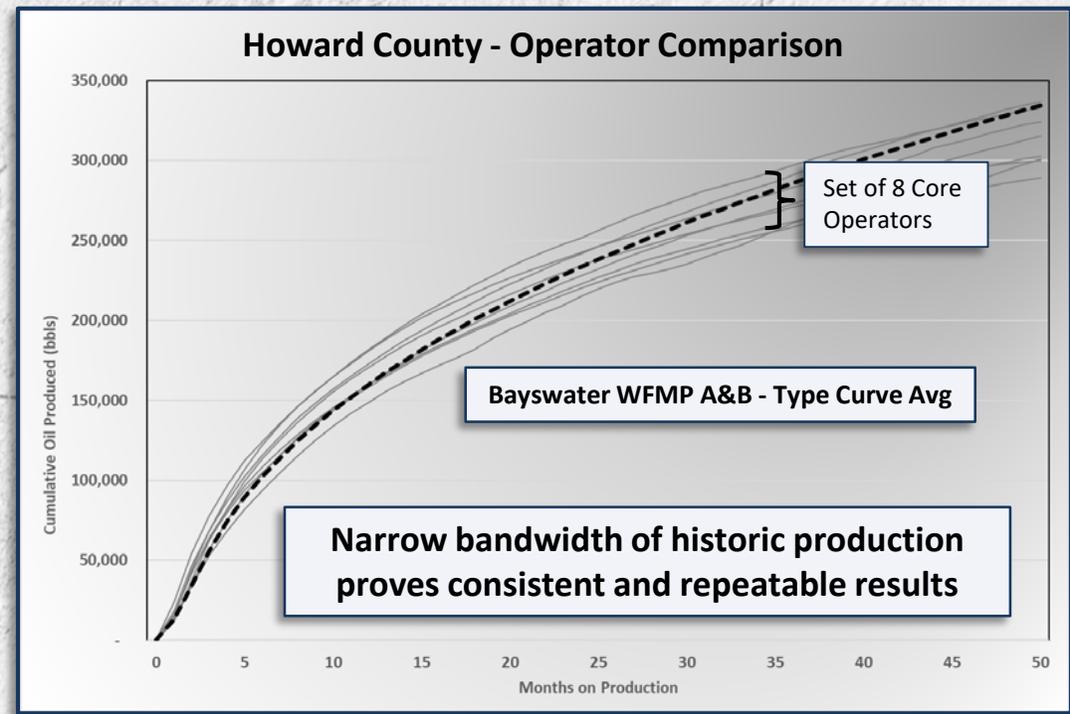


Average (2 LSBY / 3 WFMP A / 3 WFMP B)

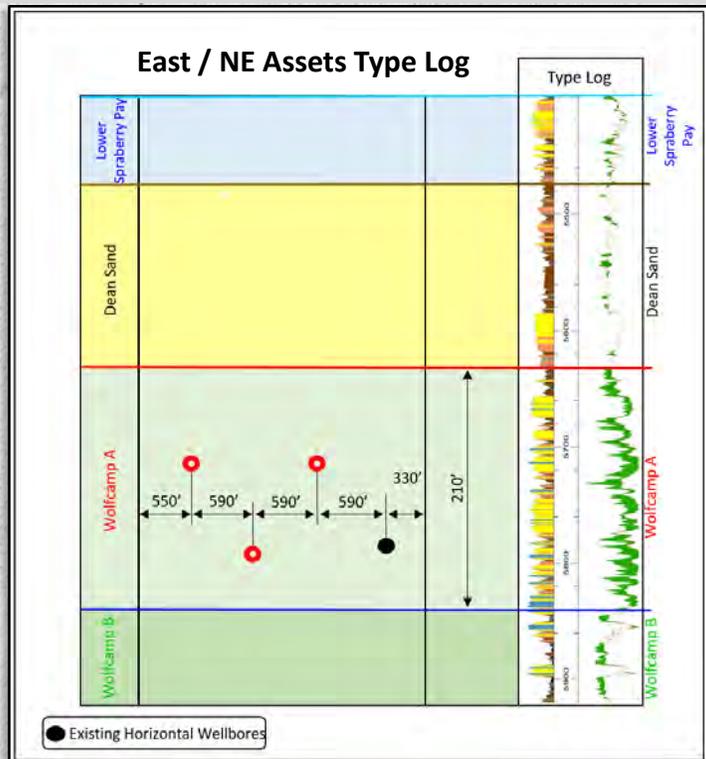
Drill and Complete Costs (in 000s)

Wellhead Oil Price	\$ 5,500	\$ 5,750	\$ 6,000	\$ 6,250	\$ 6,500	\$ 6,750	\$ 7,000
\$ 100	139%	134%	130%	125%	121%	117%	113%
\$ 90	124%	119%	114%	110%	106%	102%	98%
\$ 80	107%	103%	99%	95%	91%	87%	84%
\$ 70	90%	86%	82%	78%	75%	72%	68%
\$ 60	72%	69%	65%	62%	59%	56%	53%
\$ 50	54%	50%	47%	44%	41%	39%	36%
\$ 40	34%	31%	28%	26%	23%	21%	19%
\$ 30	11%	11%	10%	8%	7%	5%	4%

- Western Block delineation drilling (13 wells) 2018 - 2020
- Pad drilling commenced 2021
- Current costs 30% higher now than 2021 lows for pad drilling.
- Data table represents three zone “Average” in western block.



East and North East– Delineation (4 Wells)

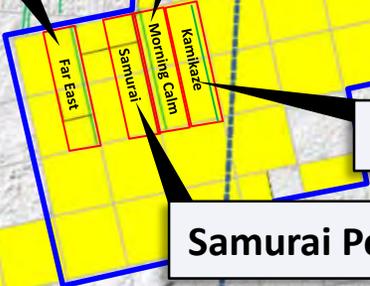


Operational Summary

- Drilled 4 wells (tested 3)
- 10.9 average days from Spud to RR
- Morning Calm & Samurai = \$6.2M DC&E
- All Sour Gas (80,000 ppm H₂S) and Sour Oil (1.8%)

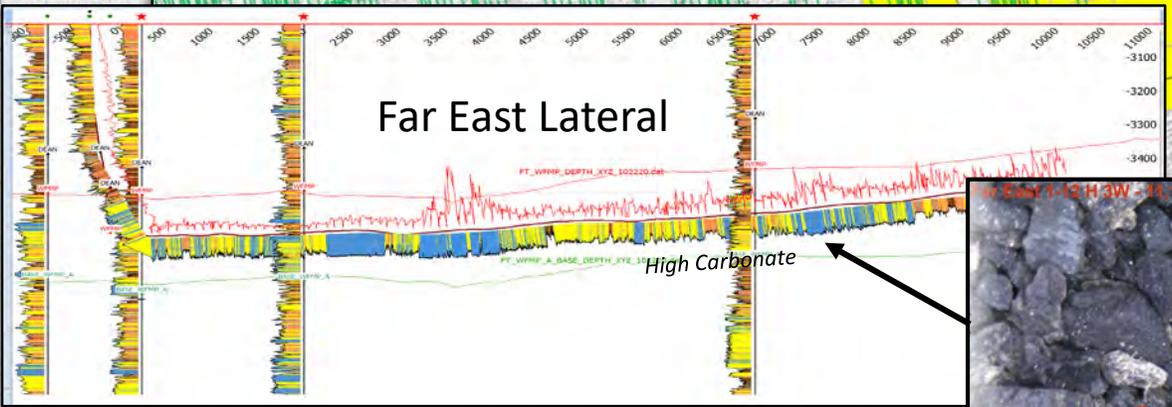
Far East Peak (24) Rate = 1,365 BOPD

Morning Calm Peak (24) Rate = 1,243 BOPD

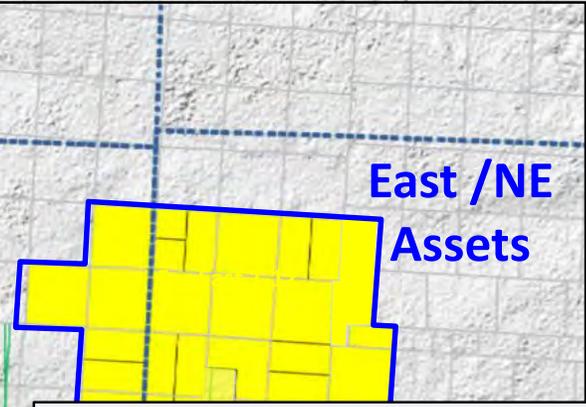


Kamikaze (Frac Date 4/15/2022)

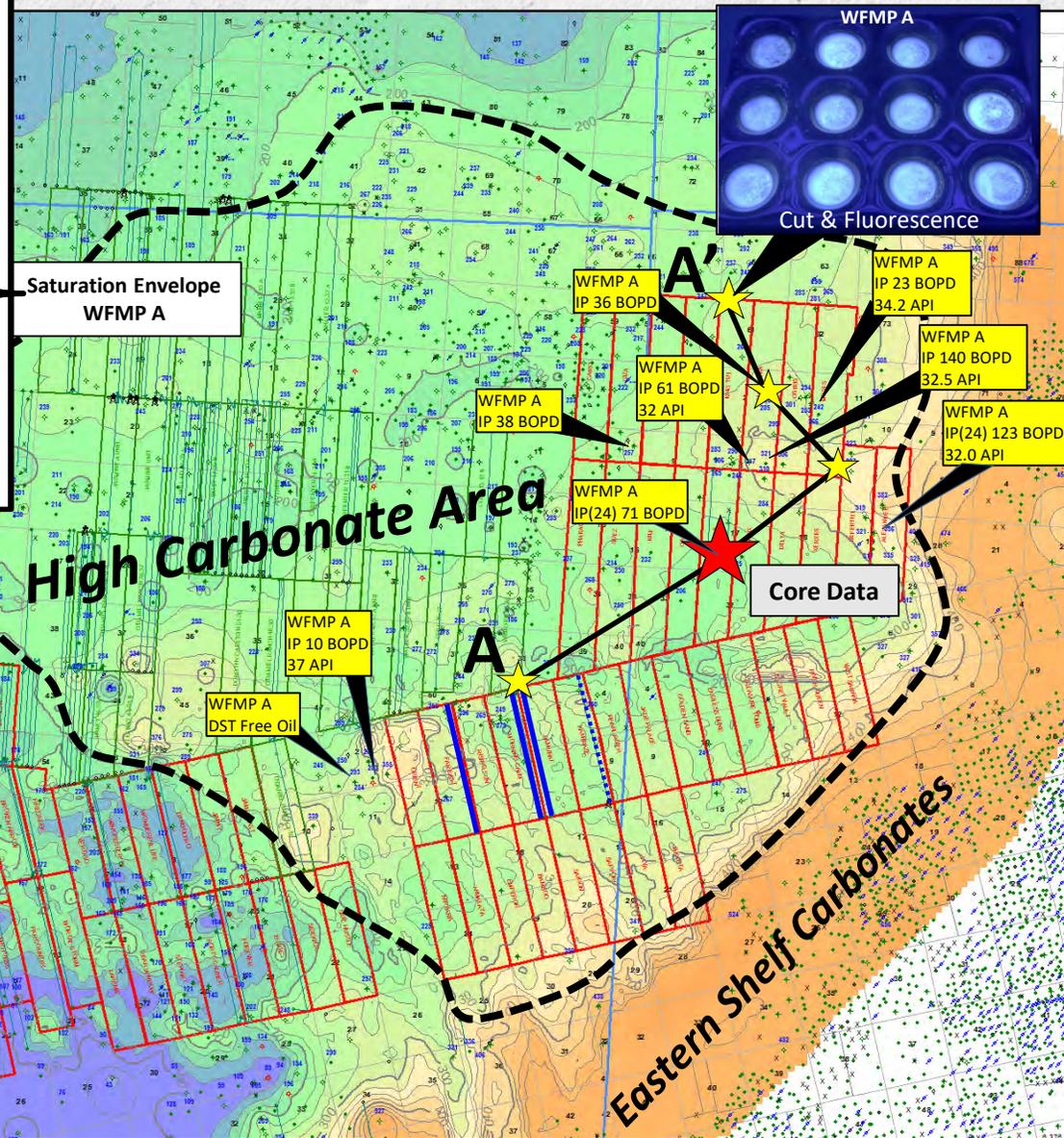
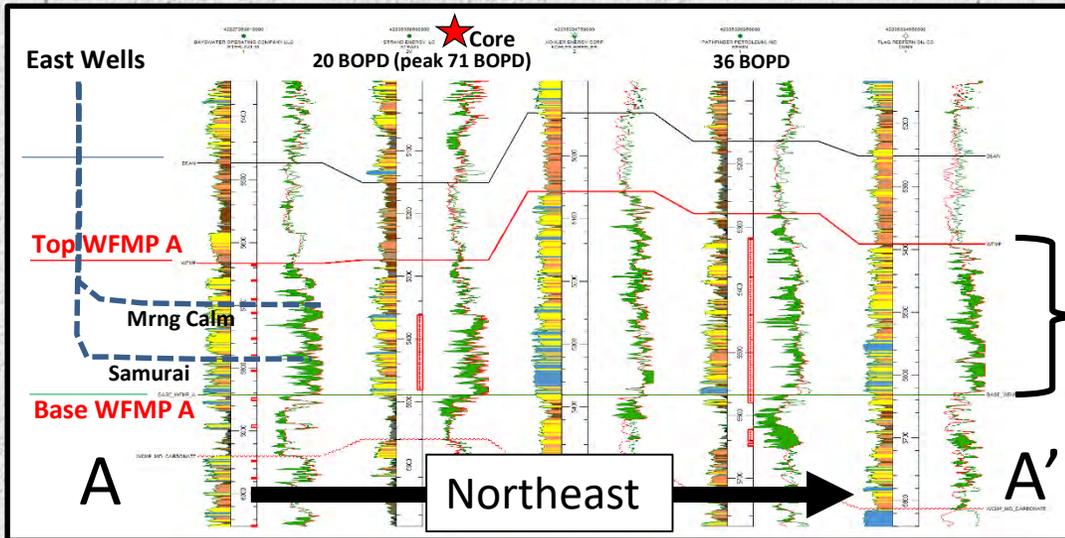
Samurai Peak (24) Rate = 1,133 BOPD



Organic-rich mixed shale-lime facies



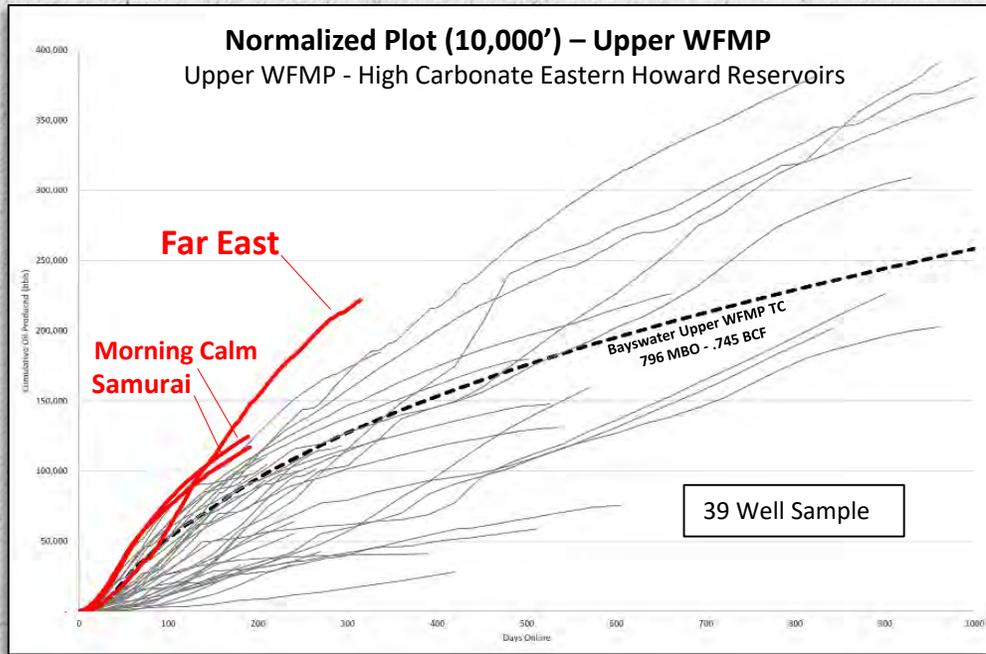
North East Area – New WFMP A Expansion Area with Significant Hydrocarbon Saturation / Production



Reservoir Summary

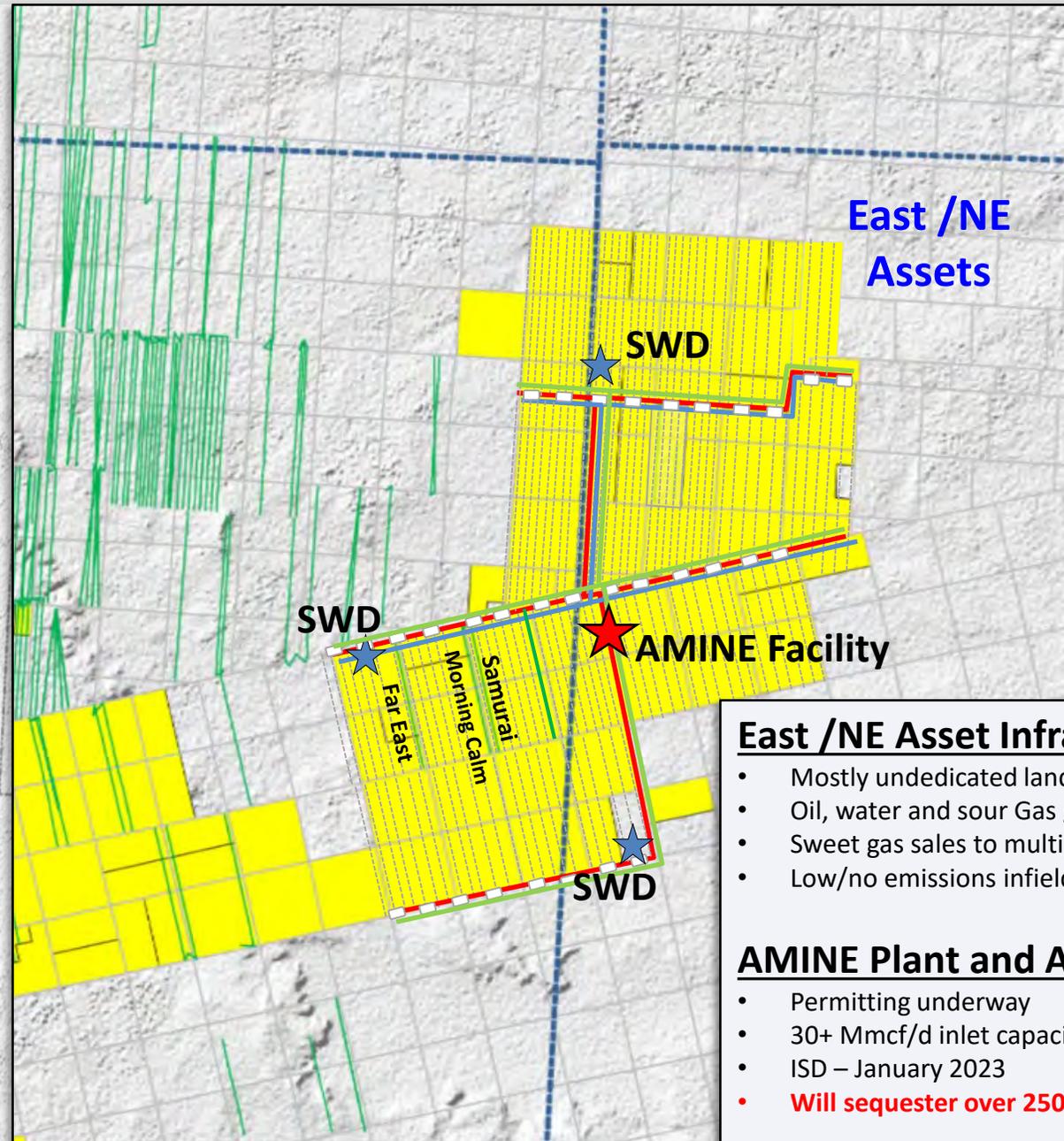
- Consistent to improving WFMP A section from East delineation wells through Northern Block
- Interbedded limestone / silica rich mudstones
- Consistently organic rich
- High in organic and matrix porosity
- All rock types contribute to production
- Tmax values indicate **mature (oil window)** from (435-445)
- Significant local vertical WFMP A vertical production

East / Northeast Area – Test Well Performance & Development Plan



Upper WFMP IRR (3 Year Exit @ PV10)

		Drill and Complete Costs (in 000s)						
		\$ 6,000	\$ 6,250	\$ 6,500	\$ 6,750	\$ 7,000	\$ 7,250	\$ 7,500
Wellhead Oil Price	\$ 100	173%	164%	155%	148%	141%	135%	129%
	\$ 90	149%	142%	135%	128%	122%	116%	111%
	\$ 80	127%	120%	114%	108%	103%	99%	94%
	\$ 70	105%	99%	94%	89%	85%	81%	77%
	\$ 60	83%	79%	74%	70%	67%	63%	60%
	\$ 50	62%	58%	55%	51%	48%	45%	43%
	\$ 40	40%	37%	34%	32%	29%	27%	25%
	\$ 30	17%	14%	12%	10%	8%	7%	5%



East /NE Asset Infrastructure

- Mostly undedicated lands
- Oil, water and sour Gas gathering
- Sweet gas sales to multiple connections
- Low/no emissions infield electrification

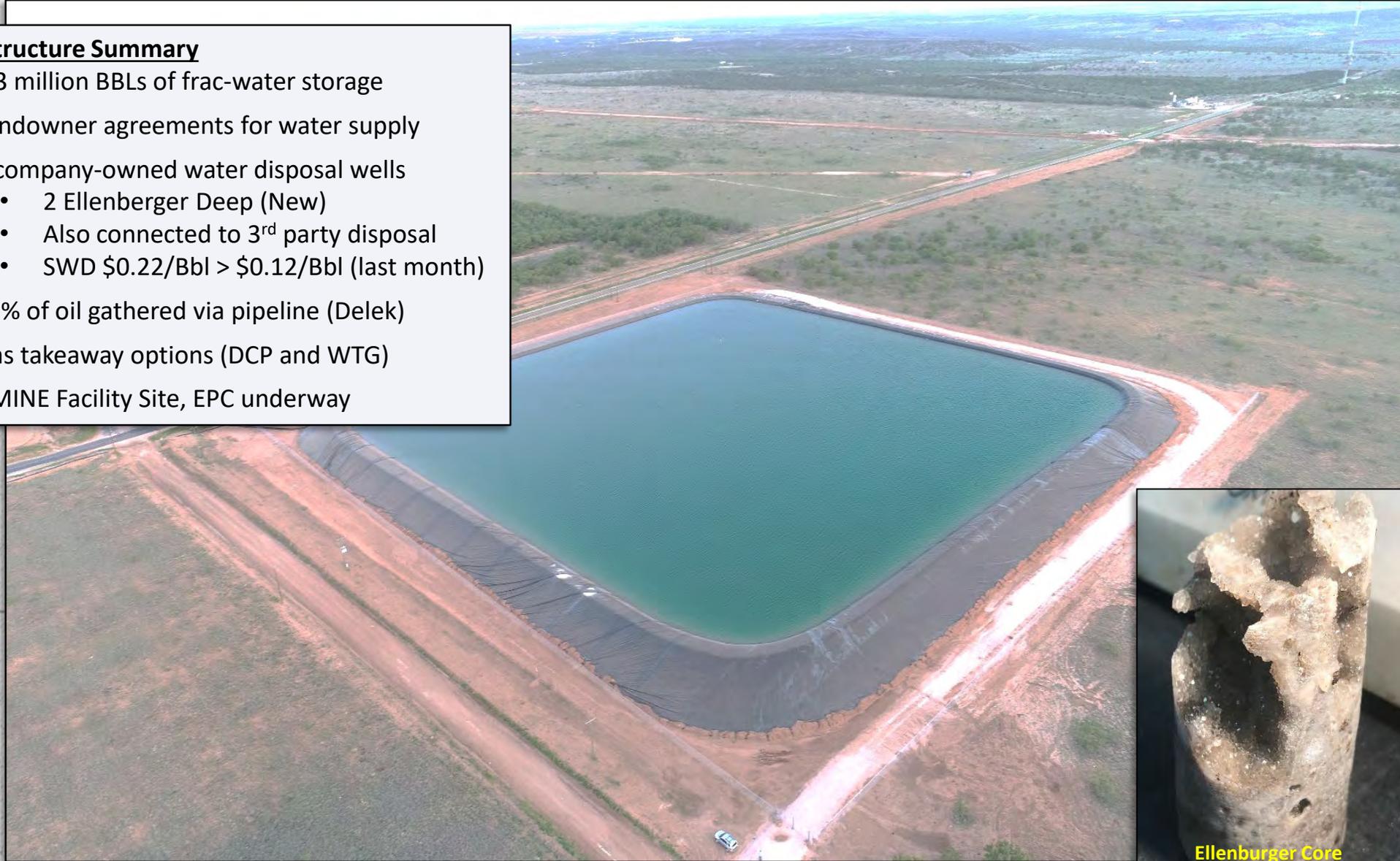
AMINE Plant and AGI Well

- Permitting underway
- 30+ Mmcf/d inlet capacity
- ISD – January 2023
- **Will sequester over 250k mT CO2**

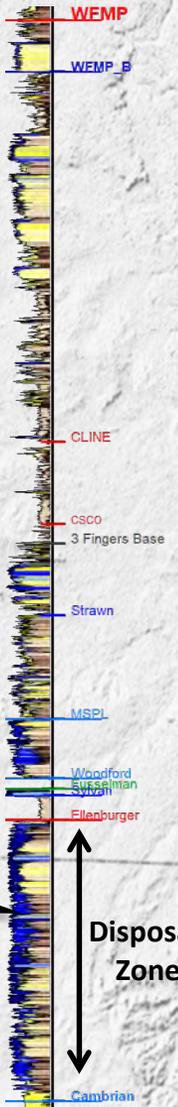
Infrastructure Built for Years of Growth

Infrastructure Summary

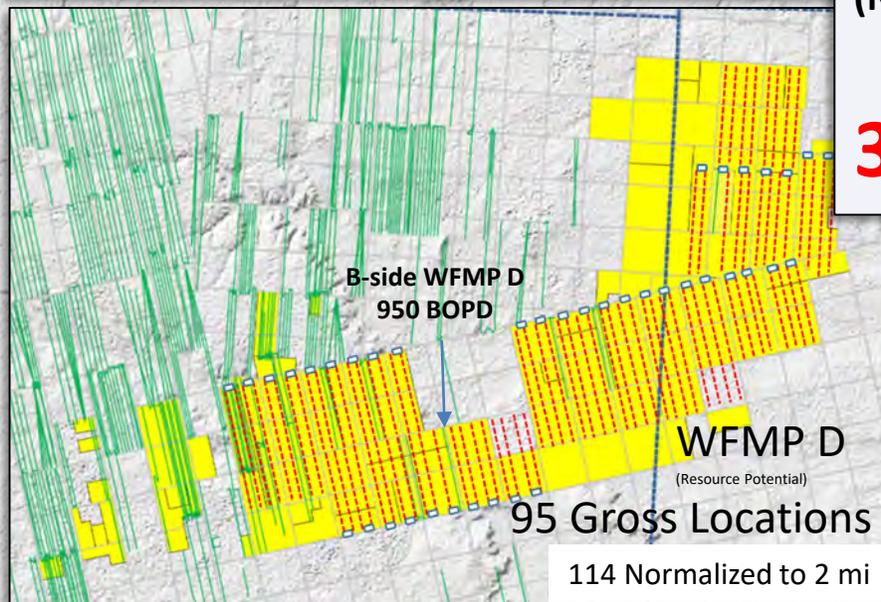
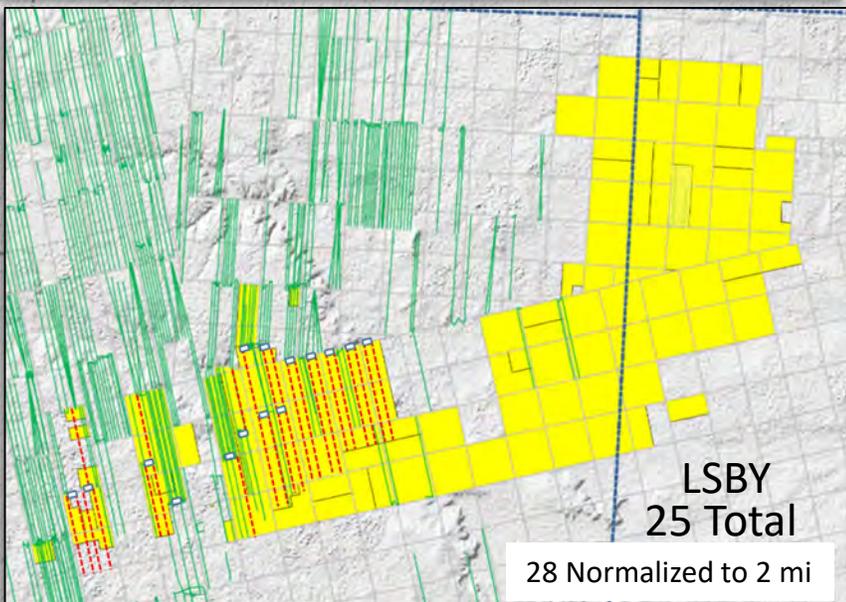
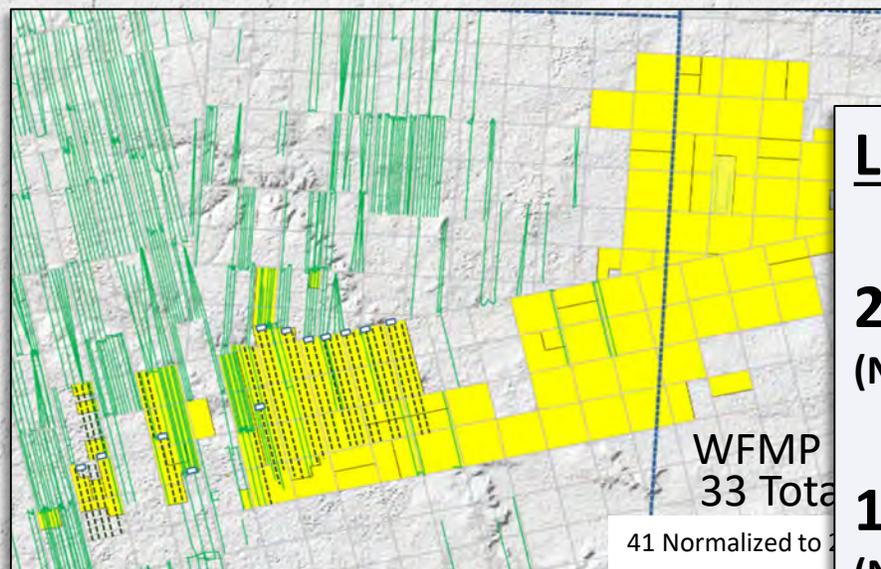
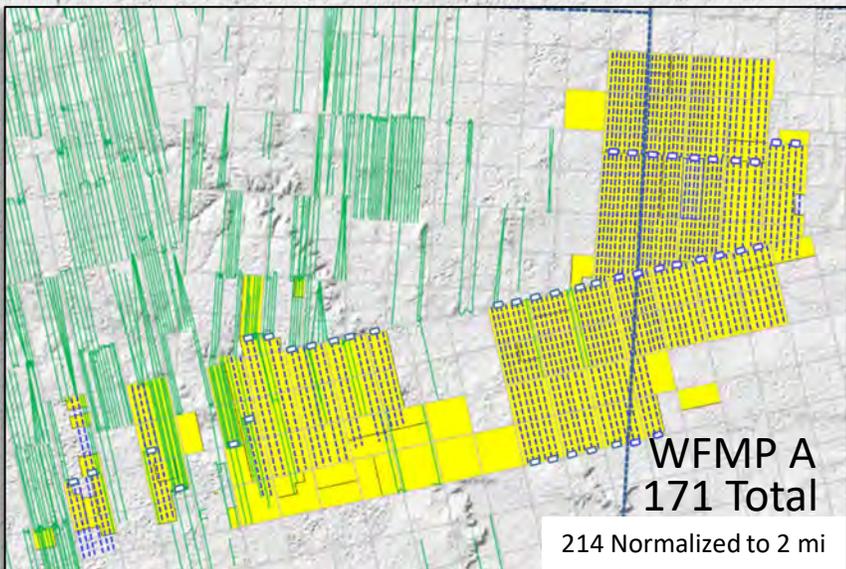
- 1.3 million BBLs of frac-water storage
- Landowner agreements for water supply
- 6 company-owned water disposal wells
 - 2 Ellenberger Deep (New)
 - Also connected to 3rd party disposal
 - SWD \$0.22/Bbl > \$0.12/Bbl (last month)
- 85% of oil gathered via pipeline (Delek)
- Gas takeaway options (DCP and WTG)
- AMINE Facility Site, EPC underway



Buchanan SWD



Inventory of High-Quality Locations - 95% Operated



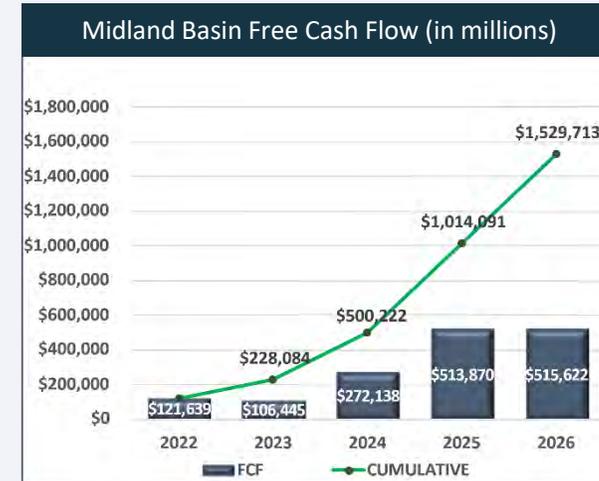
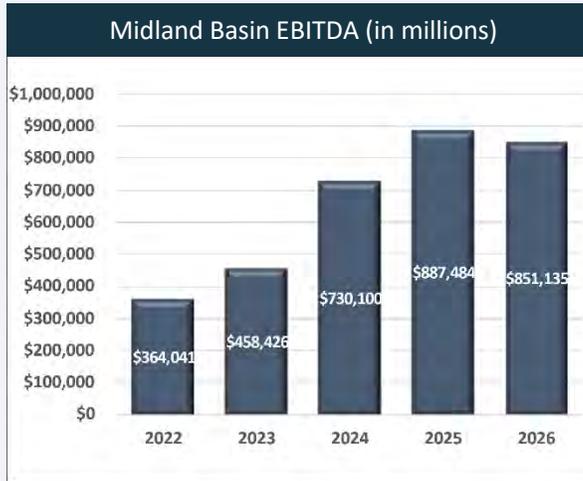
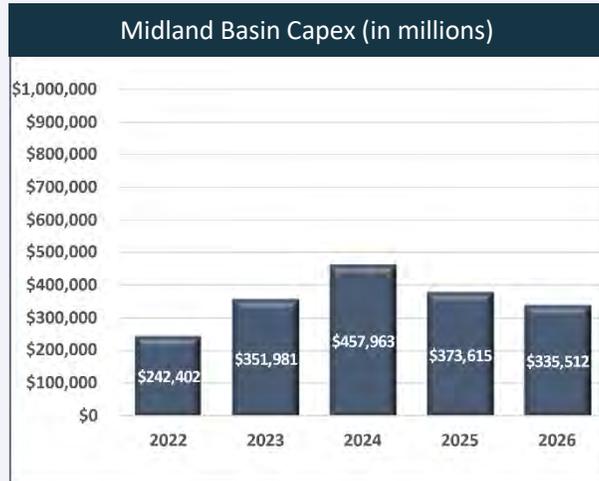
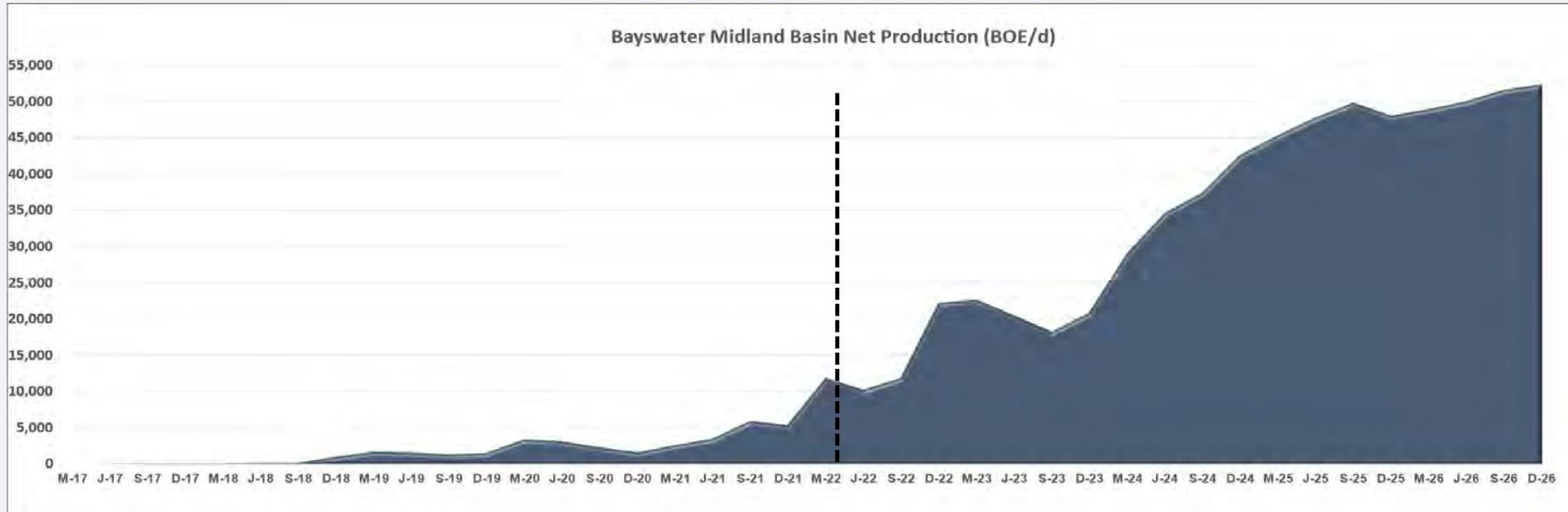
Location Inventory

283 LSBY, WFMP A & B
(Normalized 2 mile)

114 WFMP D
(Normalized 2 mi)

397 Total Sticks

Bayswater Midland Basin Forecast (West & East Assets)



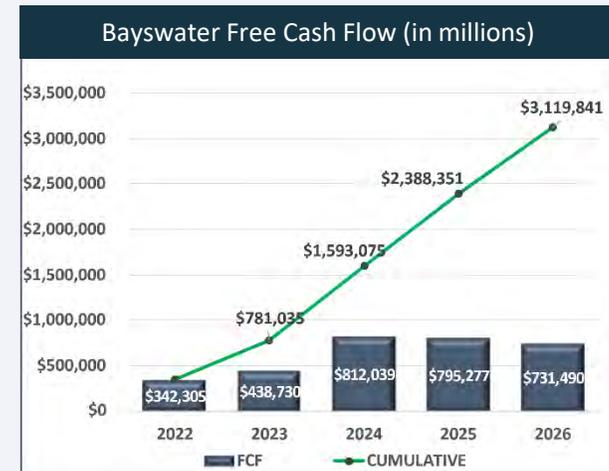
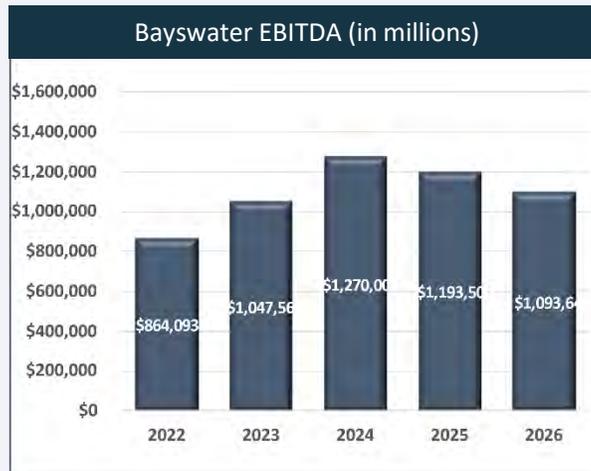
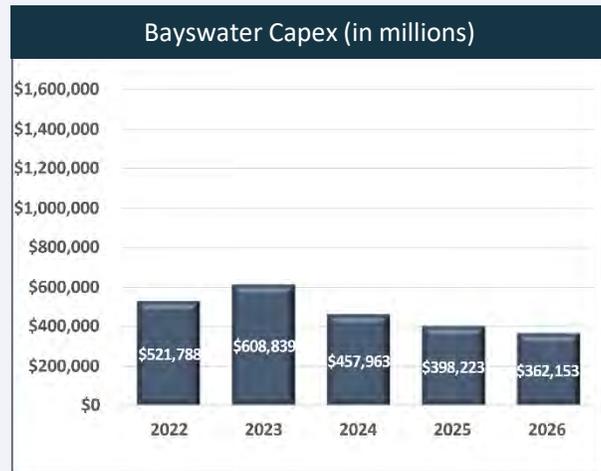
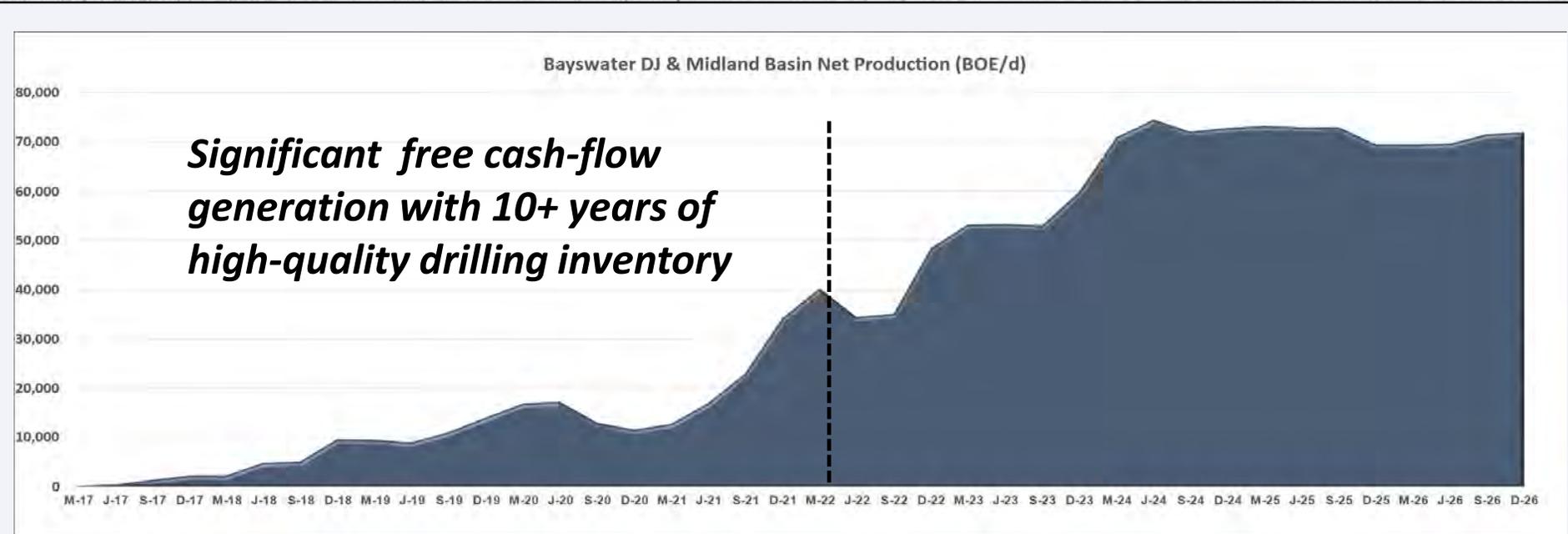
EBITDA and Free Cash Flow based on March 31, 2022 NYMEX strip pricing, less differentials; assumes continued development running 2-3 rigs in the Midland Basin.



Inaugural Sustainability Report Highlights:

- Sustainability Accounting Standards Board (SASB) Key Metrics and Disclosures
- Continuous Air Monitoring on all Wattenberg sites (pre-production and producing facilities)
- IES TrustWell “Gold” Rating on Wattenberg Pads and Facilities
- Responsibly Sourced Gas pilot with Colorado Springs Utility
- Instrument Air Pneumatic Valves on all facilities
- Lockdown Thief Hatches / Automatic Gauging
- Eco-Vapor recovery / compression / sales
- All Midland produced water on pipe

Combined Financial Metrics – DJ plus Midland (excludes Delaware Minerals)



EBITDA and Free Cash Flow based on March 31, 2022 NYMEX strip pricing, less differentials; assumes continued development running 4-5 rigs in the DJ and Midland Basins.

Important Disclosures

THIS PRESENTATION CONTAINS "FORWARD-LOOKING STATEMENTS." ALL STATEMENTS, OTHER THAN STATEMENTS OF FACT, THAT ADDRESS ACTIVITIES, EVENTS OR DEVELOPMENTS THAT BAYSWATER OR ITS MANAGEMENT INTEND, EXPECT, PROJECT, BELIEVE OR ANTICIPATE WILL OR MAY OCCUR IN THE FUTURE ARE FORWARD-LOOKING STATEMENTS. ALTHOUGH WE BELIEVE FORWARD-LOOKING STATEMENTS ARE BASED UPON REASONABLE ASSUMPTIONS, SUCH STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS, WHICH MAY CAUSE THE ACTUAL RESULTS OR PERFORMANCE OF BAYSWATER TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS OR PERFORMANCE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IN CONSIDERING THE PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST OR PROJECTED PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO GUARANTEE THAT BAYSWATER WILL ACHIEVE COMPARABLE RESULTS. YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE, AND ACTUAL RESULTS, DEVELOPMENTS AND BUSINESS DECISIONS MAY DIFFER FROM THOSE ENVISAGED BY OUR FORWARD-LOOKING STATEMENTS. EXCEPT AS REQUIRED BY LAW, WE UNDERTAKE NO OBLIGATION TO UPDATE SUCH STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES ARISING AFTER THE DATE OF THIS PRESENTATION, AND WE CAUTION INVESTORS NOT TO PLACE UNDUE RELIANCE ON ANY SUCH FORWARD-LOOKING STATEMENTS.