



BAYSWATER EXPLORATION & PRODUCTION

ENERCOM DENVER

AUGUST , 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**

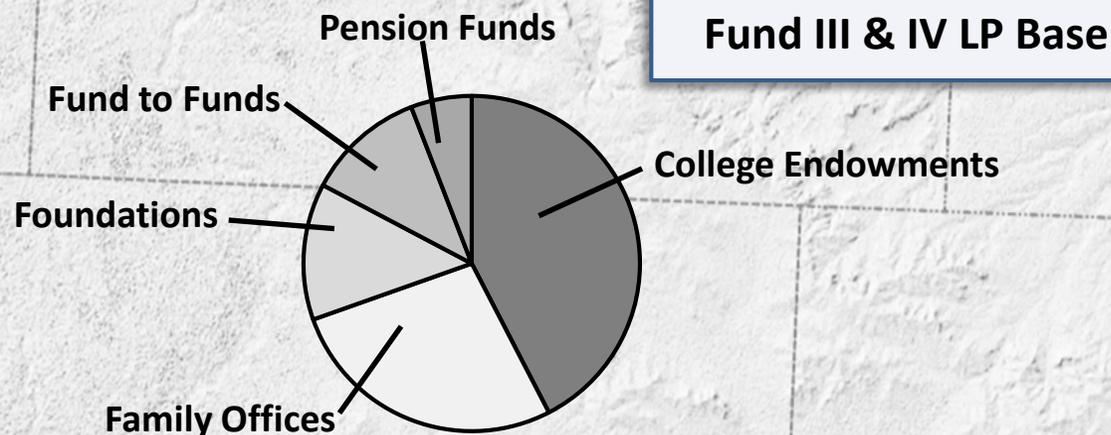
- **Focused on highest quality resource plays in the U.S – Northern Midland, Delaware, DJ Wattenberg**
 - Those with lowest break-even costs , best development economics; a robust competitive service sector, and a healthy arena of strategic buyers of quality assets.
- **Value Creation via Reserves Promotion**
 - 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

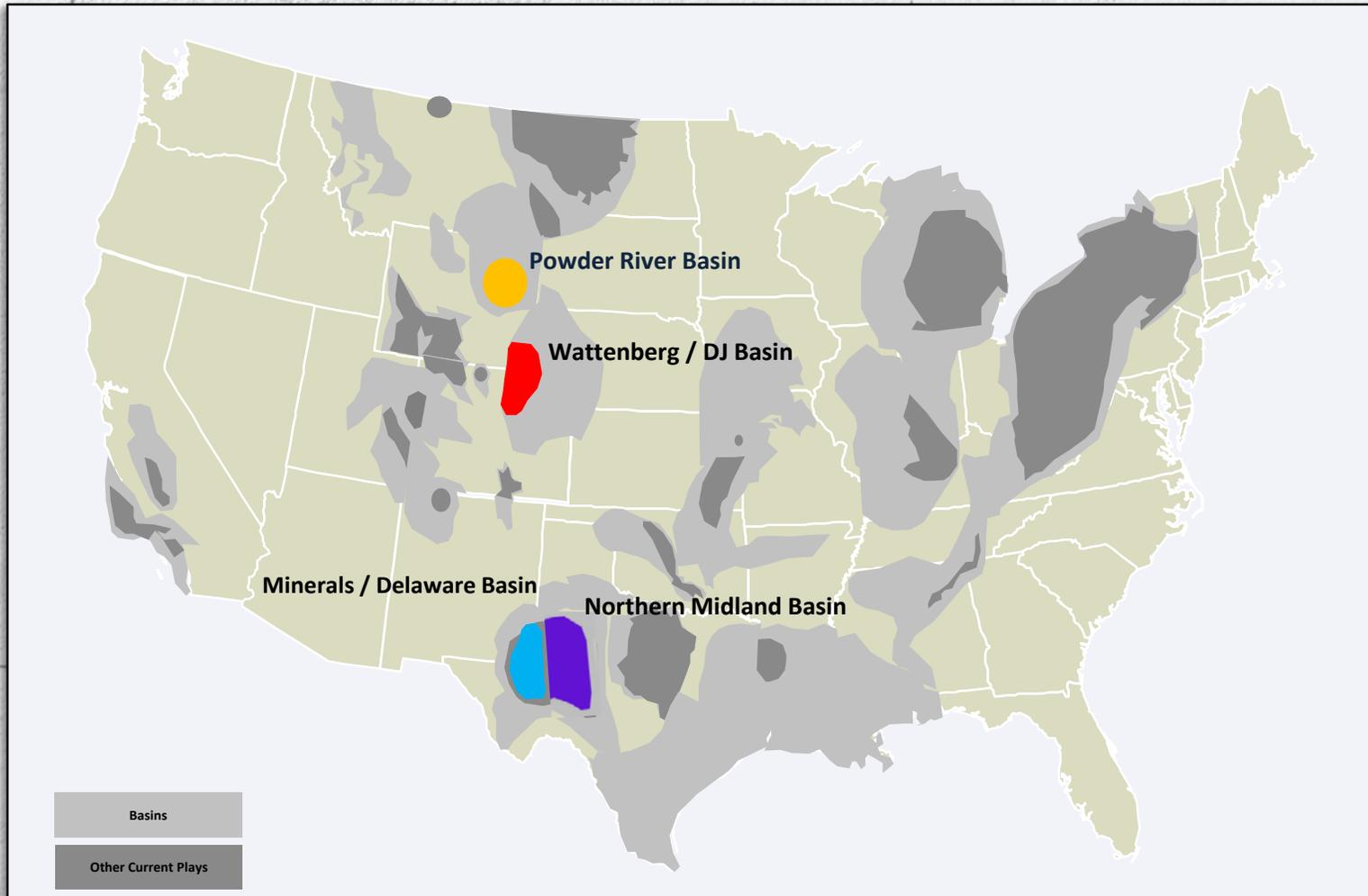
	Fund I	Fund II	Fund III	Fund IV & Annex
Commitments	Fully Realized \$105 million	Fully Realized \$250 million	Active \$390 million	Active \$462 million
Year Closed/Realized	2010/2017	2012/2017	2017/	2019 & 2021/
Focus Area	DJ Basin/Wattenberg	DJ Basin/Wattenberg San Joaquin	DJ Basin/Wattenberg Northern 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
- 228 Operated Producing Horizontal Wells
- 42 DUCs / currently completing
- Two-rig drilling program
- Continuous 2022 completion program

Northern Midland Basin

- 48,000 acres
- 41 Operated Producing Horizontal Wells
- 30 DUCs / currently completing
- Two-rig drilling program
- 6 company owned SWD wells

Delaware Basin Minerals Position

- 10,900 Net Royalty Acres
- > 70% Undeveloped
- 1,200 PDP wells
- Active drilling on DSU acreage
- 1,500 BOED, \$30 MM 2022E EBITDA

Powder River Basin

- 23,000 acres in Campbell County

Delaware Minerals Portfolio Overview

Perpetual Interest
in the Core of the
Delaware Basin

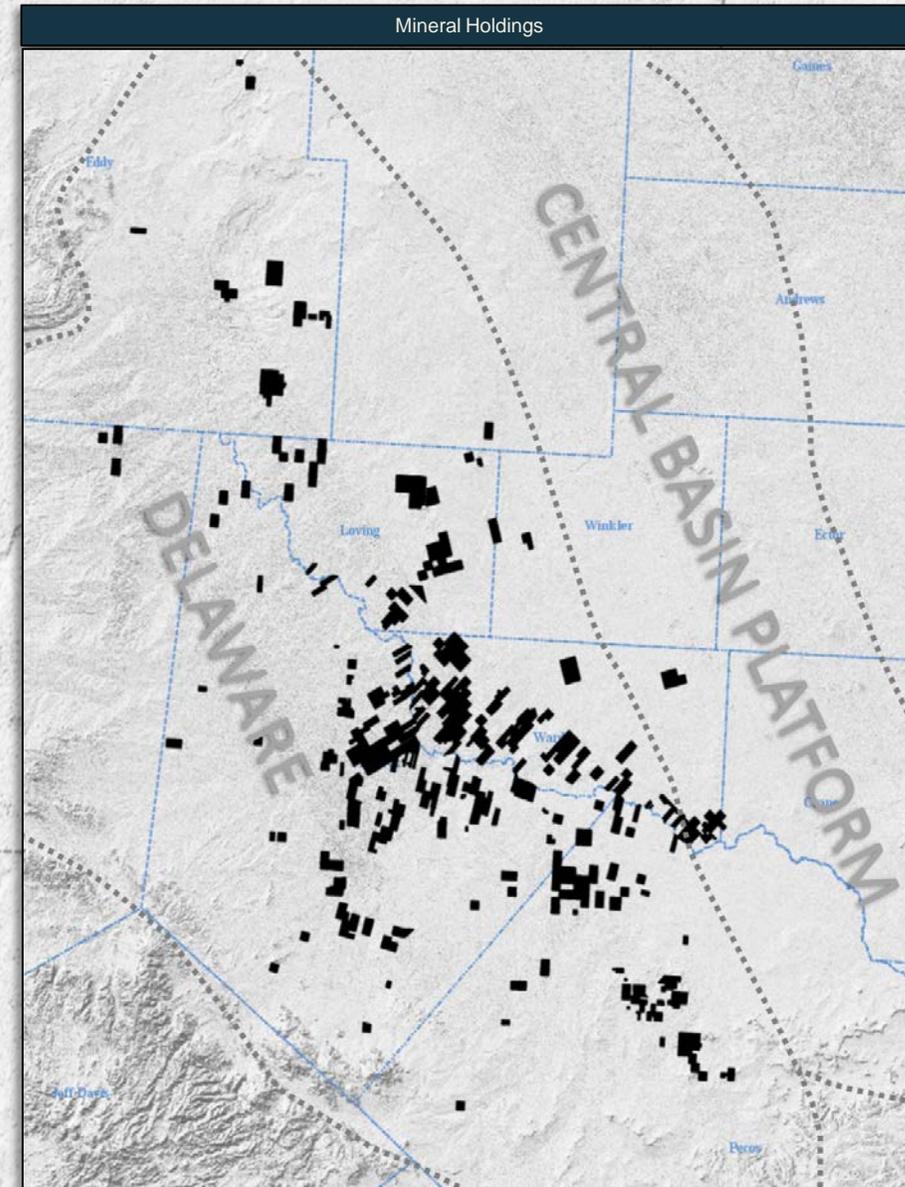
- **10,900 net royalty acres** in the Delaware Basin, located primarily in Loving, Reeves, Pecos, and Ward Counties
- Primary development zones include the Wolfcamp A and B and 2nd and 3rd Bone Spring with significant upside in additional horizons
- **Acreage is ~28 % developed**, leaving significant upside in future development
- Average HZ NRI Owned = 0.52%

High Yielding
Inflation Protected
Cash Flow

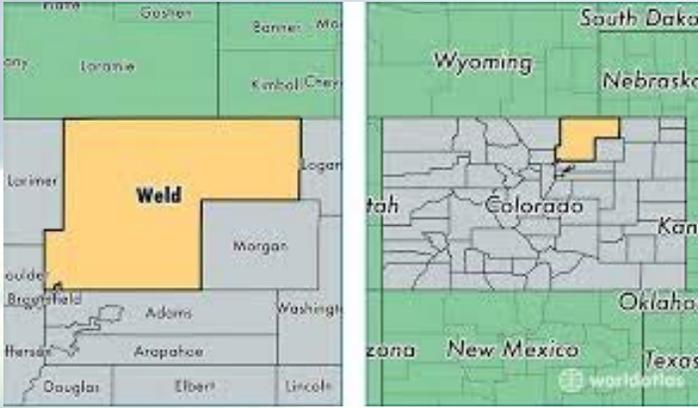
- **2022E EBITDA of \$30 million**
- High cash flow per NRA of \$2,750
- Current net production of ~ 1,500 Boe/d

Top Delaware
Basin Operators
Committing
Significant Capital

- Industry leading operators include Oxy, PDC, Exxon, Diamondback, Chevron, Callon, Conoco, and Devon
- **10 rigs currently drilling on DSU acreage**
- 124 DUCs and 112 permits on DSU acreage



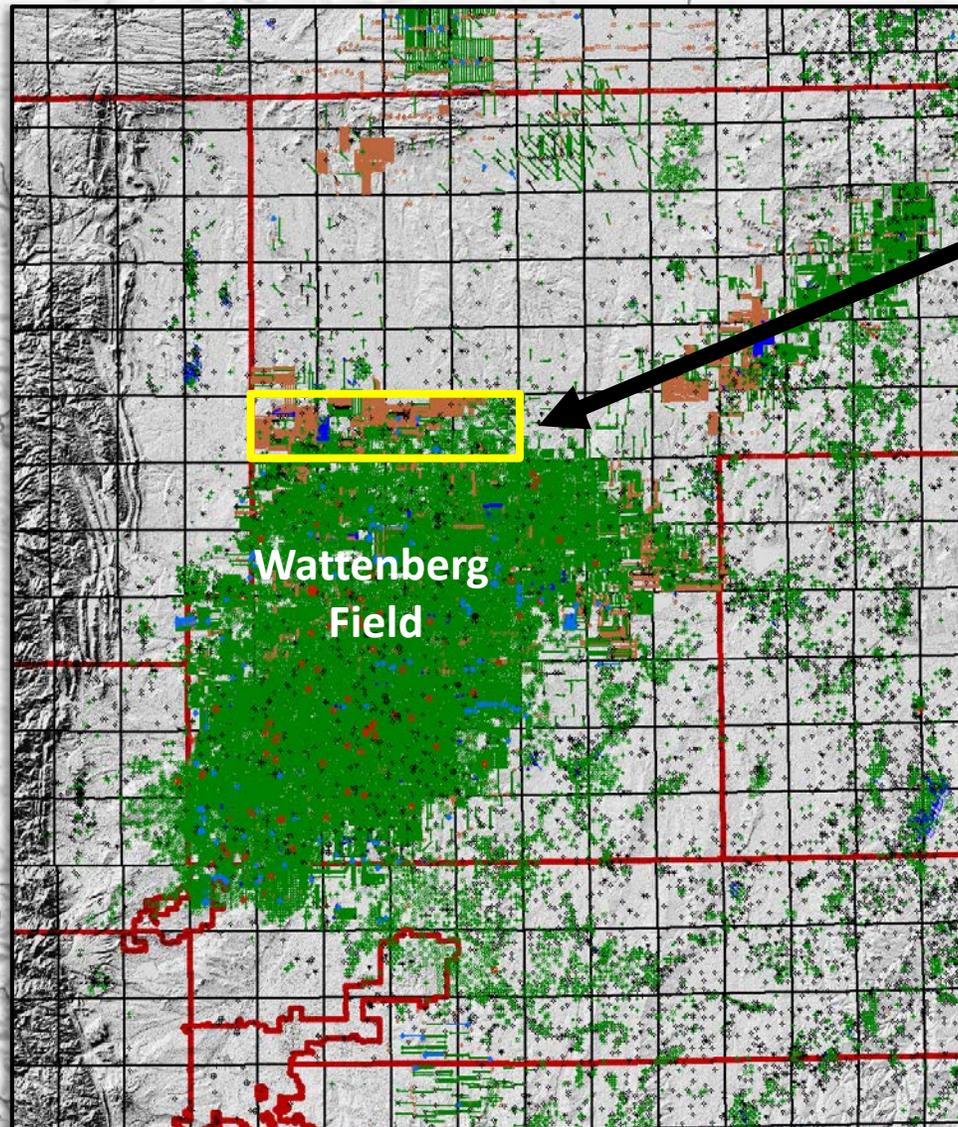
DJ Basin Wattenberg – Weld County



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



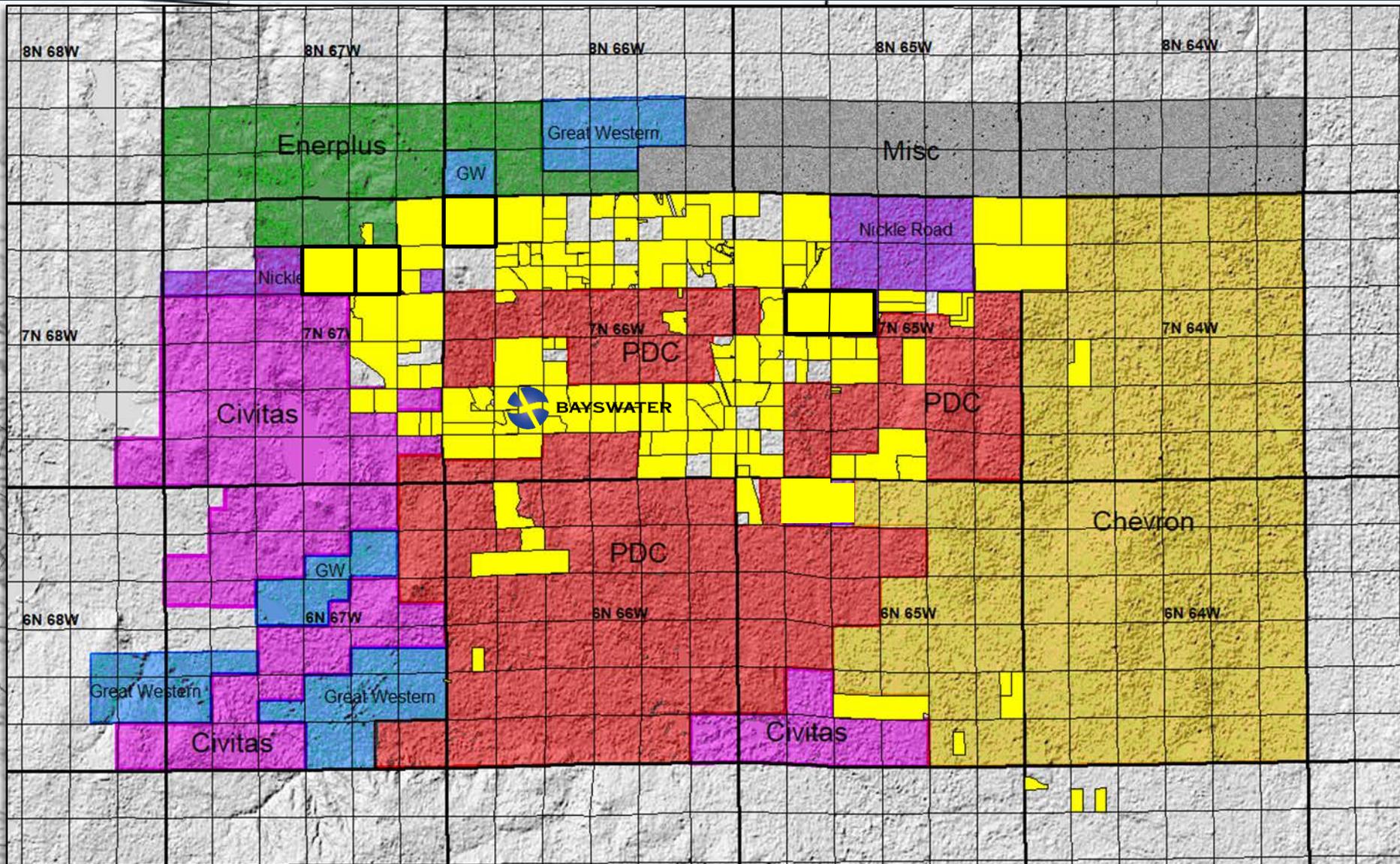
DJ BASIN – CORE WATTENBERG OPERATING AREA



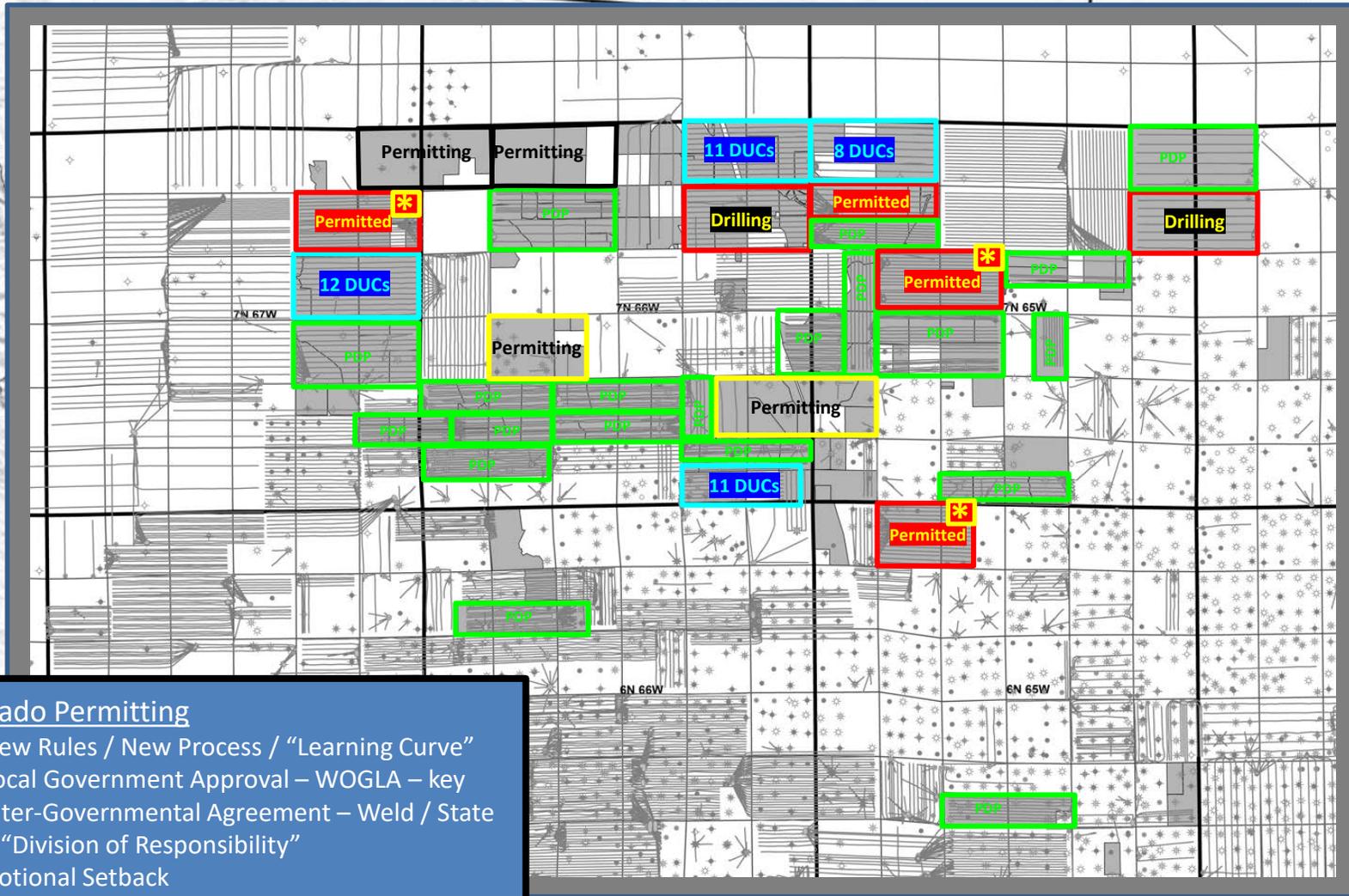
Bayswater's North Wattenberg Focus Area

- Core area since 2009
 - Assembled 30,000 acres in Funds I & II
 - Exited in 5 transactions 2014-2017
- Currently -
 - 30,000 acres and growing
 - 23,000 BOED
 - Planned 2-Rig program 2022
- Surface Culture is **rural, agricultural**
- **Fee acreage**, good surface mineral alignment
- **Weld County** – Industry supportive
- **Robust Infrastructure & Services**

BAYSWATER DJ BASIN ACREAGE POSITION VS PEERS



BAYSWATER 7N ACTIVITY MAP



Bayswater DSU Status

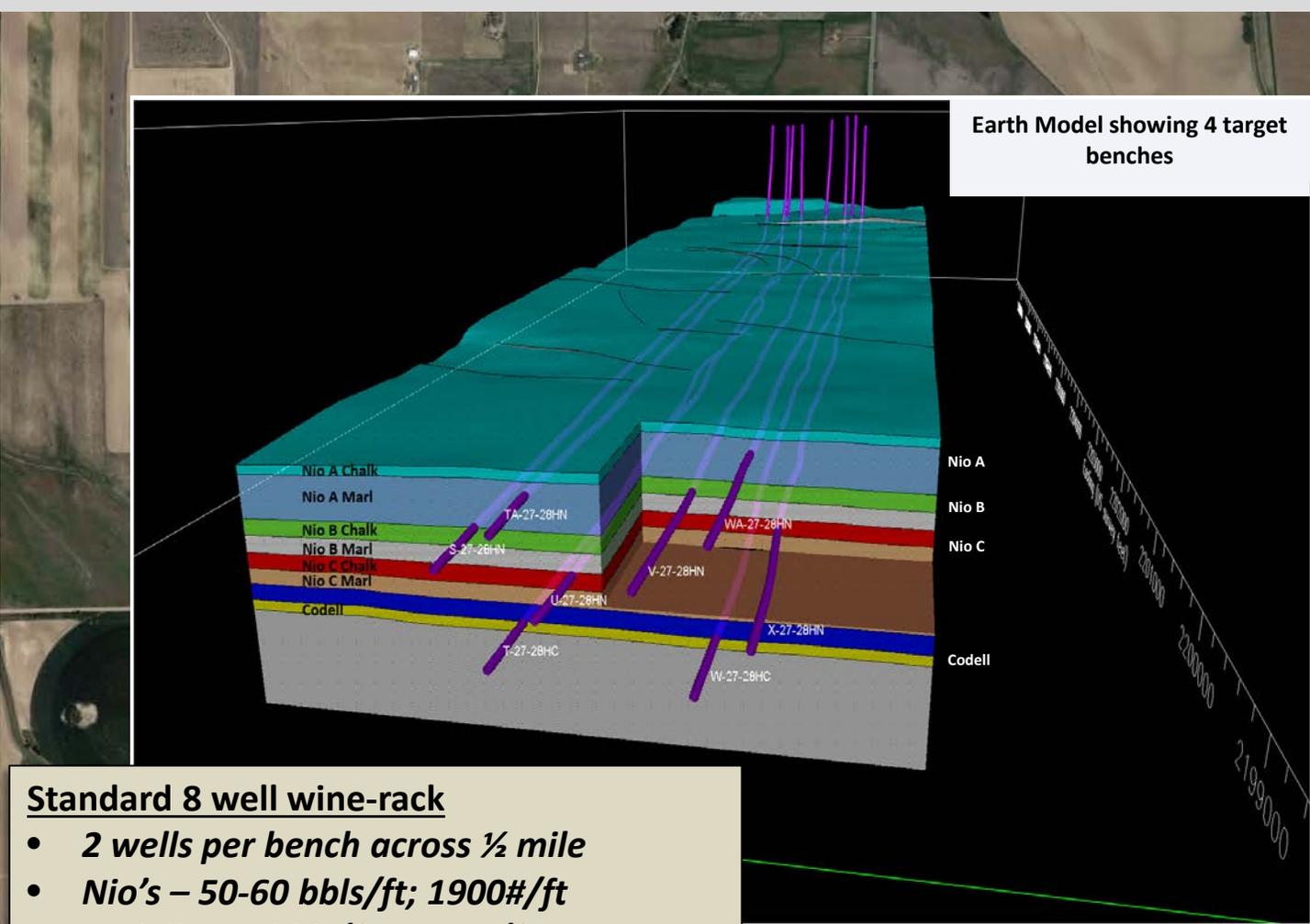
- = Producing
- = DUCs or currently completing
- = Approved state permits
- = Permitting: Approved 1042 WOGLA
- = Permitting process started
- ✱ = Recently Acquired

Colorado Permitting

- New Rules / New Process / "Learning Curve"
- Local Government Approval – WOGLA – key
- Inter-Governmental Agreement – Weld / State – "Division of Responsibility"
- Notional Setback
 - > 2000' – Administrative
 - < 2000', > 500' – Commission Hearing

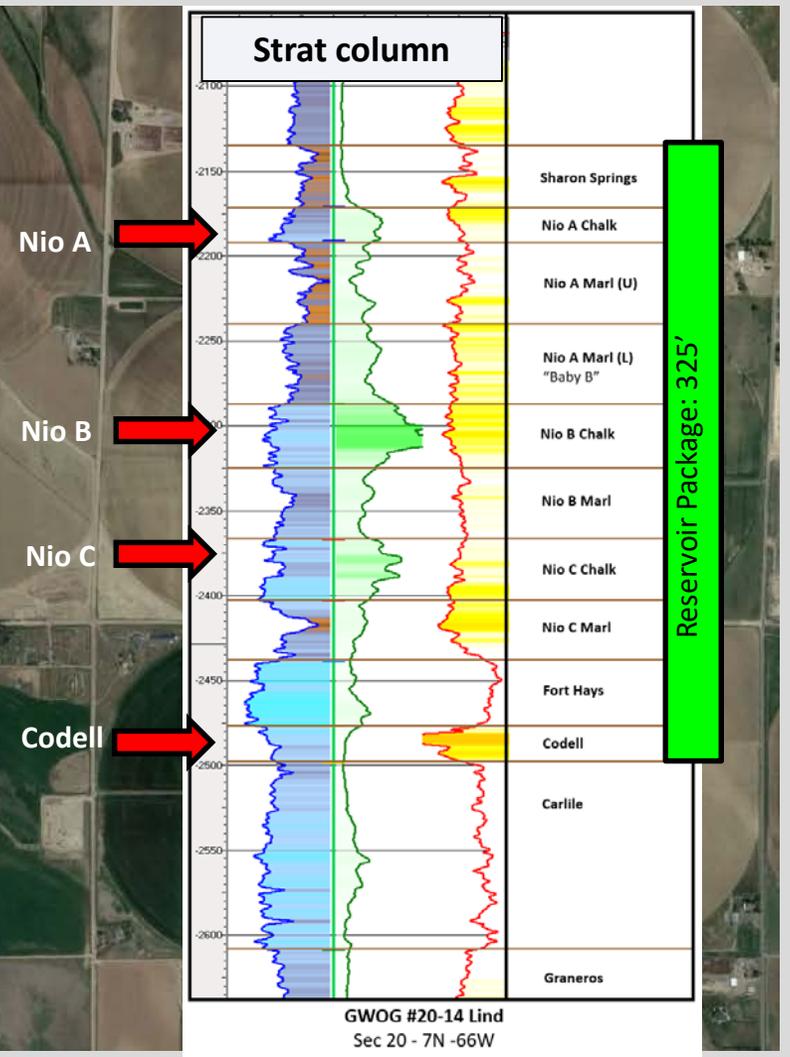
- 30,000 Acres
- 211 Producing horizontal wells
- 27 Producing vertical wells
- 17 Completed/flowing back wells
- 42 DUC's
- 87 Approved state permits
- 48 Permits in process w/ approved WOGLA
- 32 Permits in process w/o WOGLA

WATTENBERG GEOLOGY & DEVELOPMENT APPROACH



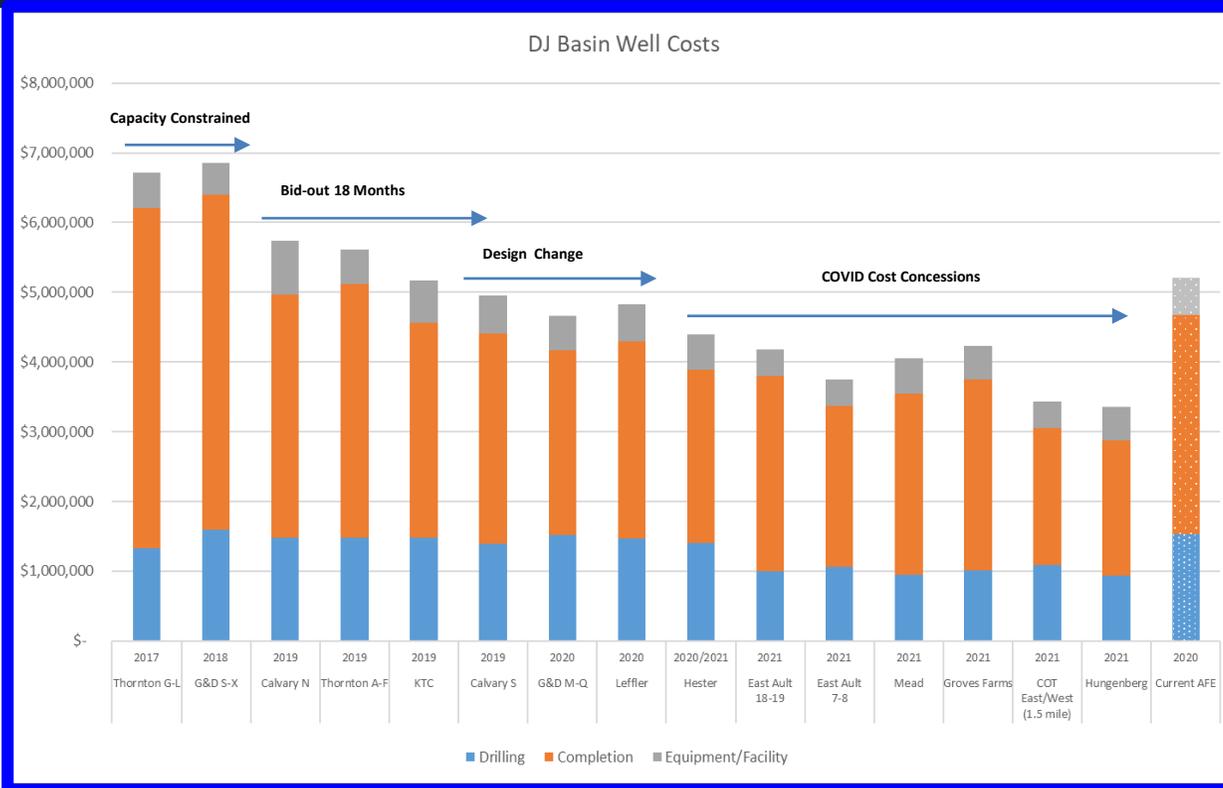
Standard 8 well wine-rack

- 2 wells per bench across ½ mile
- Nio's – 50-60 bbls/ft; 1900#/ft
- Codell – 40 bbls/ft; 1400#/ft
- 200 ft stage spacing
- Gas Lift



Volatile Oil Band 40 – 48° API

BAYSWATER DJ BASIN DEVELOPMENT : CONTINUOUS PROGRAM SINCE 2017



- 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 3-year strip is c. \$80 vs. c. \$50 in 2019.

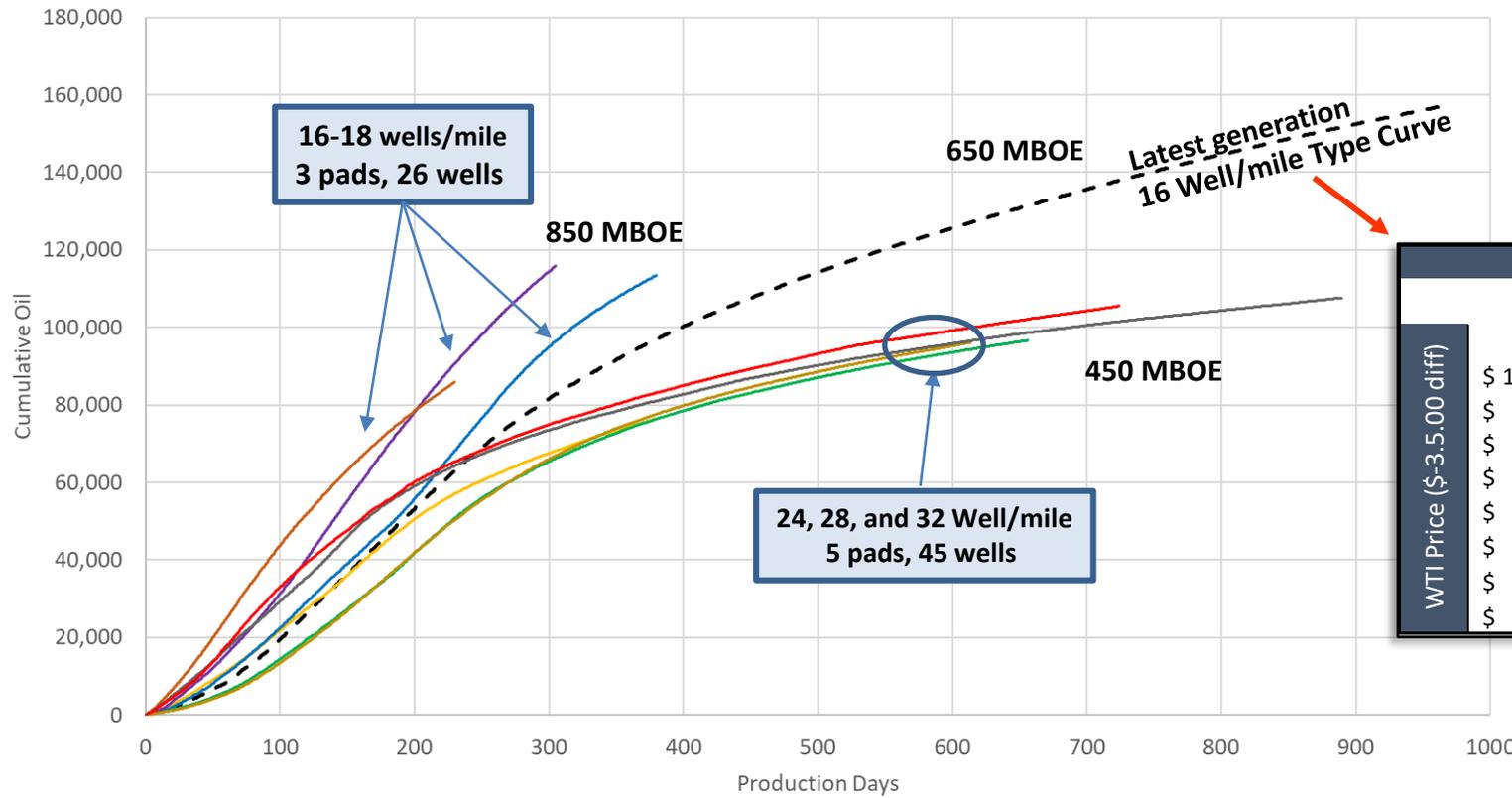
Operating Metrics		
	2021	2022E
Proved Developed F&D Costs ⁽¹⁾	\$12.54	\$12.33
Cash Margin ⁽²⁾	\$42.08	\$58.17
Recycle Ratio ⁽³⁾	3.4x	4.7x
Average Working Interest	82%	
% Oil	59%	51%
% Liquids ⁽⁴⁾	79%	75%

(1) Drilling and development costs incurred on locations added as proved developed locations divided by the reserves booked on those same locations (including any associated revisions booked).
 (2) 2022E Based on actual YTD prices and June 17, 2022 strip pricing for Q2-Q4, excluding G&A expenses.
 (3) Cash profit margin per unit divided by proved developed F&D costs.
 (4) Based on three-stream production.

- Bayswater DJ -vs- Industry⁽¹⁾**
- Top 15% on Margins
 - Top 30% on Recycle Ratio
- ⁽¹⁾ “Industry” based on COS coverage universe.

SPACING, EUR's, ECONOMICS

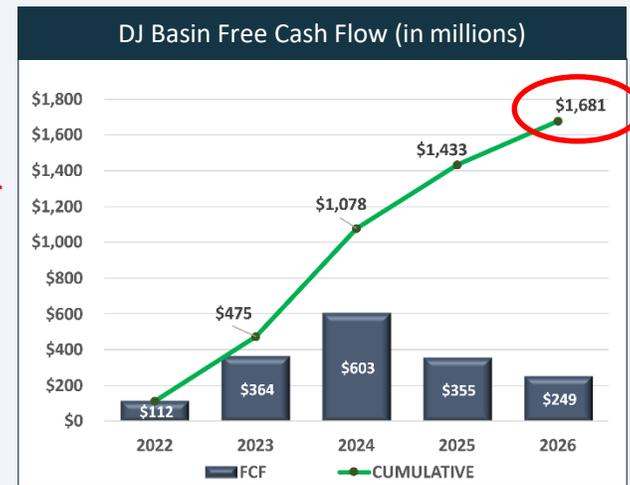
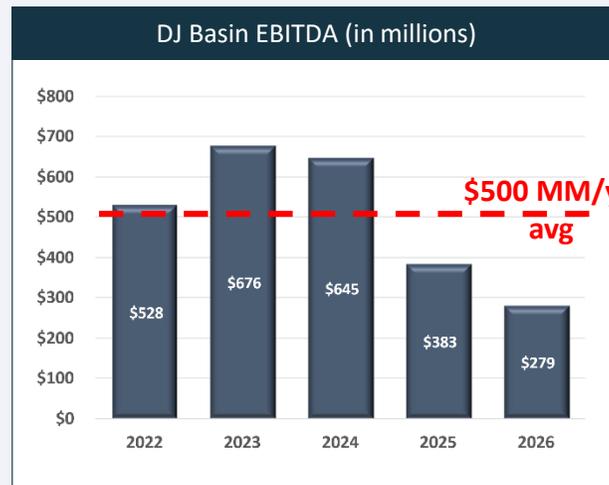
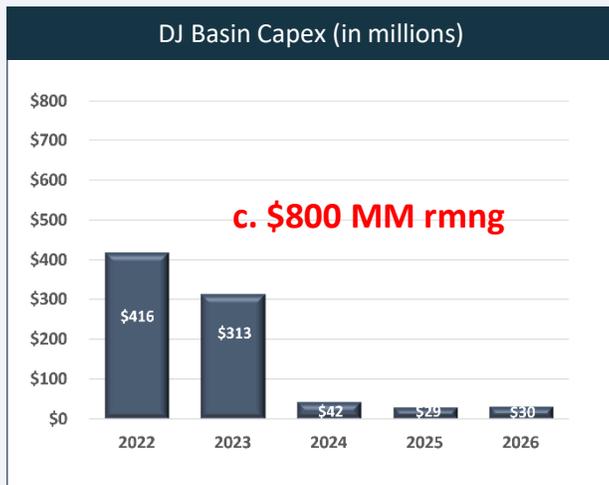
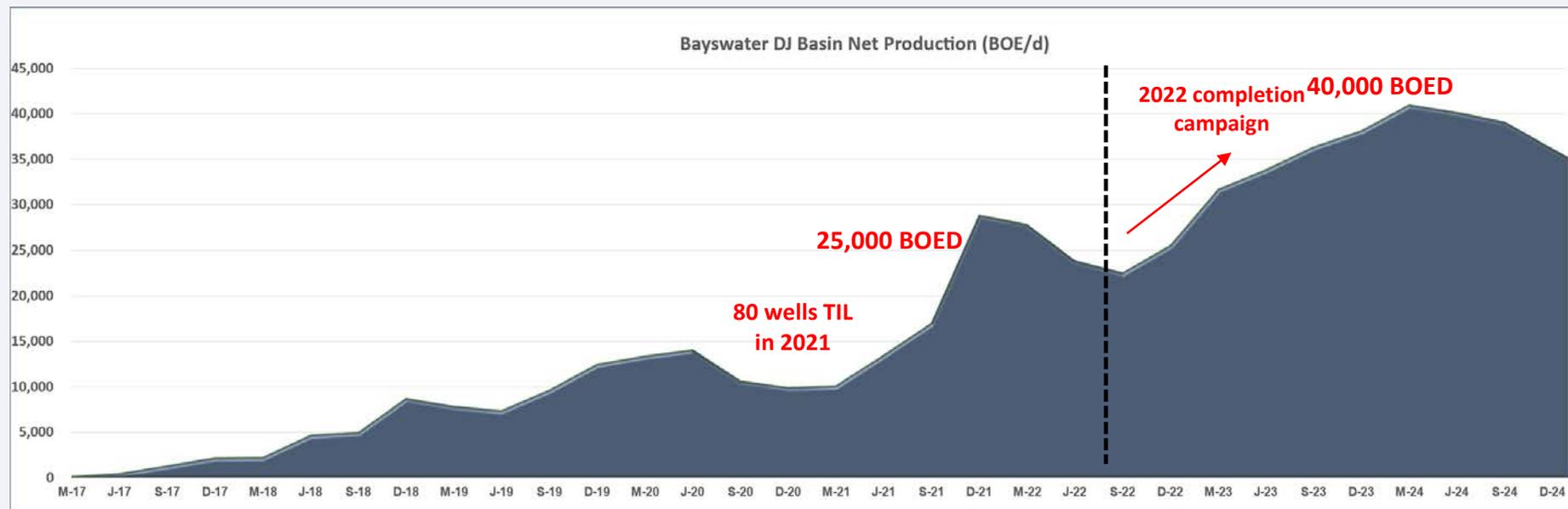
DJ Cum Time Comparison (pad averages)



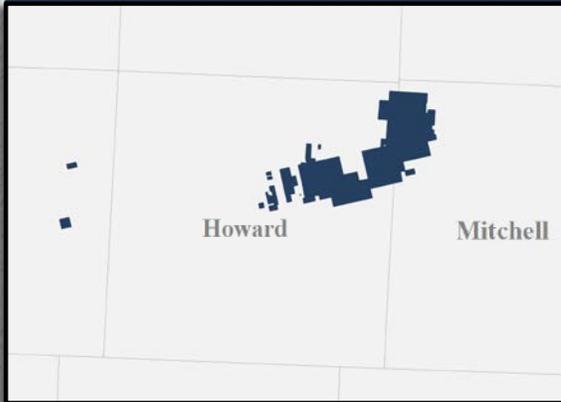
DJ Basin IRR - (Single Well Economics) - Gen 6 16 W/S

		Drill and Complete Costs (in 000s)						
		\$ 4,500	\$ 4,750	\$ 5,000	\$ 5,250	\$ 5,500	\$ 5,750	\$ 6,000
WTI Price (\$-3.5:00 diff)	\$ 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 Forecast (5th Largest DJ Wattenberg Producer)



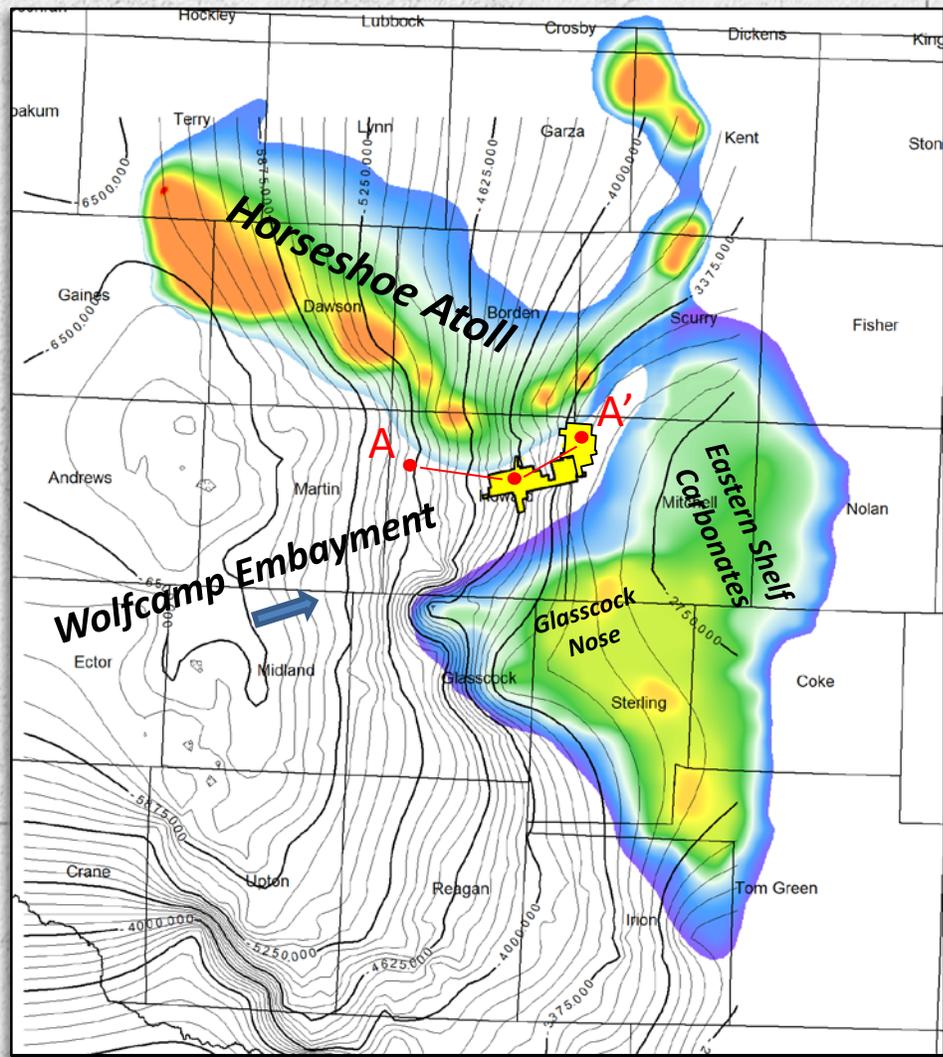
EBITDA and Free Cash Flow based on June 17, 2022 NYMEX strip pricing, less differentials; assumes continued development running 2 rigs in the DJ Basin.



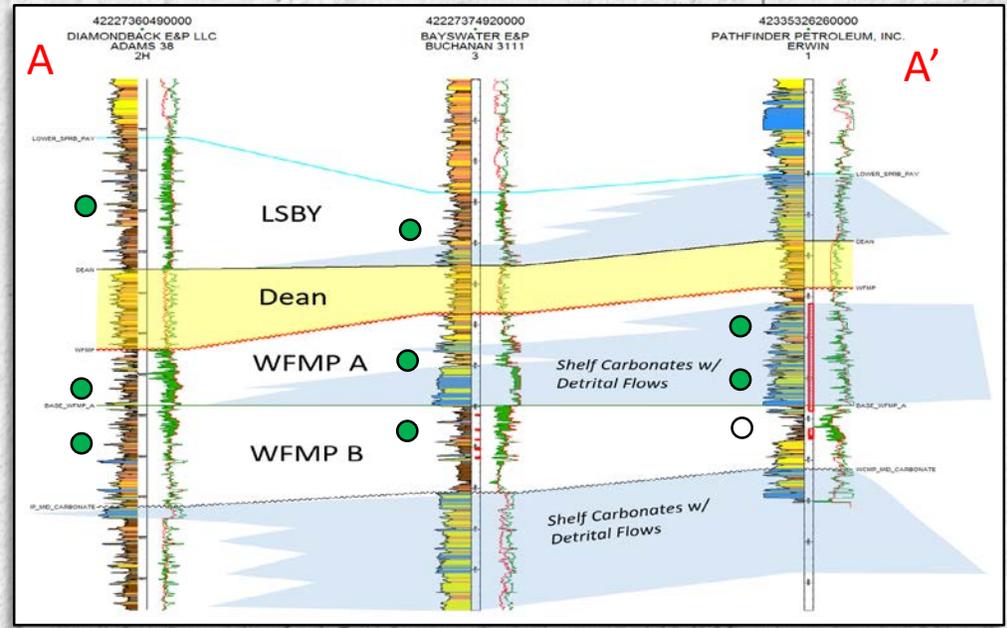
Project Description

- ~48,000 acres – largely grass roots leasing
- **71 Hz wells drilled to date**
 - Initial pilot wells in 2018
 - Established type-curve, multi-zone operational plan, and cost structure
 - Concurrent infrastructure build
- **Currently:**
 - **Two rig program**
 - **Two completion crews**
 - 41 producing wells; **12,000 BOEPD**
 - **30 DUCs** (being completed)
 - 2022 exit rate **25,000 BOEPD**
- **Large contiguous lease position** allows for the realization of **full value chain up-stream / mid-stream potential**, including **Carbon Sequestration** possibilities

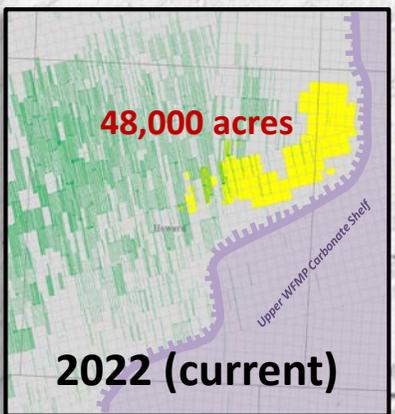
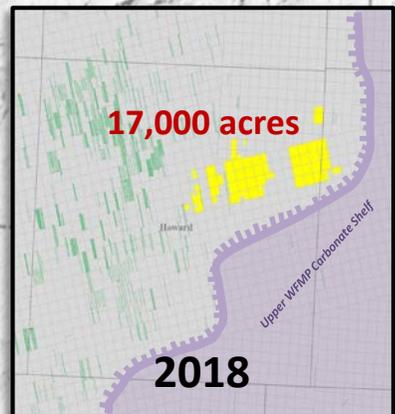
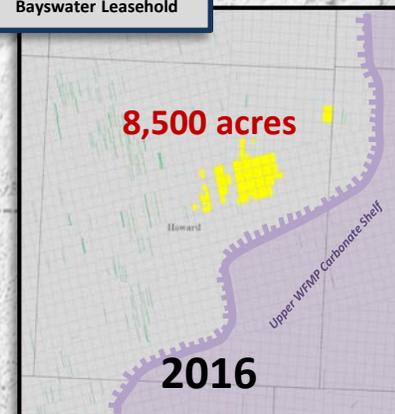
Unique Position Between Regional Carbonate Accumulations



Major Carbonate Features – WFMP Structure



Bayswater Leasehold

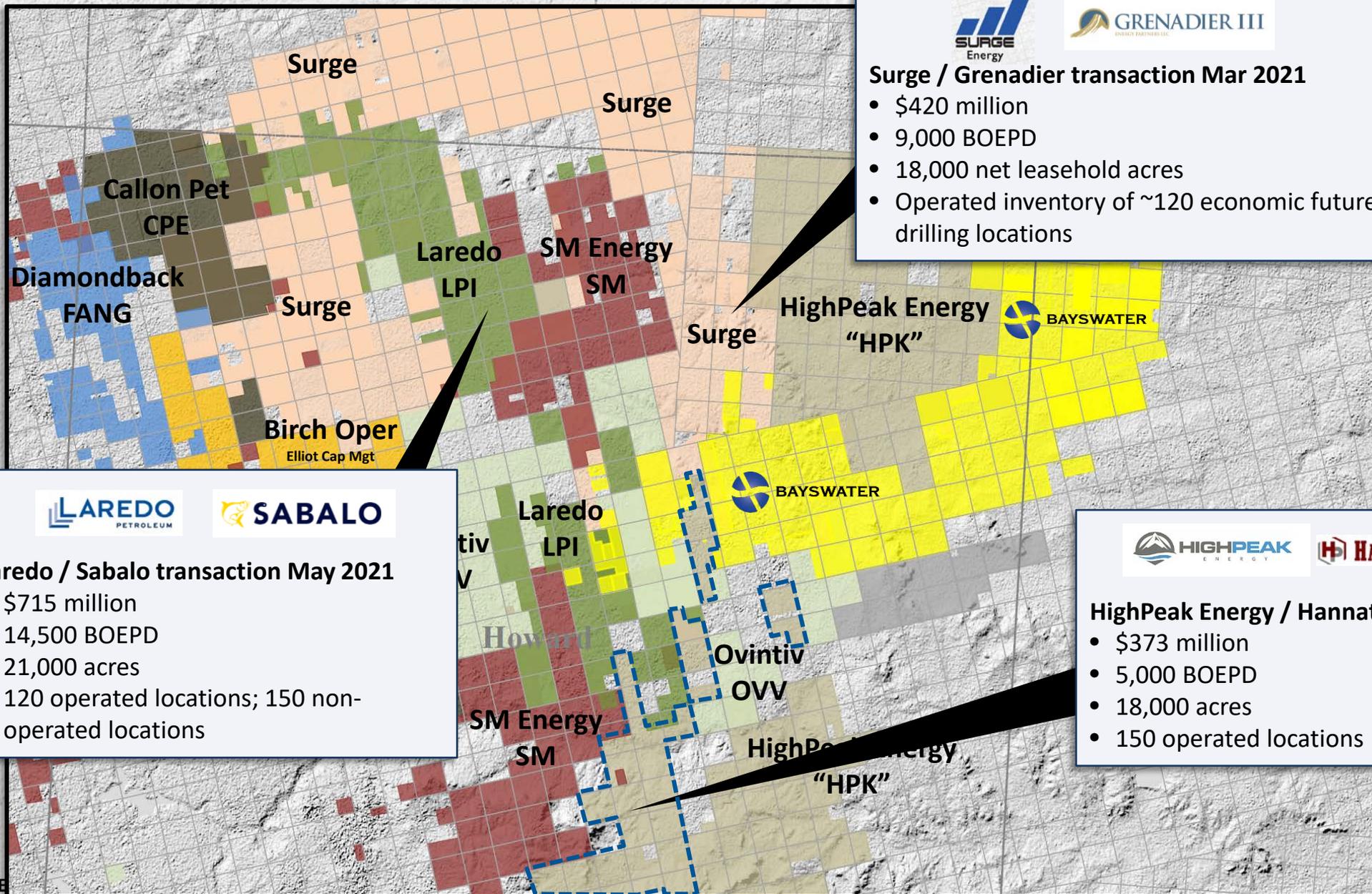


- Technical Study
- Tier-two Entry

- Type Curve Validation
- Infrastructure Build

- Tier One Economics
- Full Field Development

Howard County Operators – Notable Transactions



Surge / Grenadier transaction Mar 2021

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



Laredo / Sabalo transaction May 2021

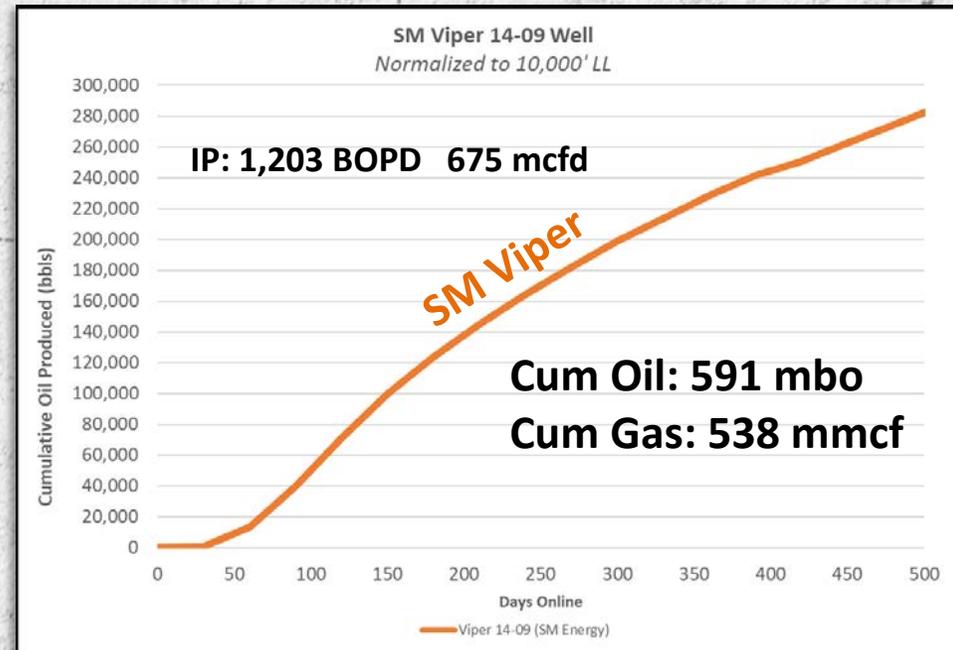
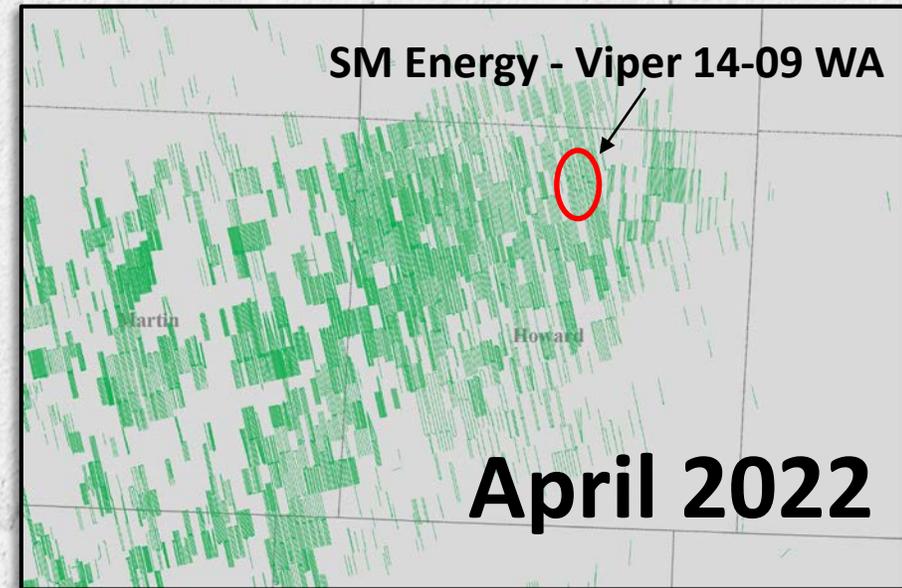
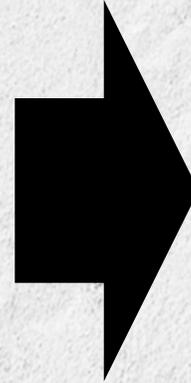
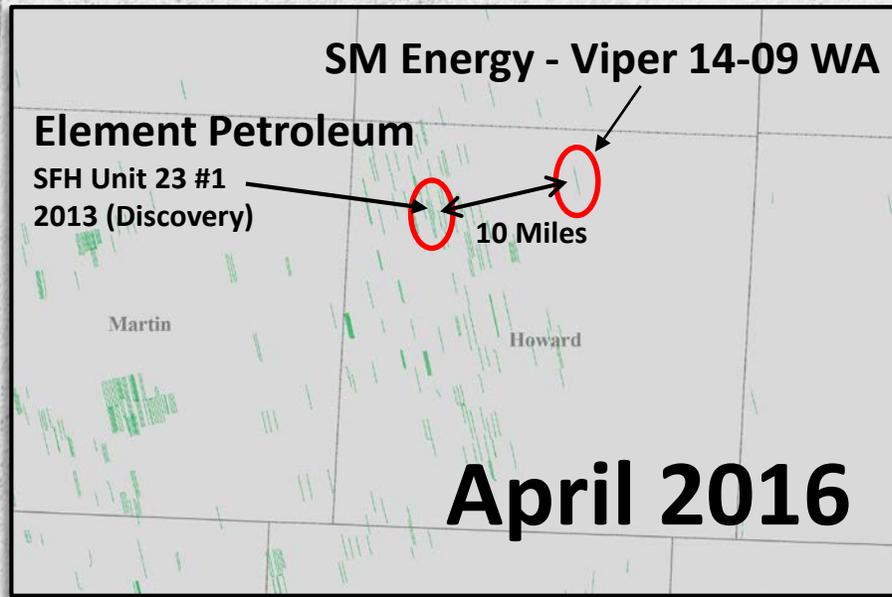
- \$715 million
- 14,500 BOEPD
- 21,000 acres
- 120 operated locations; 150 non-operated locations



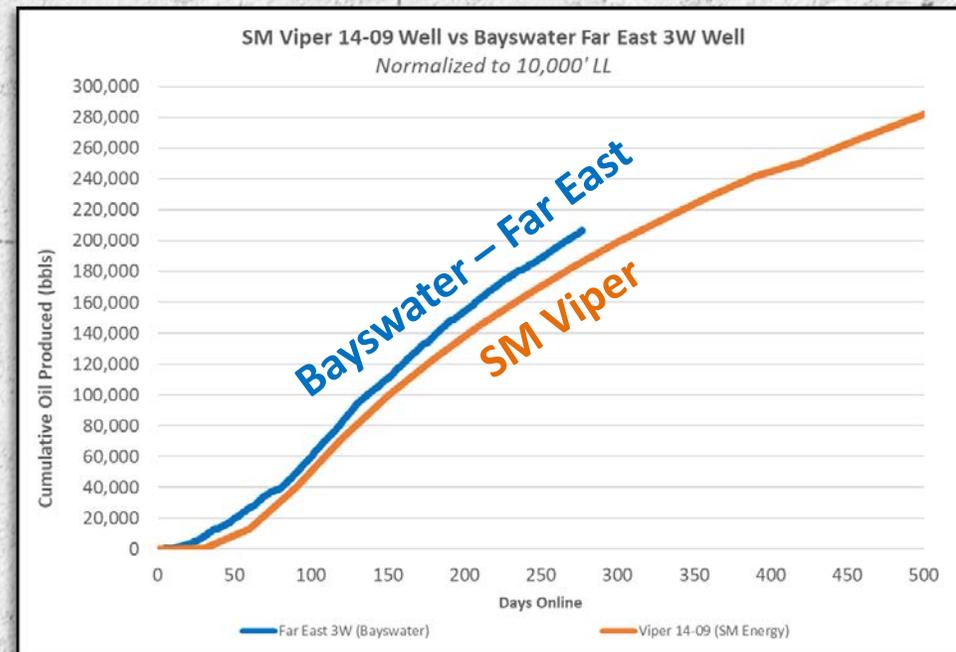
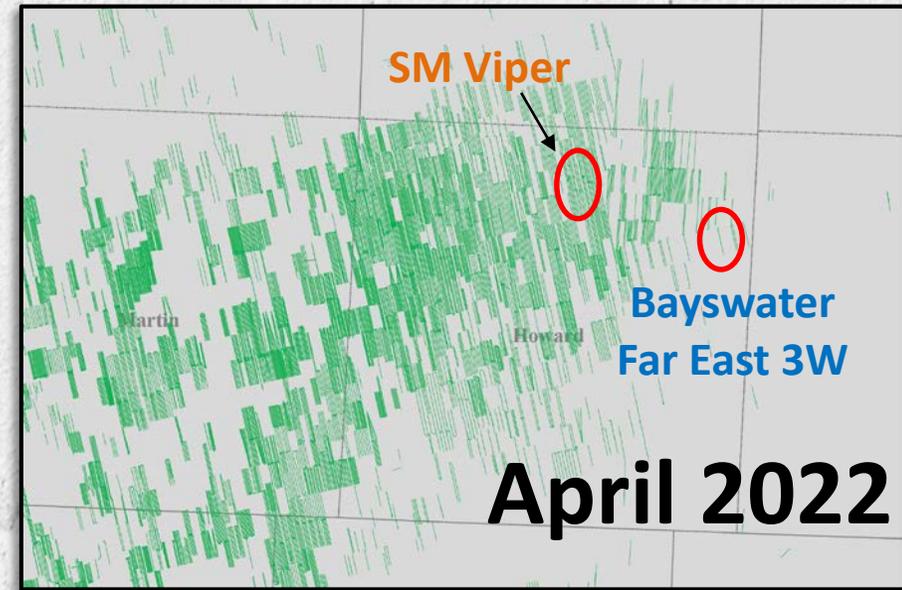
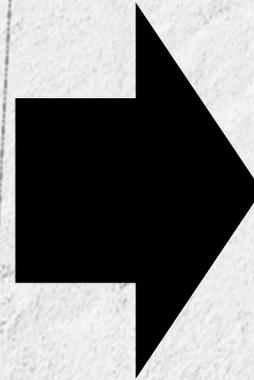
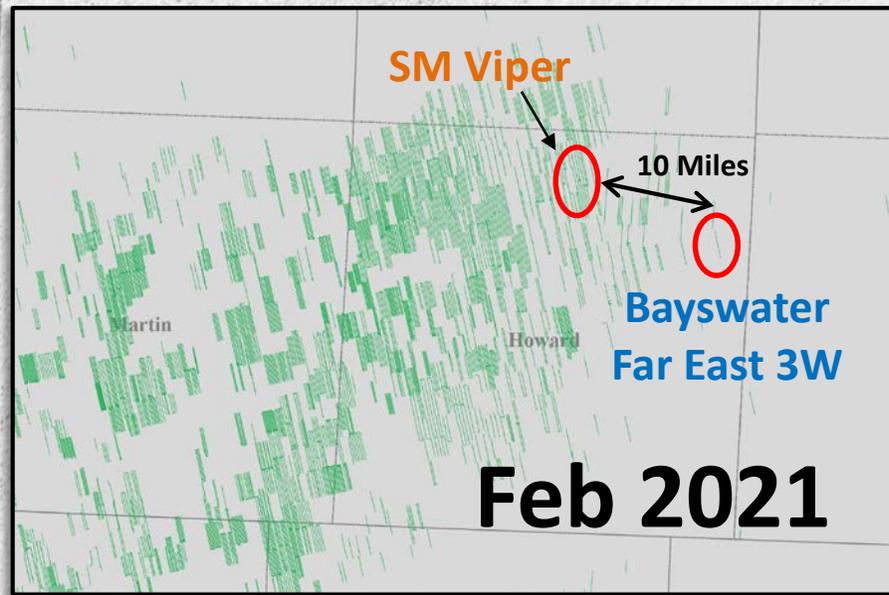
HighPeak Energy / Hannathon Petroleum

- \$373 million
- 5,000 BOEPD
- 18,000 acres
- 150 operated locations

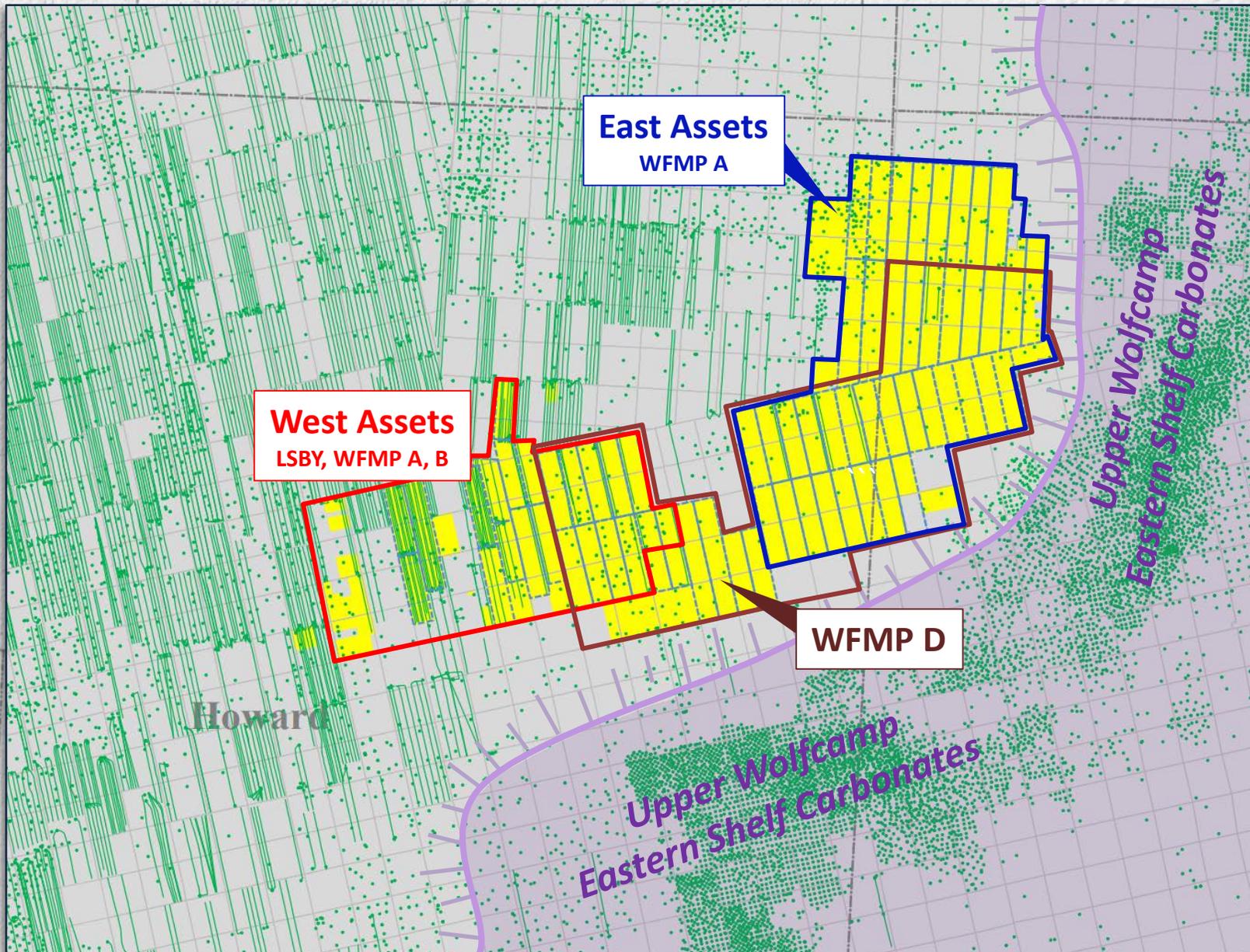
Transformative Well Results – Pushing Wolfcamp Productivity to the East



Transformative Well Results – Pushing Wolfcamp Productivity to the East



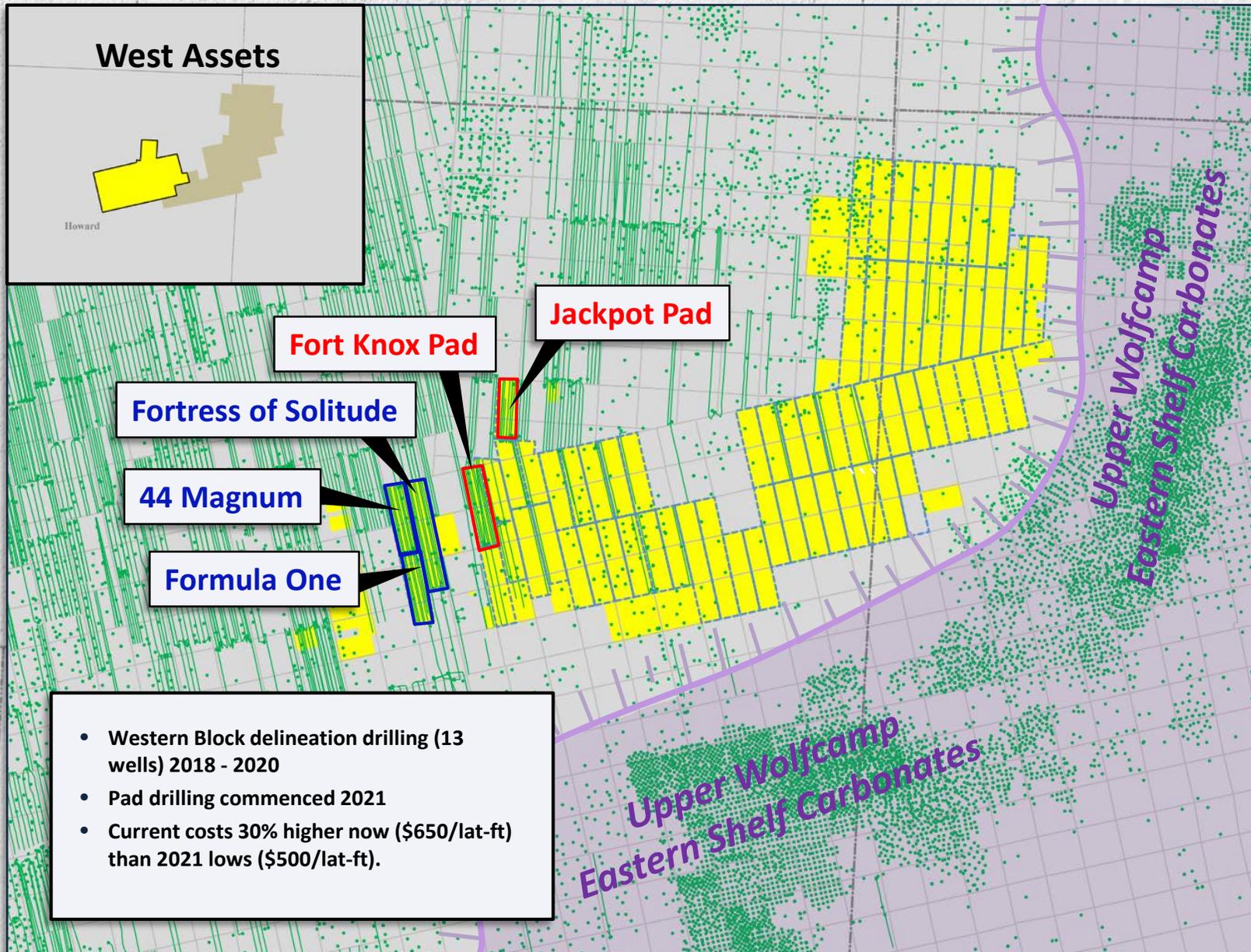
Bayswater – Property Development Highlights



3-Development Workflows

- **2 Rigs currently running (rotating between areas)**
 - ICD 214 – 1500 hp w/ racking capacity 21,000'
 - NORAM 30 – 1800 hp w/ racking capacity 21,000'+
 - *Just finished longest lateral at 3.25 mi*
- **West Assets**
 - Full development mode , 3 Benches
 - Pad drilling and simul-frac operations currently underway
- **East Assets**
 - Delineation stage with WFMP A – mixed shale/carbonate reservoir as primary target
 - sour gas encountered
- **WFMP D Area**
 - New project focus for Bayswater
 - Encouraging new Bayswater well
 - Other successful third party wells in the area

Bayswater – West Assets WFMP A, B, and LSBY



- Western Block delineation drilling (13 wells) 2018 - 2020
- Pad drilling commenced 2021
- Current costs 30% higher now (\$650/lat-ft) than 2021 lows (\$500/lat-ft).

West Drilling Pad Example

- 2-mile laterals (on average)
- **Well density design for max recovery**
- **11 days spud to RR**
- Dedicated curve assembly, trip for lateral assembly – 1 run to TD

West Frac Design

- 10,000 ft completed interval
- 165 ft stage spacing
- 8 clusters per stage
- **Sand Loading: 2050 lb/ft**
- **Fluid Loading: 45 bbl/ft**
- 25-40% 100 mesh – balance 40/70

Project Economics – Western Block

Operating Metrics

	2021	2022E
Proved Developed F&D Costs ⁽¹⁾	\$11.69	\$10.69
Cash Margin ⁽²⁾	\$49.76	\$66.56
Recycle Ratio ⁽³⁾	4.6x	6.2x
Average Working Interest	98%	
% Oil / % Liquids ⁽⁴⁾	81% / 91%	

(1) Drilling and development costs incurred on locations added as proved developed locations divided by the reserves booked on those same locations (including any associated revisions booked in a given year).

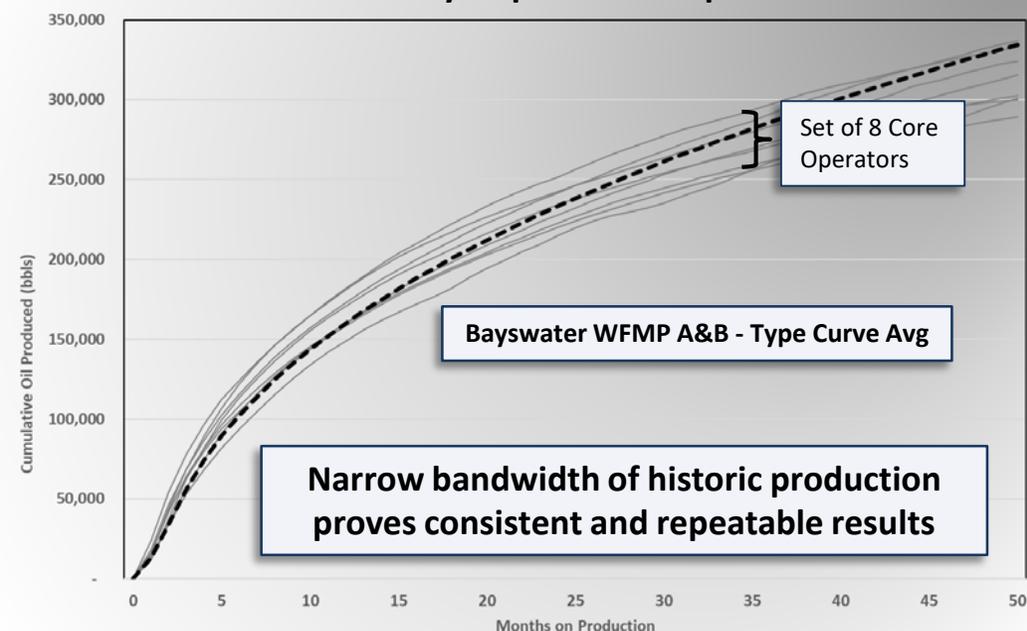
(2) 2022E Based on actual Q1 2022 prices and March 31, 2022 strip pricing for Q2-Q4, excluding G&A expenses

(3) Cash profit margin per unit divided by proved developed F&D costs

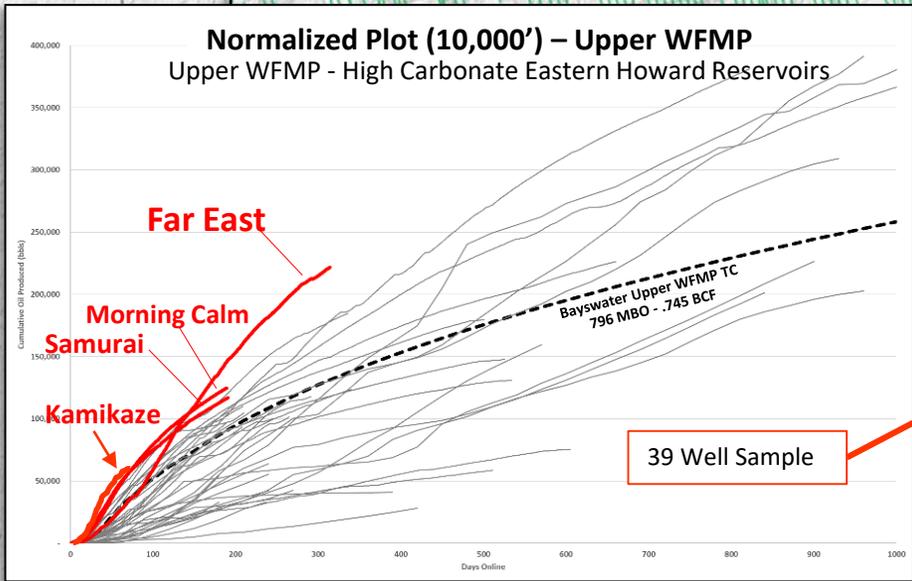
(4) Based on three-stream production

		Average (2 LSYB / 3 WFMP A / 3 WFMP B)						
		Drill and Complete Costs (in 000s)						
		\$ 5,500	\$ 5,750	\$ 6,000	\$ 6,250	\$ 6,500	\$ 6,750	\$ 7,000
Wellhead Oil Price	\$ 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%

Howard County - Operator Comparison



East and North East– Delineation (5 Wells Drilled, 4 Producing)



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

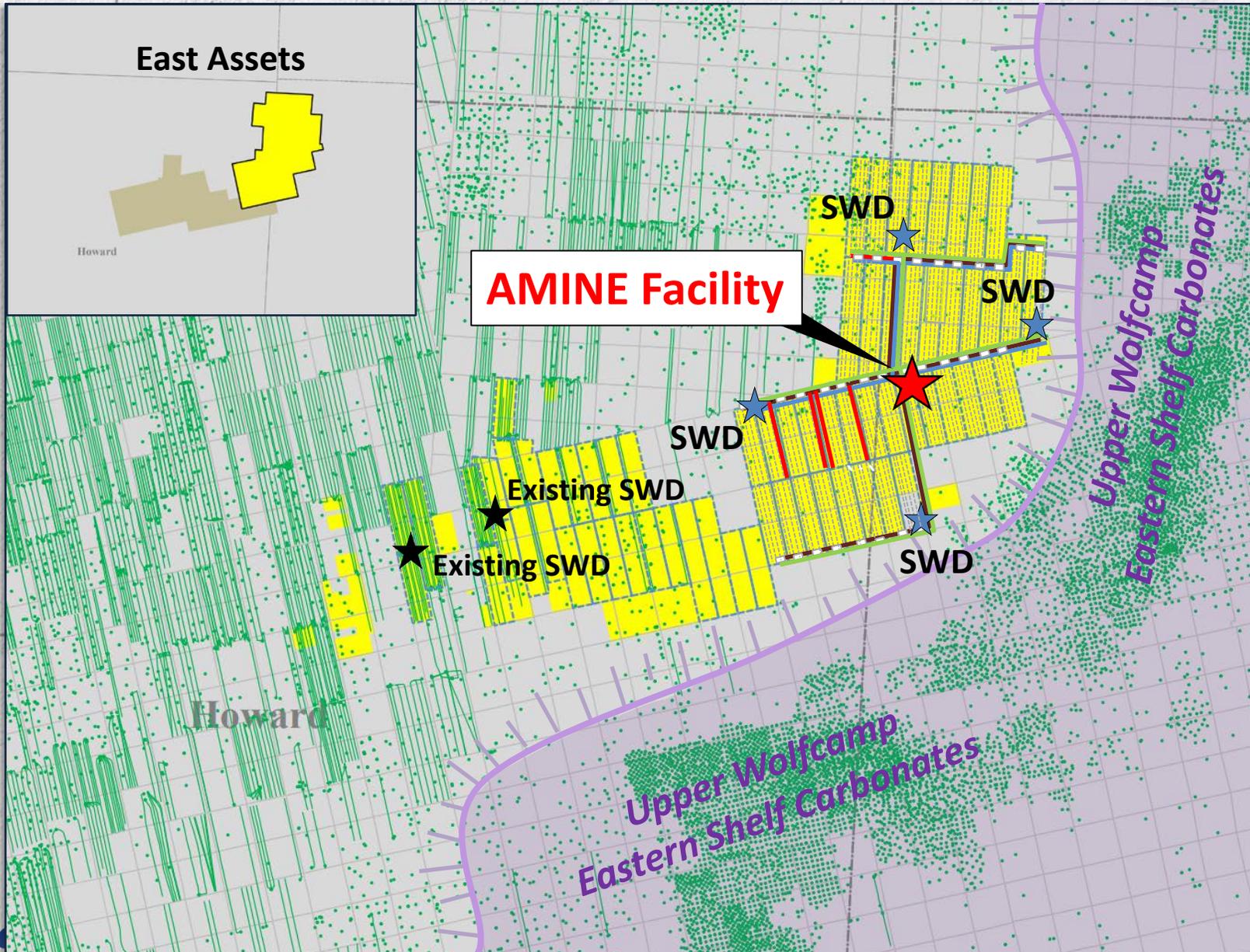
Kamikaze Peak (24) Rate = **1,250 BOPD**

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

Samurai Peak (24) Rate = **1,133 BOPD**

Upper WFMP IRR (3 Year Exit @ PV10)

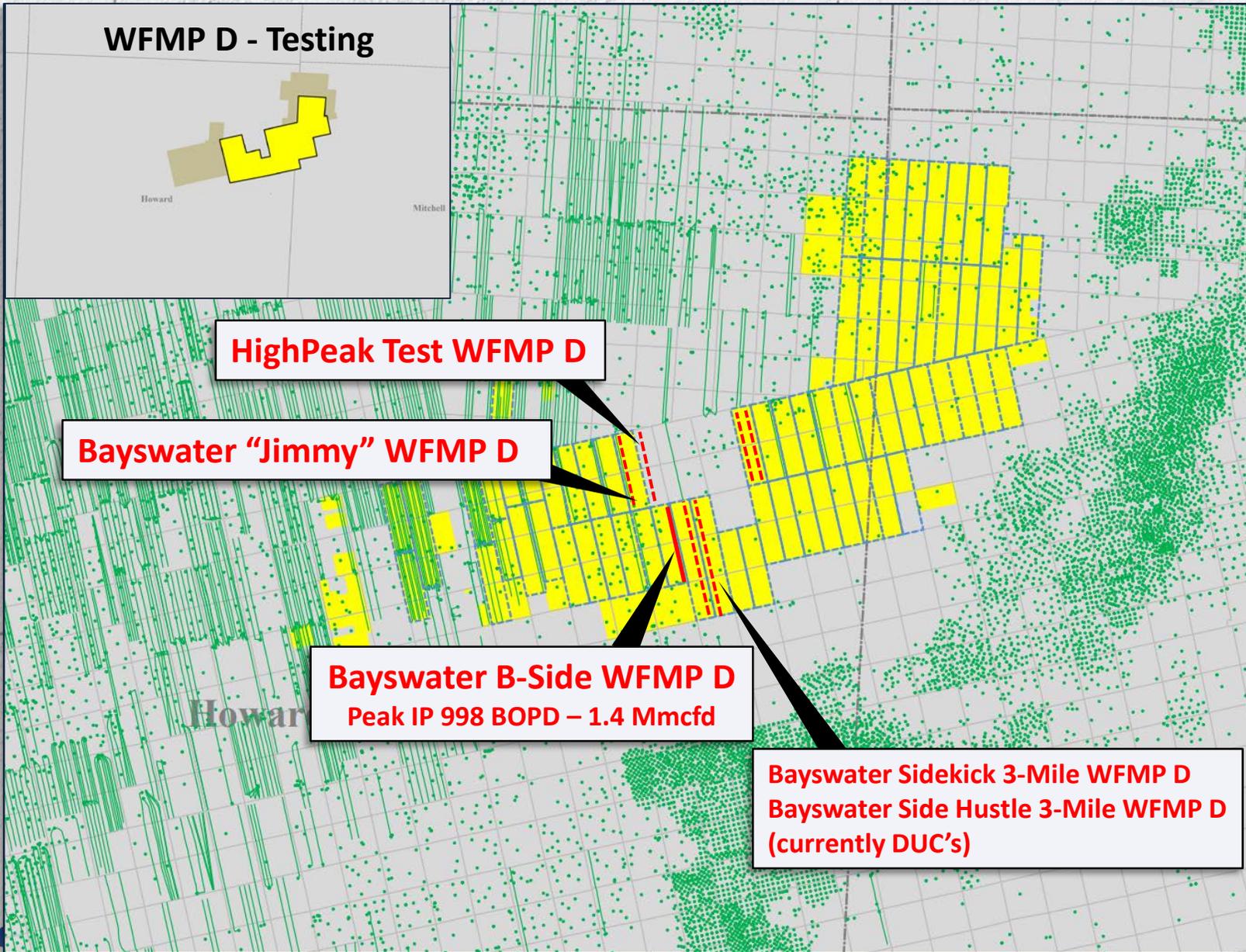
		Drill and Complete Costs (in 000s)						
		\$ 6,500	\$ 6,750	\$ 7,000	\$ 7,250	\$ 7,500	\$ 7,750	\$ 8,000
Wellhead Oil Price	\$ 100	155%	148%	141%	135%	129%	123%	118%
	\$ 90	135%	128%	122%	116%	111%	107%	102%
	\$ 80	114%	108%	103%	99%	94%	90%	86%
	\$ 70	94%	89%	85%	81%	77%	74%	70%
	\$ 60	74%	70%	67%	63%	60%	57%	54%
	\$ 50	55%	51%	48%	45%	43%	40%	38%
	\$ 40	34%	32%	29%	27%	25%	23%	21%
	\$ 30	12%	10%	8%	7%	5%	3%	2%



EAST Infrastructure

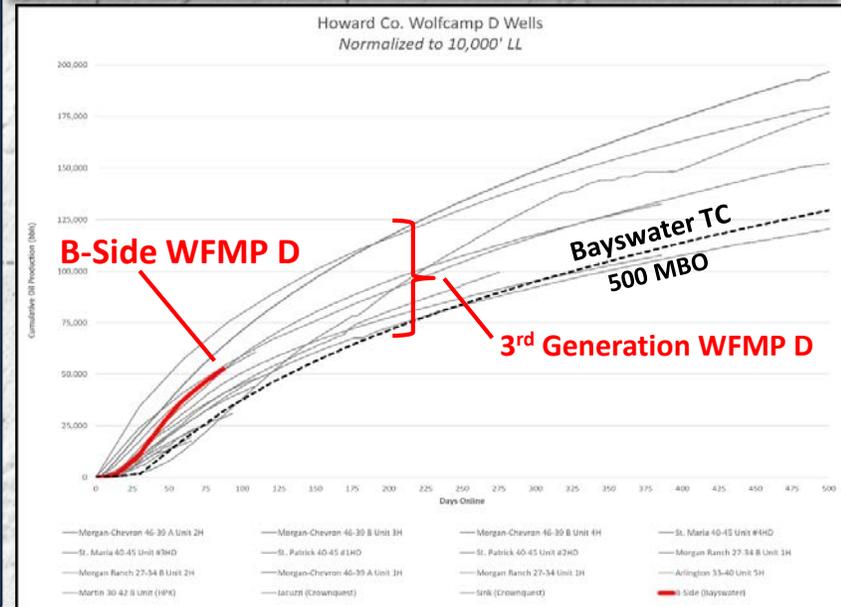
- Oil, gas, produced water and power systems in various stages of design and permitting for 140 well - East Asset WFMP A development
- 70 miles of oil, gas and produce water pipeline required to service 32 "East" well pads
- AMINE Facility scalable up to 35 MMcfd of sour gas handling capacity with deep Ellenberger AGI disposal well in permitting stage
- AMINE FEED complete, major AMINE equipment items ordered with Facility anticipated start-up January 2023
- *Based on current CO₂ content, the Facility will sequester about 40,000 Metric Tons of CO₂ annually*
- Expect to offset Scope 1 and 2 emissions with injected CO₂ volumes and looking at other local sources of CO₂ as possible capture opportunities

Bayswater - WFMP D Testing

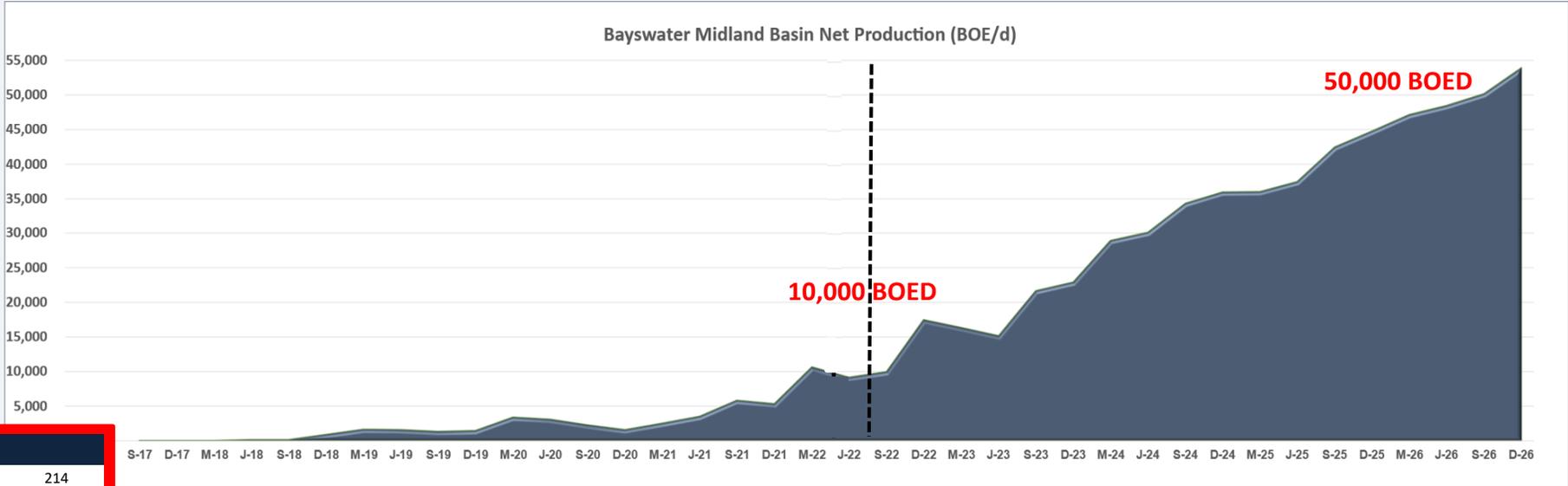


WFMP D Reservoir Summary

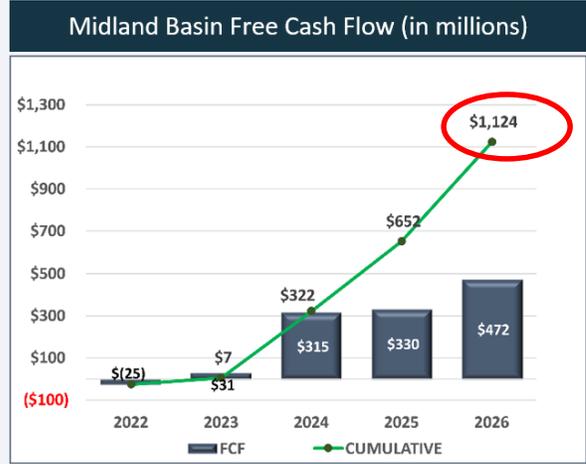
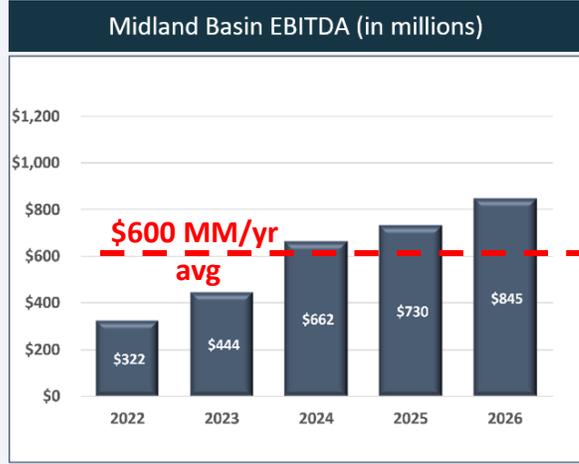
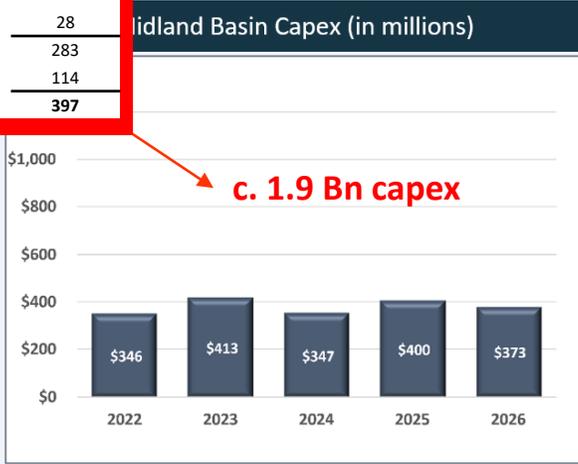
- Laminated organic rich mudstones and organic lean shales
- High clay content, varies from 35% in organic rich pay intervals to over 60% in non-pay intervals
- High TOC, upwards of 5% in organic rich intervals, < 2% in non-pay intervals
- Variable Sw, < 25% in pay intervals
- Mature, average Tmax > 450°
- Oil Saturation Index ((S1/TOC)*100) consistently 110+ in organic rich pay intervals indicates significant free oil



BAYSWATER MIDLAND BASIN OPERATED ASSETS FORECAST

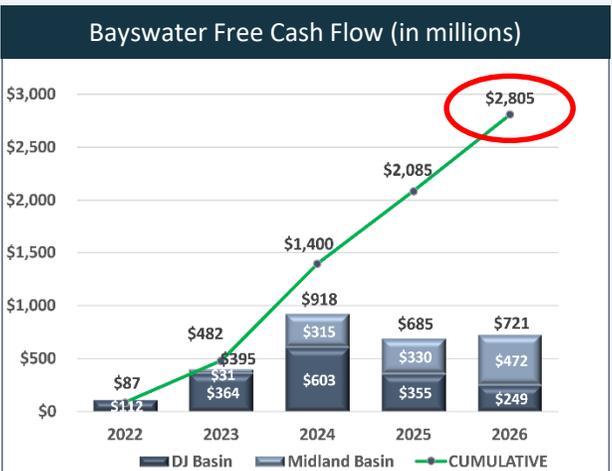
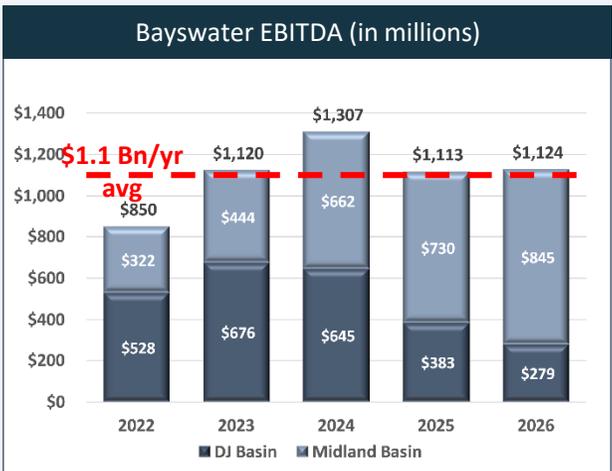
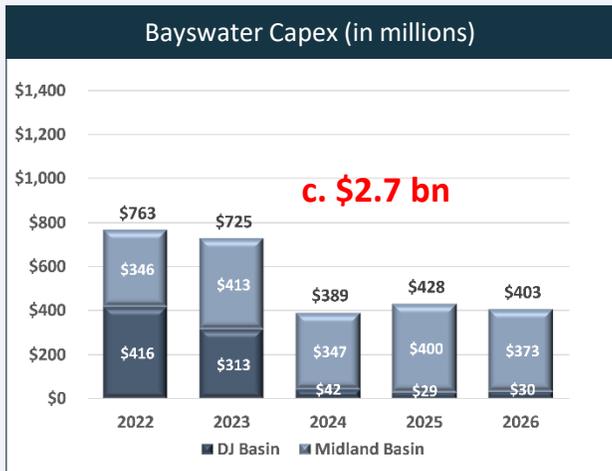
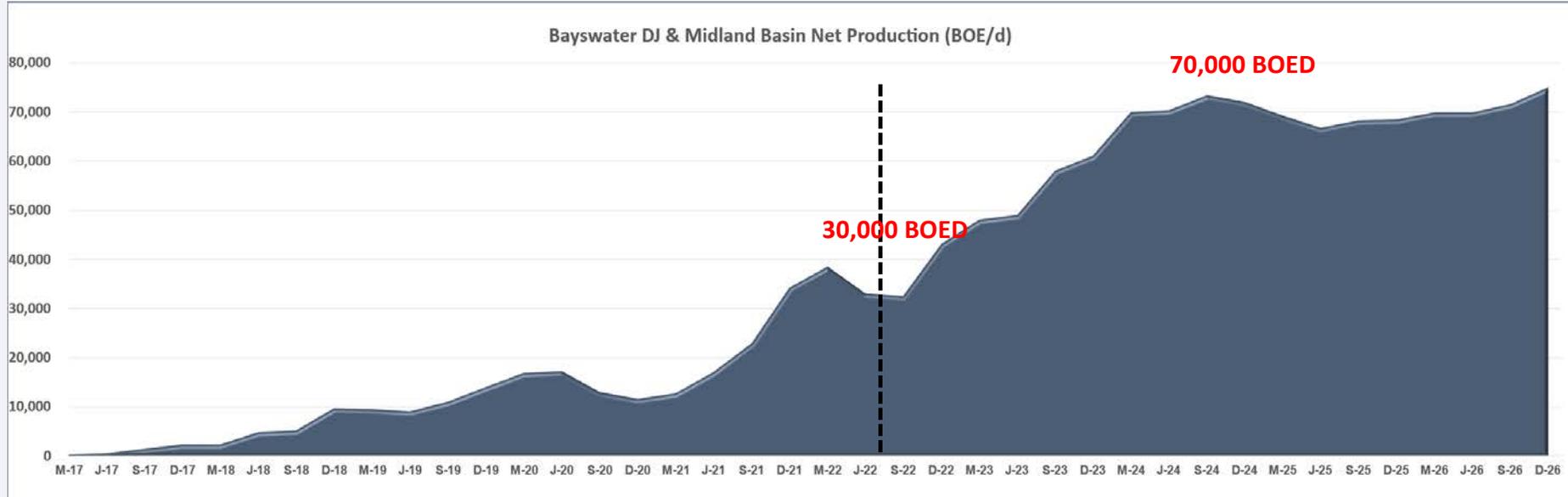


Remaining Inventory	
Wolfcamp A – PUD	214
Wolfcamp B – PUD	41
Lower Spraberry – PUD	28
Total PUD locations	283
Wolfcamp D – probable	114
Total	397



EBITDA and Free Cash Flow based on June 17, 2022 NYMEX strip pricing, less differentials; assumes continued development running 2-3 rigs in the Midland Basin.

Combined Financial Metrics – DJ plus Midland (Complimentary Assets)



EBITDA and Free Cash Flow based on June 17, 2022 NYMEX strip pricing, less differentials; assumes continued development running 4-5 rigs in the DJ and Midland Basins.



Sustainability Highlights:

- Sustainability Accounting Standards Board (SASB) and American Exploration and Production Council (AXPC) 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

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.