

MOC 1 MILE LATERAL ECONOMICS

PAYOUT ACHIEVED IN < 3 YEARS

	Oil Production (bbl)	Gas Production (MCF)	Revenue	LOE	Tax & Royalty	Net CF	Cum Net CF	10% Disc Net CF	Cum Disc Net CF
Year 0						\$ (5,435,000)	\$ (5,435,000)	\$ (5,435,000)	\$ (5,435,000)
Year 1	139,232	352,134	\$ 6,273,531	\$ 959,448	\$ 1,784,180	\$ 3,529,904	\$ (1,905,096)	\$ 3,209,003	\$ (2,225,997)
Year 2	58,819	157,238	\$ 2,667,254	\$ 409,988	\$ 758,682	\$ 1,498,584	\$ (406,512)	\$ 1,238,499	\$ (987,498)
Year 3	38,753	150,902	\$ 1,851,933	\$ 296,139	\$ 527,437	\$ 1,028,357	\$ 621,844	\$ 772,620	\$ (214,878)
Year 4	29,208	145,103	\$ 1,458,544	\$ 240,453	\$ 415,819	\$ 802,272	\$ 1,424,116	\$ 547,963	\$ 333,084
Year 5	23,564	139,772	\$ 1,222,099	\$ 206,476	\$ 348,701	\$ 666,922	\$ 2,091,038	\$ 414,106	\$ 747,190
Year 6	17,132	48,630	\$ 782,550	\$ 120,974	\$ 222,631	\$ 438,945	\$ 2,529,983	\$ 247,773	\$ 994,963
Year 7	15,115	43,150	\$ 690,906	\$ 106,866	\$ 196,562	\$ 387,478	\$ 2,917,461	\$ 198,837	\$ 1,193,801
Year 8	13,540	38,847	\$ 619,299	\$ 95,836	\$ 176,193	\$ 347,269	\$ 3,264,730	\$ 162,004	\$ 1,355,805
Year 9	12,275	35,372	\$ 561,729	\$ 86,965	\$ 159,816	\$ 314,947	\$ 3,579,678	\$ 133,568	\$ 1,489,373
Year 10	11,234	32,504	\$ 514,388	\$ 79,667	\$ 146,349	\$ 288,372	\$ 3,868,049	\$ 111,180	\$ 1,600,553

*\$40/BO & \$2.00/MCF; \$5.50/BOE LOE @ 80% NRI

**Based on Upper WFMP 715 MBOE type curve on MOC Exhibits 3-B & 3-C

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Assuming \$5.6MM well cost and \$8.68/BOE costs (includes LOE/G&A/Interest) per COG June 2020 Investor Presentation, payout would be achieved in under 4 years with a positive PV-10 cumulative Disc. CF in under 8 years.