



**TAM<sup>2</sup>**  
OPERATING LLC

OIL & GAS  
**EXPLORATION**



### Prospect Location

The Aggie Prospect comprises 935 acres and straddles the border of Coleman and Runnels counties near central Texas. It is within portions of Section 122 (WE Pritchard Survey) in Coleman Co. and Section 121 (ETRR Survey) and 130 (WE Pritchard Survey) in Runnels Co.



## Aggie Prospect

Coleman & Runnels Counties, Texas  
1 Well Prospect

Terms: (1 Well)

100% WI  
75% NRI

AFE \$400,000  
Drill & Test

\$100,000  
Completion

Total: \$500,000

The following documents consist of third party opinions, estimates, and forward looking statements. Past performance and production levels of wells in the prospect area does not indicate future success as there can be no assurance the prospect well will be successful.

## General Geology

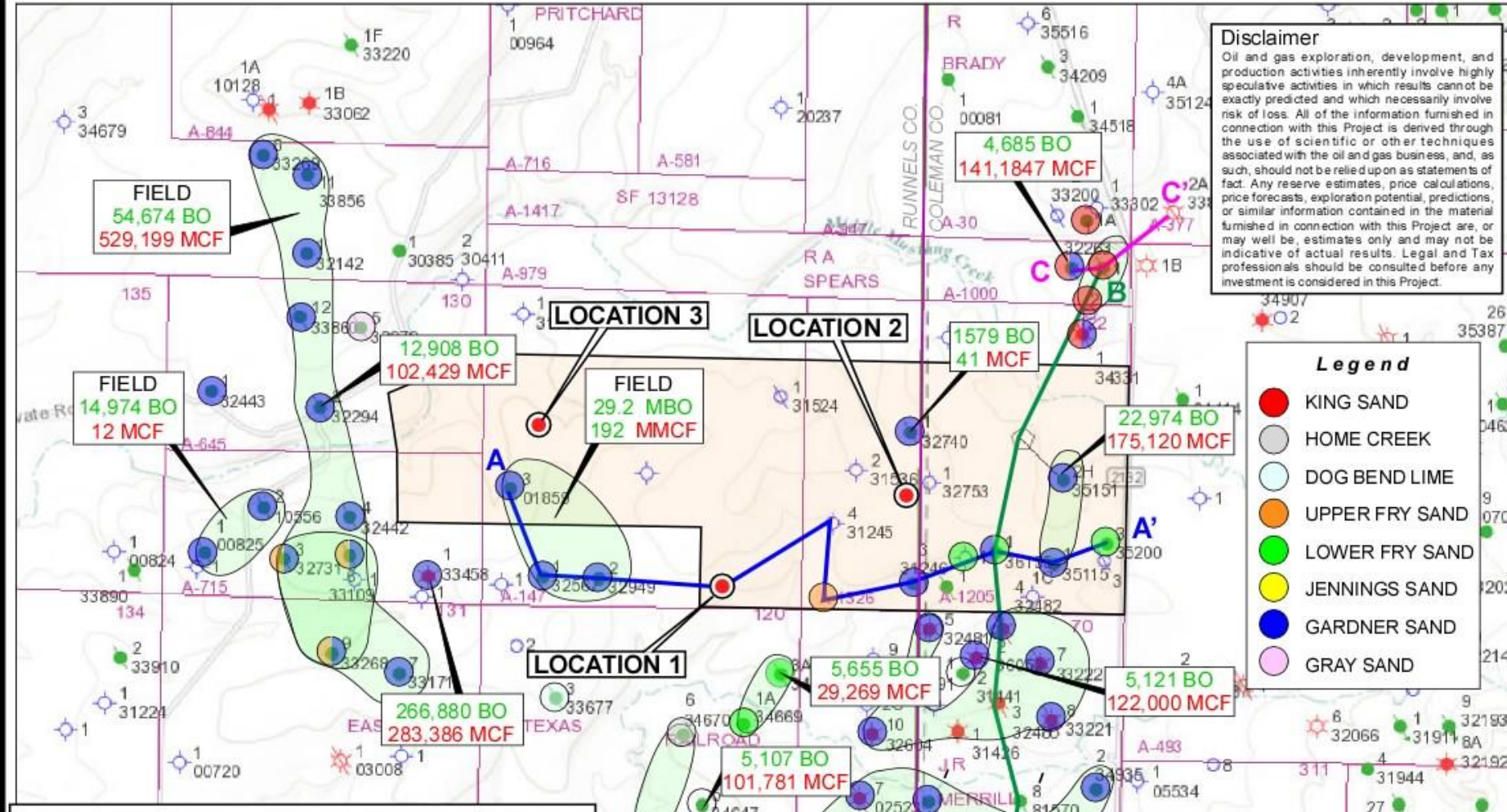
The Aggie Prospect is situated on the Eastern Shelf of the Midland Basin. Production was first established in the area in the 1940's and development continues to the present day. Oil and gas production is from the Lower Permian and Pennsylvanian reservoirs which include the Serratt Sand, King Sand, Palo Pinto Lime, Dog Bend Lime, Capps Lime, Upper and Lower Fry Sands, Jennings Sand and the Gardner Sand.

Trapping is primarily stratigraphically controlled with some structural influence in the form of nosings and possibly small closures. Regional dip is to the west.

The following section will discuss the drilling potential on the 935 acre lease. 3 proposed locations with potential offsets will be outlined.

Structural contour mapping of the T/Dog Bend Lime and B/Capps Lime demonstrate regional dip to the west with nosings. Additional structure maps are not deemed necessary as formations below the Lower Capps are conformable and additional mapping would be repetitive. Gross isopach maps of the Lower Fry Sand and Gardner Sand reveal a general east – west to northeast – southwest depositional trend across the prospective acreage.

J. Selby  
Staff Geologist



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- Legend**
- KING SAND
  - HOME CREEK
  - DOG BEND LIME
  - UPPER FRY SAND
  - LOWER FRY SAND
  - JENNINGS SAND
  - GARDNER SAND
  - GRAY SAND

- Legend**
- ⊕ DRY HOLE
  - OIL
  - ⊕ GAS
  - ⊕ OIL / GAS
  - PLUGGED OIL
  - ⊕ PLUGGED GAS
  - ⊕ PLUGGED OIL / GAS
  - ⊕ PROPOSED LOCATION
  - HYDROCARBON FIELD
  - AGGIE LEASE (935A)
- A—A' STRUCTURAL CROSS SECTION A-A'  
 B—B' STRUCTURAL CROSS SECTION B-B'  
 C—C' STRUCTURAL CROSS SECTION C-C'

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COLEMAN & RUNNELS CO., TEXAS

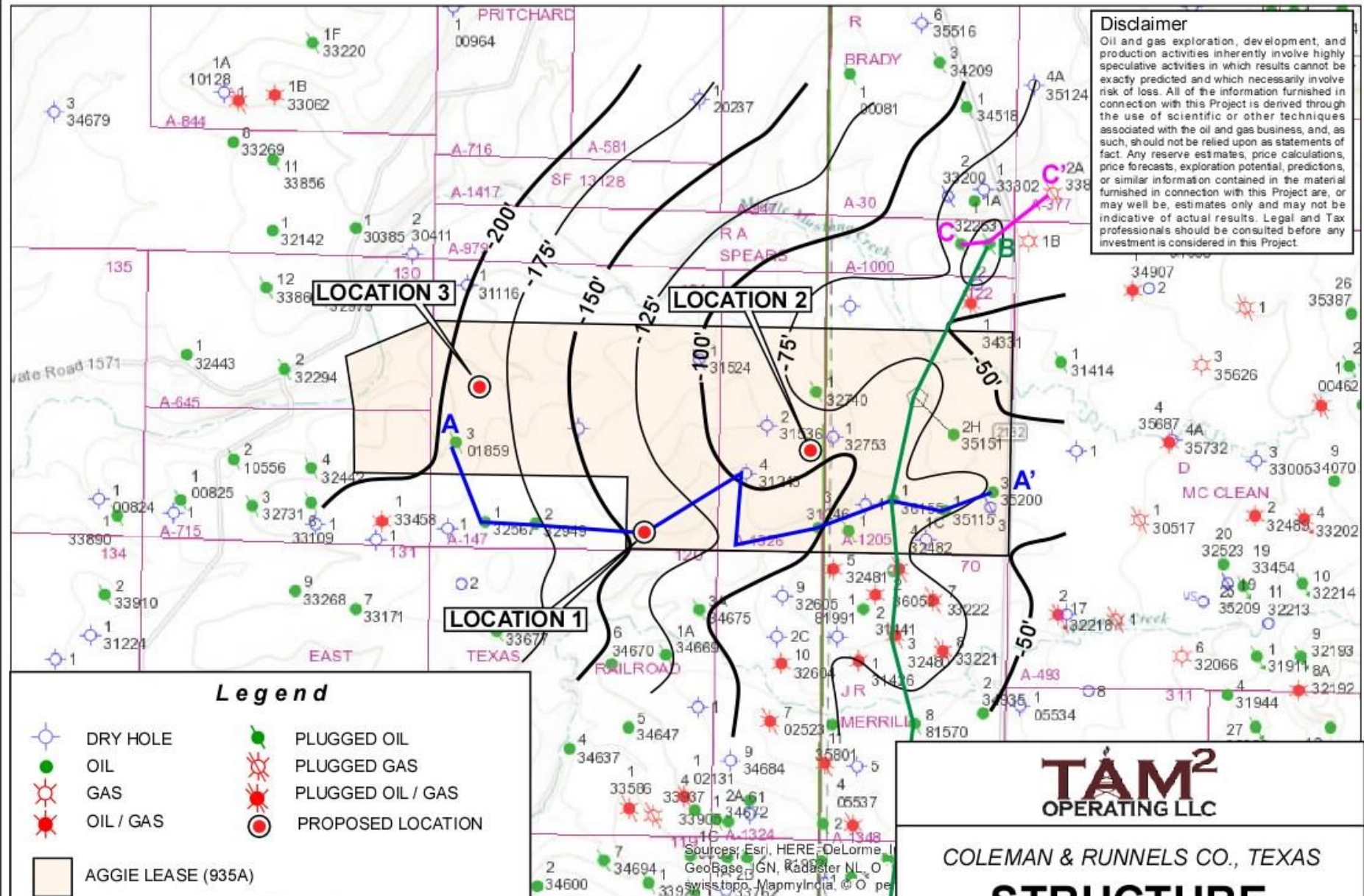
**PRODUCTION**  
OIL AND GAS CUMULATIVE

SCALE (MILES)

1/4      0      1/2

By: J. Selby 9/15/17

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**Legend**

- DRY HOLE
- OIL
- GAS
- OIL / GAS
- PLUGGED OIL
- PLUGGED GAS
- PLUGGED OIL / GAS
- PROPOSED LOCATION

AGGIE LEASE (935A)

TOP KING LIME IN FEET BELOW SEA LEVEL

A—A' STRUCTURAL CROSS SECTION A-A'  
 B—B' STRUCTURAL CROSS SECTION B-B'  
 C—C' STRUCTURAL CROSS SECTION C-C'

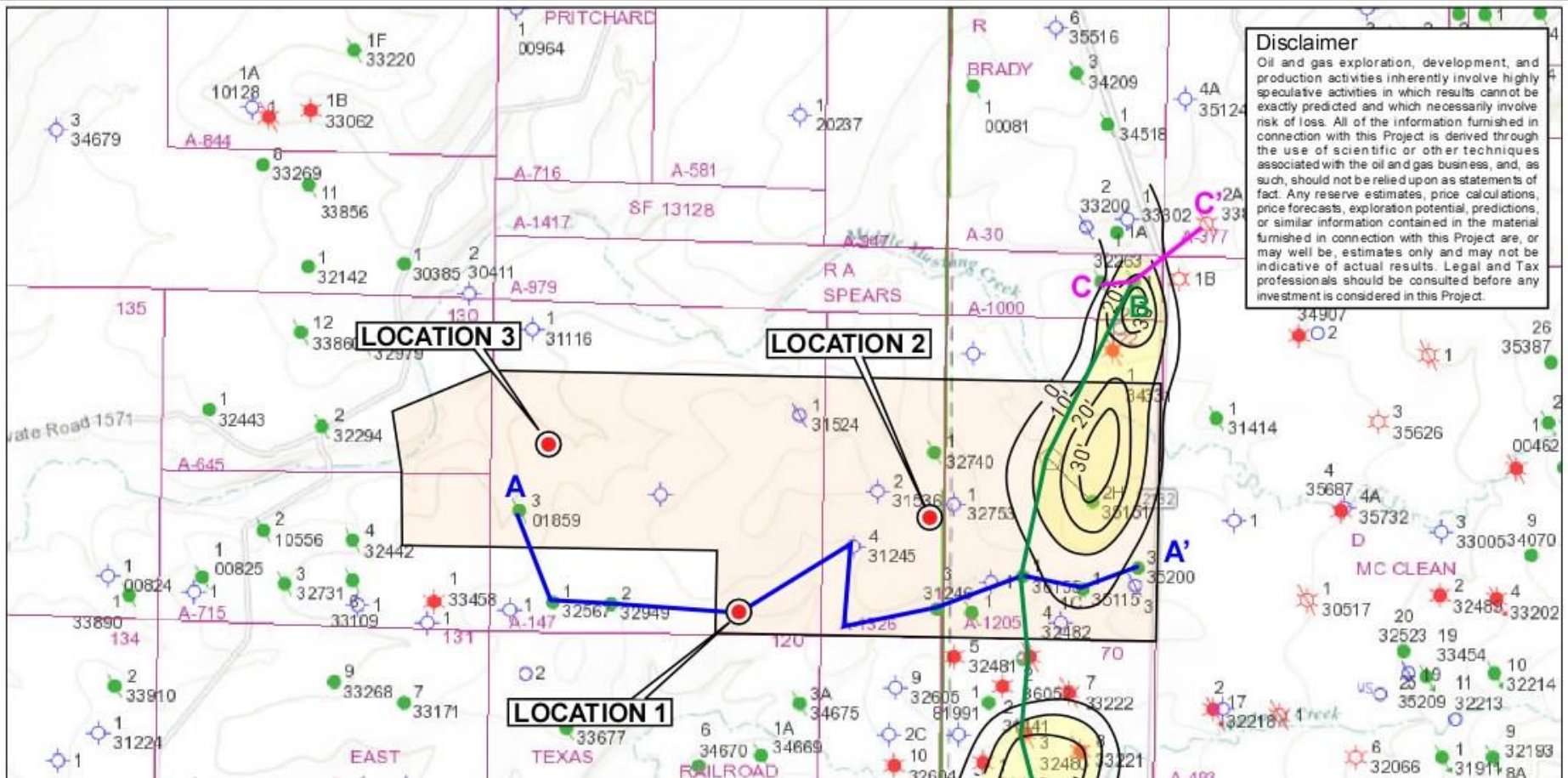


COLEMAN & RUNNELS CO., TEXAS

**STRUCTURE**  
 TOP KING LIME MARKER

CI=25'  
 By: J. Selby SCALE (MILES) 9/15/17

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**Legend**

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

	AGGIE LEASE (935A)
	KING SAND THICKNESS OF 10 FT OR GREATER

A—A' STRUCTURAL CROSS SECTION A-A'  
 B—B' STRUCTURAL CROSS SECTION B-B'  
 C—C' STRUCTURAL CROSS SECTION C-C'

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**ISOPACH**  
 KING SAND THICKNESS (FT)

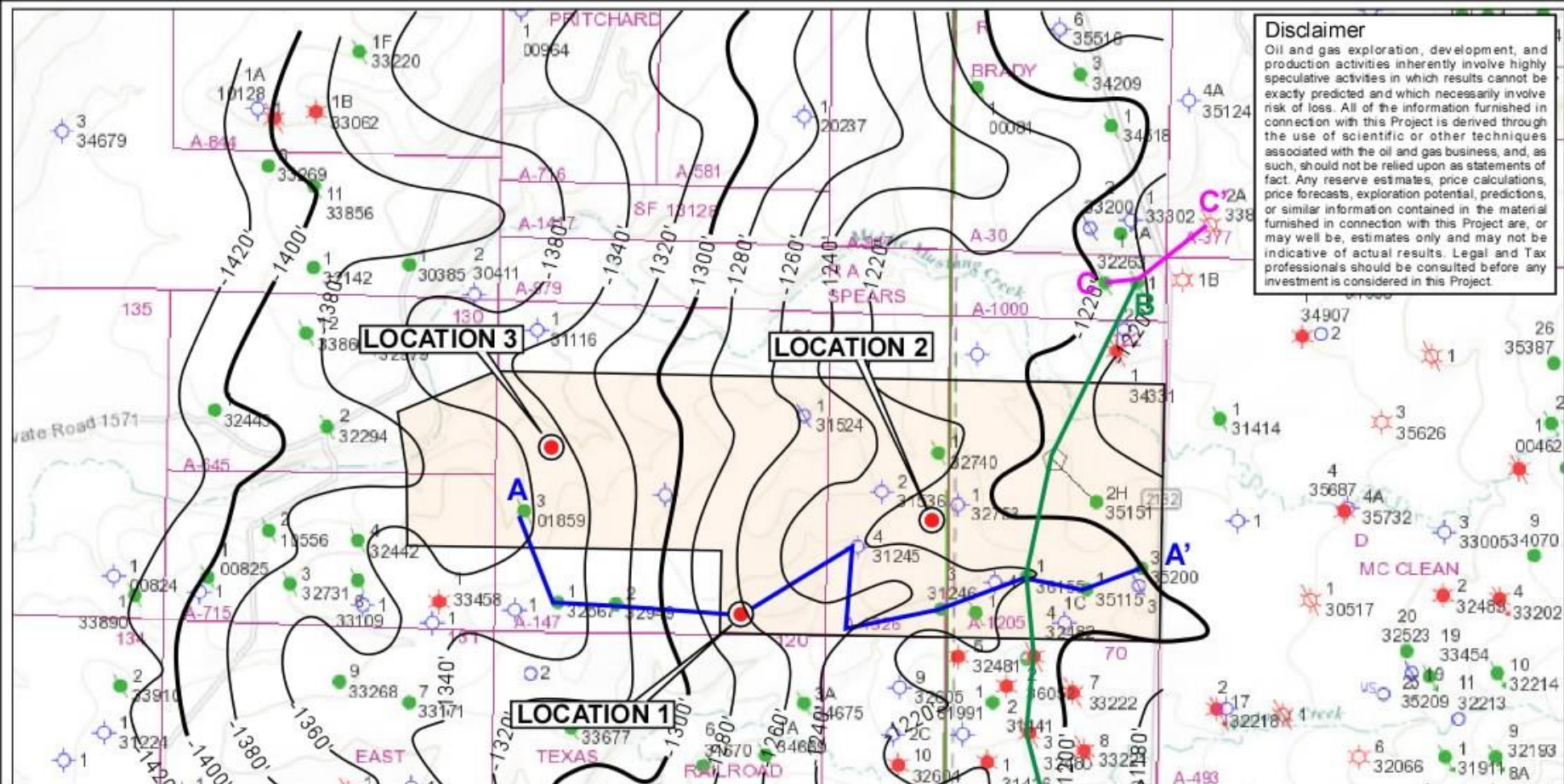
CI: 10 FT

By: J. Selby

SCALE (MILES)  
 1/4 0 1/2

9/15/17

Sources: Esri, HERE, DeLorme, GeoBase, IGN, Radboud NL, OpenStreetMap contributors, Swisstopo, Mapbox, and others.



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**Legend**

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

AGGIE LEASE (935A)

TOP DOG BEND LIME IN FEET BELOW SEA LEVEL

A—A' STRUCTURAL CROSS SECTION A-A'  
 B—B' STRUCTURAL CROSS SECTION B-B'  
 C—C' STRUCTURAL CROSS SECTION C-C'

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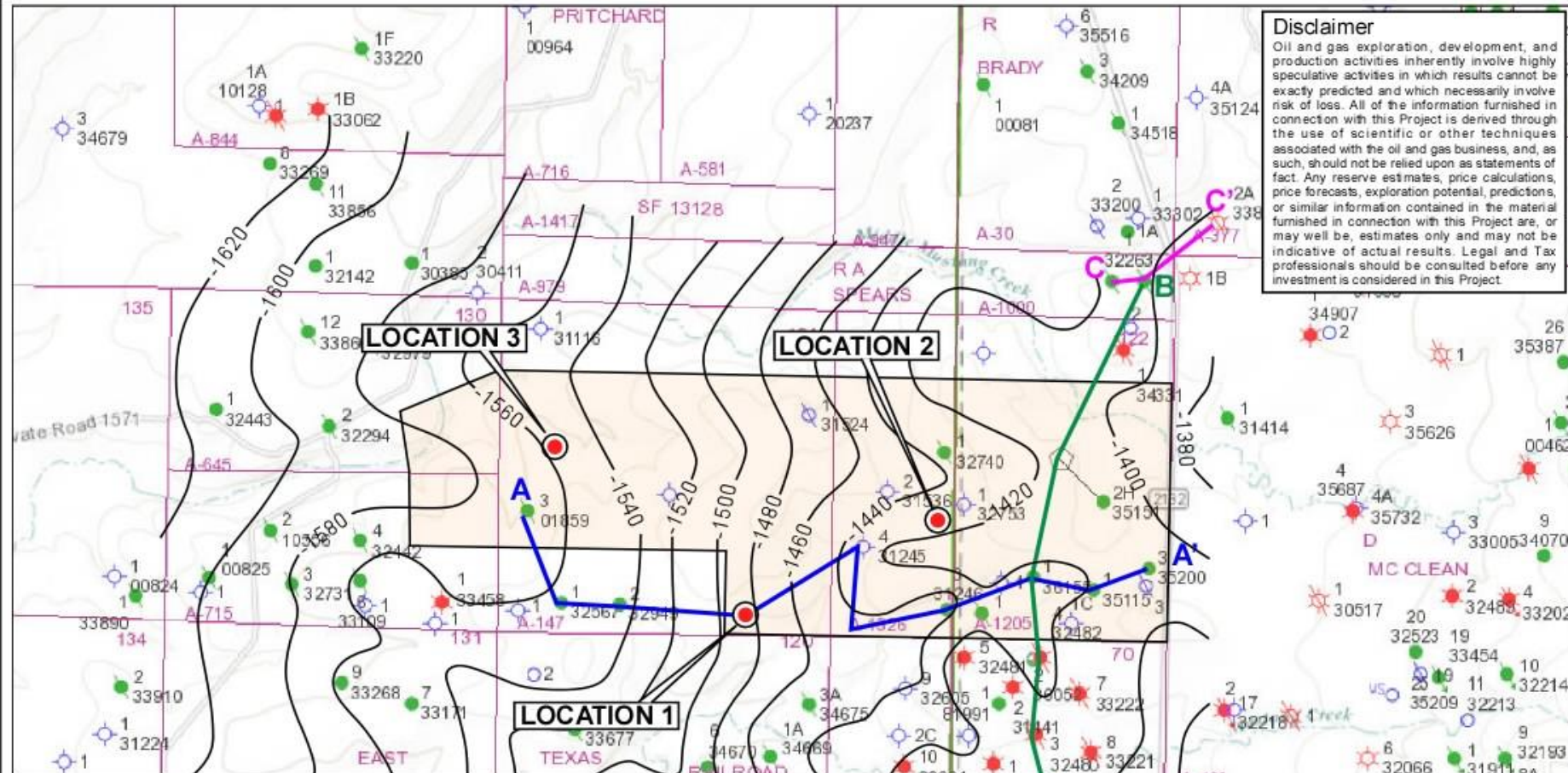
**STRUCTURE**  
 TOP DOG BEND LIME

CI=20'

By: J. Selby

SCALE (MILES)

9/15/17



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**Legend**

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

AGGIE LEASE (935A)

--1560-- B / LOWER CAPPES BELOW SEA LEVEL IN FEET

A—A' STRUCTURAL CROSS SECTION A-A'  
 B—B' STRUCTURAL CROSS SECTION B-B'  
 C—C' STRUCTURAL CROSS SECTION C-C'

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**STRUCTURE**  
 BASE LOWER CAPPES LIME

CI=20'

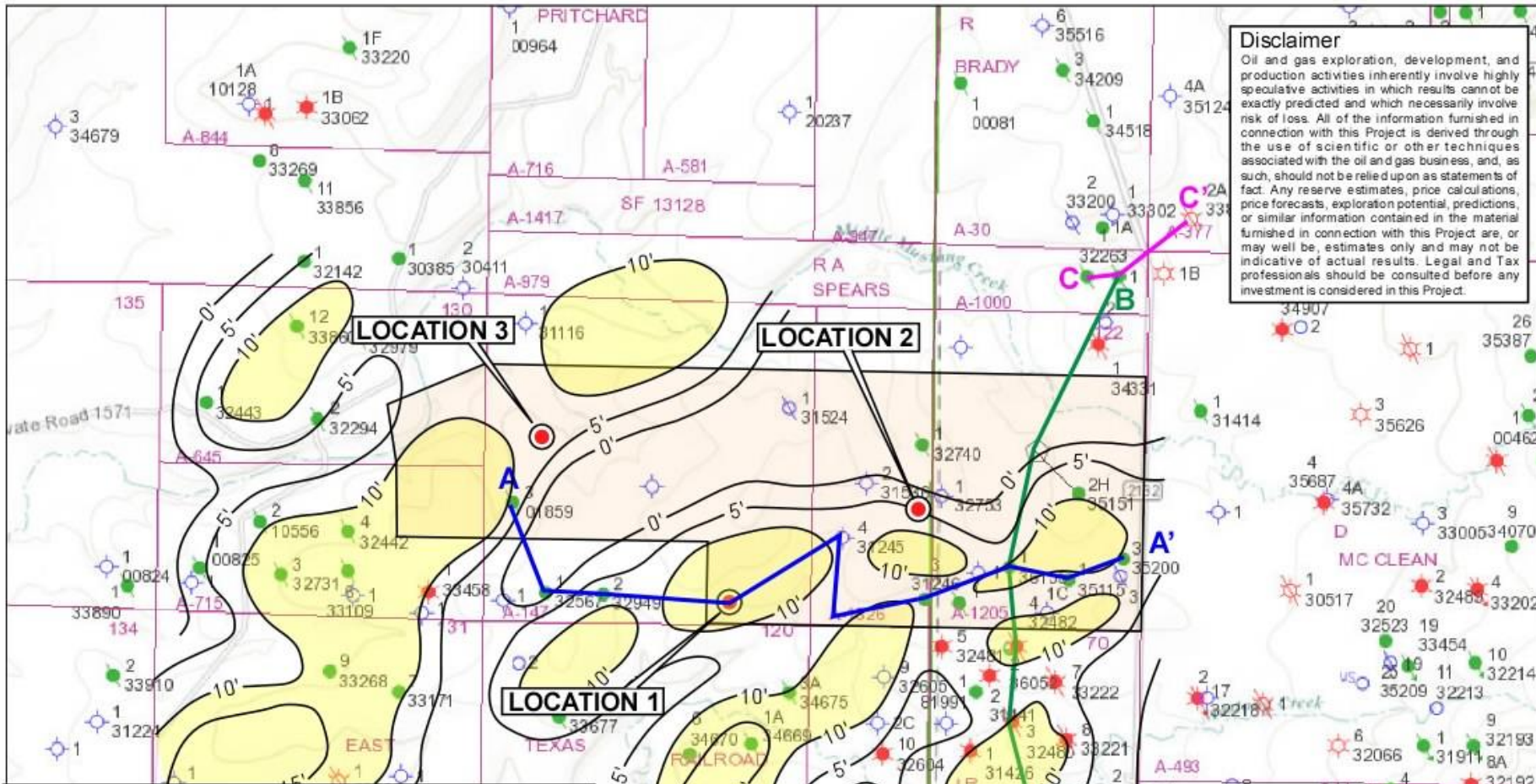
By: J. Selby

SCALE (MILES)

9/15/17



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**Legend**

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

	AGGIE LEASE (935A)
	L. FRY SAND THICKNESS OF 10 FT OR GREATER

	A—A' STRUCTURAL CROSS SECTION A-A'
	B—B' STRUCTURAL CROSS SECTION B-B'
	C—C' STRUCTURAL CROSS SECTION C-C'

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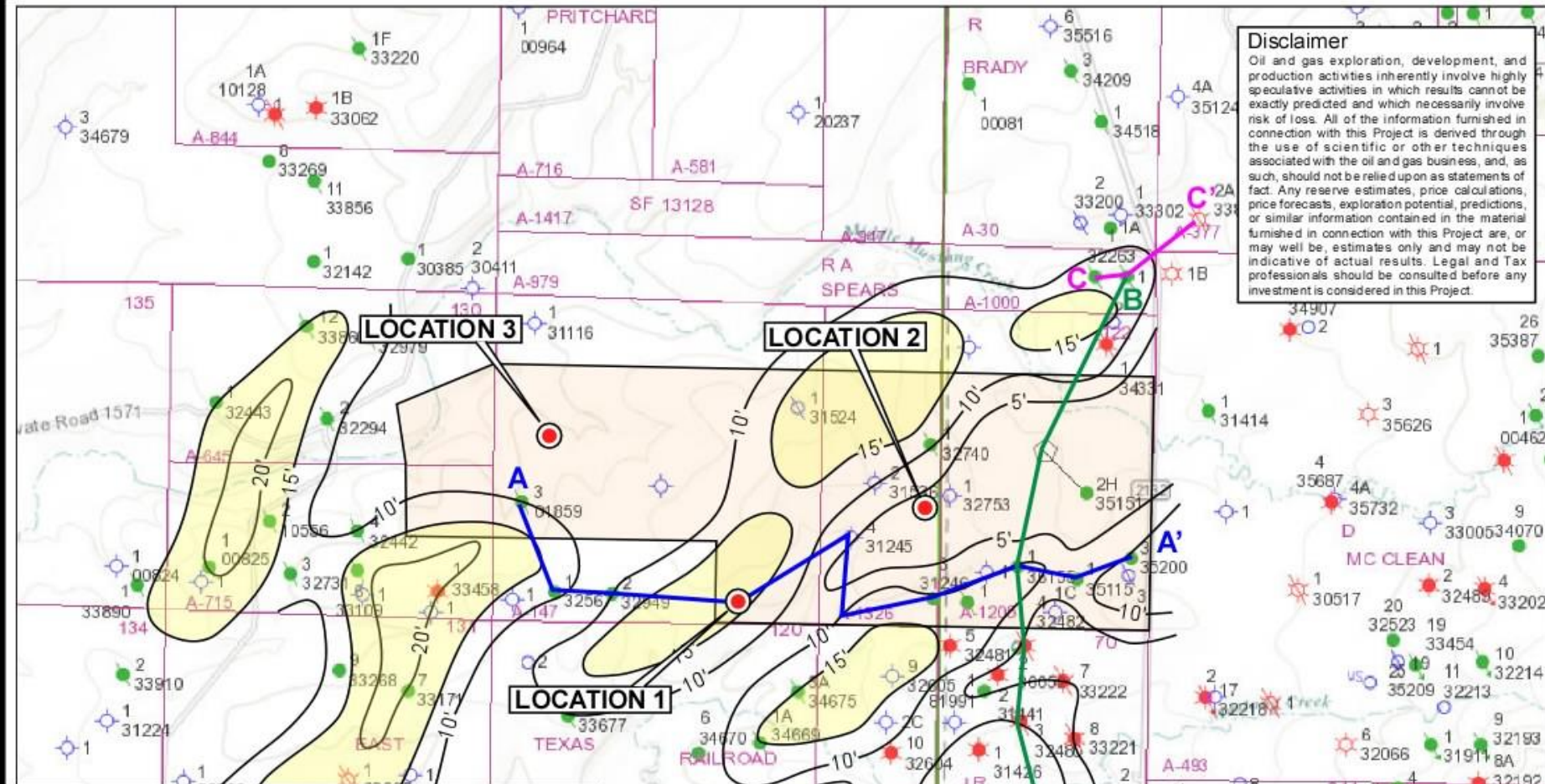
**ISOPACH**  
 LOWER FRY SAND THICKNESS (FT)

CI: 5 FT

SCALE (MILES)

By: J Selby 9/15/17

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**Legend**

	DRY HOLE		PLUGGED OIL
	OIL		PLUGGED GAS
	GAS		PLUGGED OIL / GAS
	OIL / GAS		PROPOSED LOCATION

	AGGIE LEASE (935A)
	GARDNER SAND THICKNESS OF 15 FT OR GREATER

	A—A'	STRUCTURAL CROSS SECTION A-A'
	B—B'	STRUCTURAL CROSS SECTION B-B'
	C—C'	STRUCTURAL CROSS SECTION C-C'

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**ISOPACH**

GARDNER SAND THICKNESS

SCALE (MILES)

Cl: 5 FT

By: J. Selby

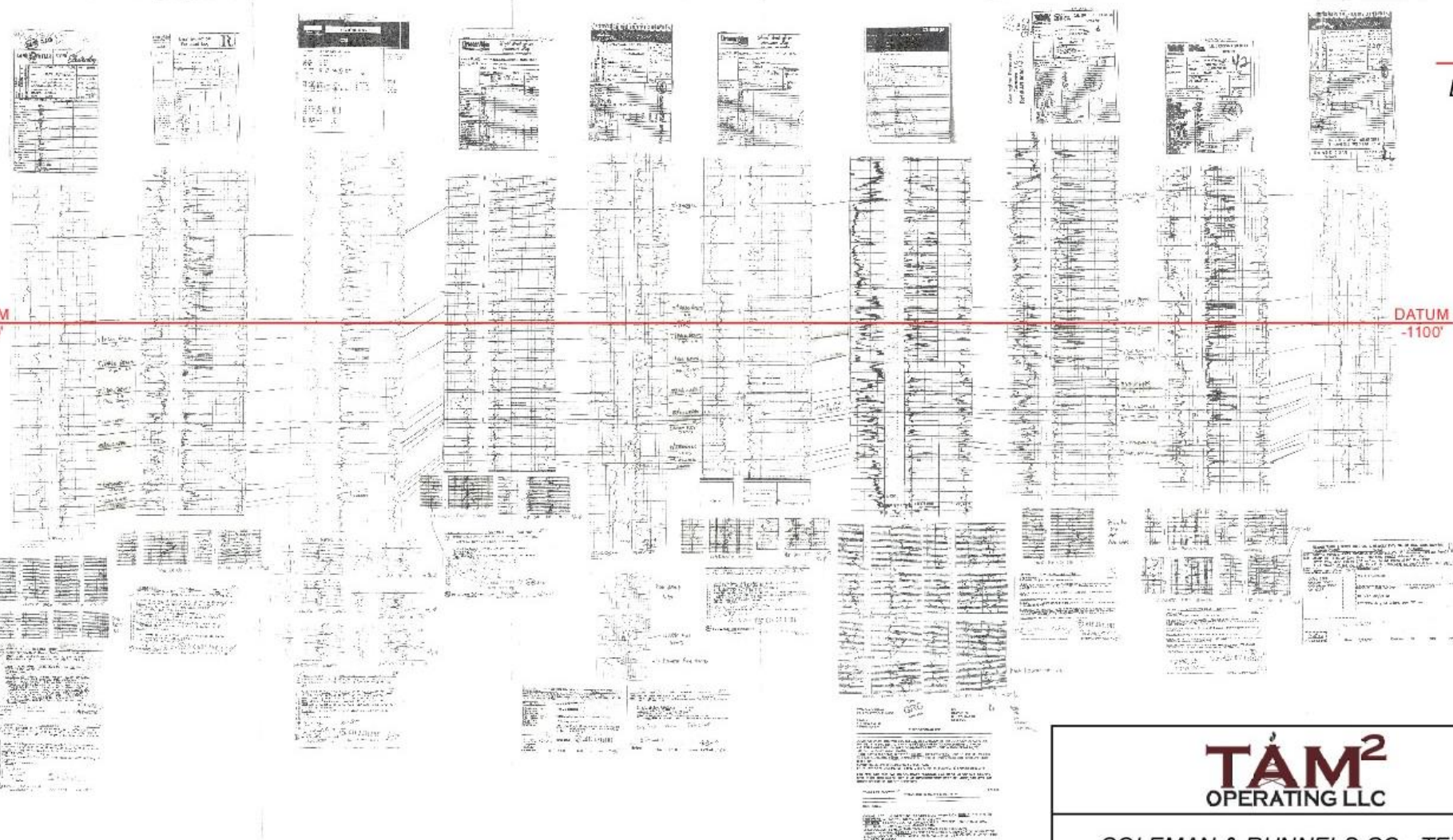
9/15/17

**A**  
← West

**A'**  
→ East

DATUM  
-1100'

DATUM  
-1100'



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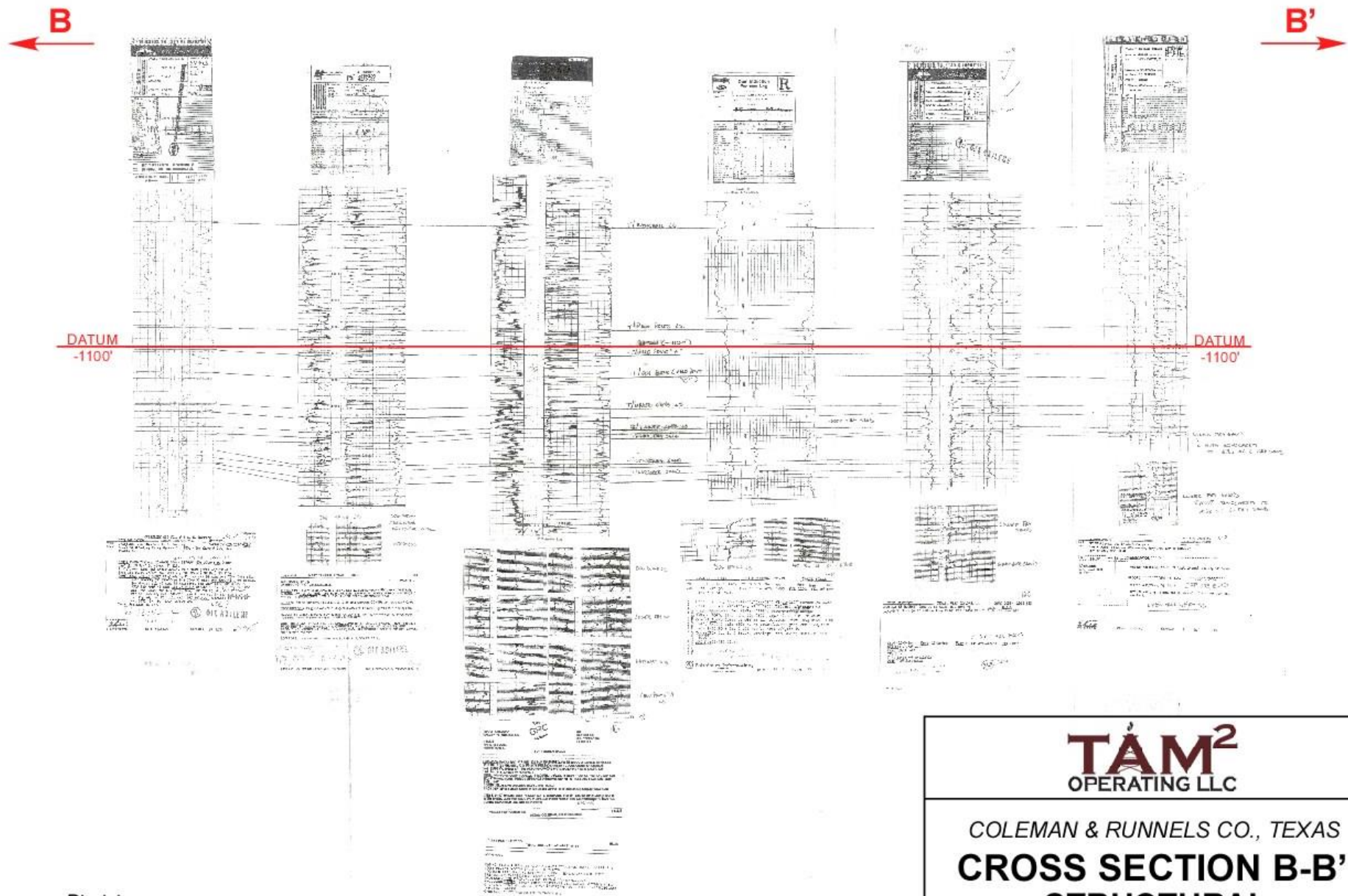
**CROSS SECTION A-A'**  
**STRUCTURAL**

DATUM: -1100 FT

EQUAL DISTANCE WELL SPACING

By: J. Selby

9/15/17



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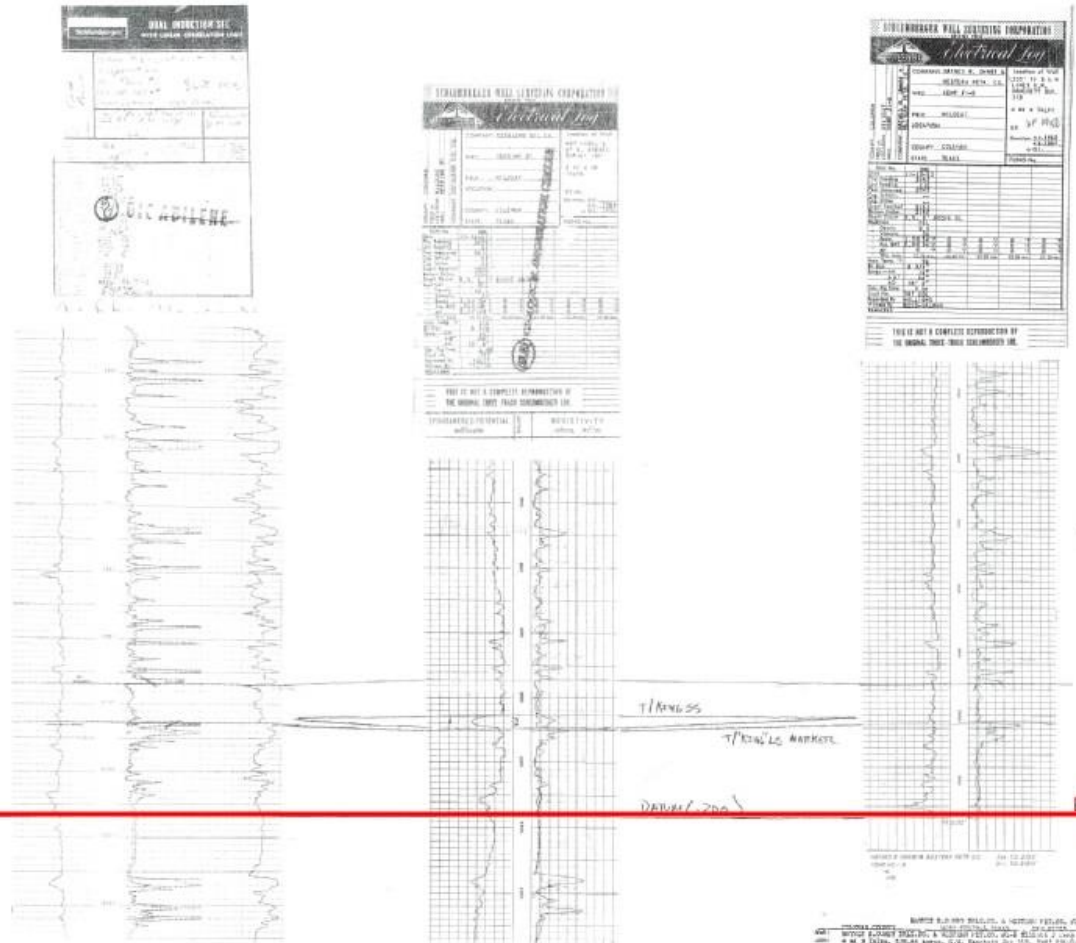
COLEMAN & RUNNELS CO., TEXAS  
**CROSS SECTION B-B'**  
**STRUCTURAL**  
DATUM: -1100 FT  
EQUAL DISTANCE WELL SPACING

By: J. Selby

9/15/17

**C**  
←  
South  
West

**C'**  
→  
North  
East



**WELL LOG**  
WELL NO. 100  
DATE 1-1-17  
LOGGERS: [names]  
[Detailed log data including depth, lithology, and well status]

**WELL LOG**  
WELL NO. 101  
DATE 1-1-17  
LOGGERS: [names]  
[Detailed log data including depth, lithology, and well status]

**WELL LOG**  
WELL NO. 102  
DATE 1-1-17  
LOGGERS: [names]  
[Detailed log data including depth, lithology, and well status]

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**CROSS SECTION C-C'**

**STRUCTURAL**

DATUM: -200 FT

EQUAL DISTANCE WELL SPACING

By: J. Selby 9/15/17

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## Well Development Overview and Economics<sup>1</sup>

1 Vertical Well

### Summary

Prospect Details	
Total Working Interest Offered (%)	100%
Cost Per 1% Working Interest (\$)	5,000
Total Working Interest Purchased (%)	100%
Investment Amount (\$)	500,000

### Tax Analysis

Personal Tax Bracket (%)	35%
Investment Tax Deduction (%)	90%
Tax Deduction (\$)	450,000
Tax Savings (\$)	157,500
Tax Adjusted Cost of Investment (\$)	342,500

### Interest

Well Net Revenue Interest (%)	80.0%
Carried Interest (%)	5.0%
Net Revenue Interest to Investor (%)	75.0%

### Commodity Price Assumptions

Oil Price per Barrel	56.00
Gas Price per Mcf	2.75

### Development Well Profile

IP Rate	Months to Payout.....	10
Oil (Bbl/d).....	30	
Gas (Mcf/d).....	100	

Cash Flow	
1-Year Net Cash Flow.....	76,388
5-Year Net Cash Flow.....	1,484,998

EUR	
Oil (Bbl).....	60,000
Gas (Mcf).....	400,000

ROI	
Cash.....	4.6x
Tax Adjusted.....	6.7x

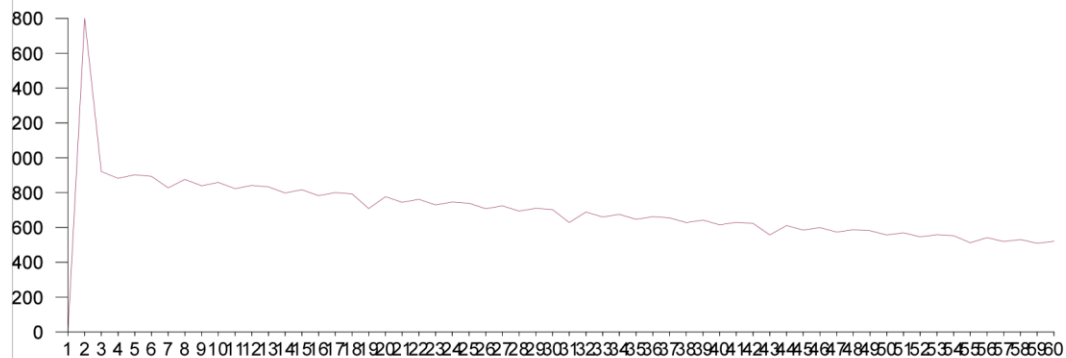
### Severance + Ad Valorem Tax

Oil (%).....	2.5%
Gas (%).....	7.5%

Drilling Capex (\$).....	\$400,000
LOE (\$/Mo).....	\$1,200

Total Wells Drilled.....	0
Drilling Pace (Wells/Mo).....	0

### Cumulative Development Profile PROJECTIONS



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For additional information on the Aggie Prospect, please contact W.A Westmoreland,  
Managing Member of TAM2 Operating LLC.