



BAYSWATER
EXPLORATION & PRODUCTION

BAYSWATER EXPLORATION & PRODUCTION

DUG BAKKEN + ROCKIES

JUNE 29, 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 \$1.3 billion** since 2010 across 4 funds
- Direct Owner/operator model – LP's direct asset ownership; **Bayswater is Fund GP and Asset Operator**

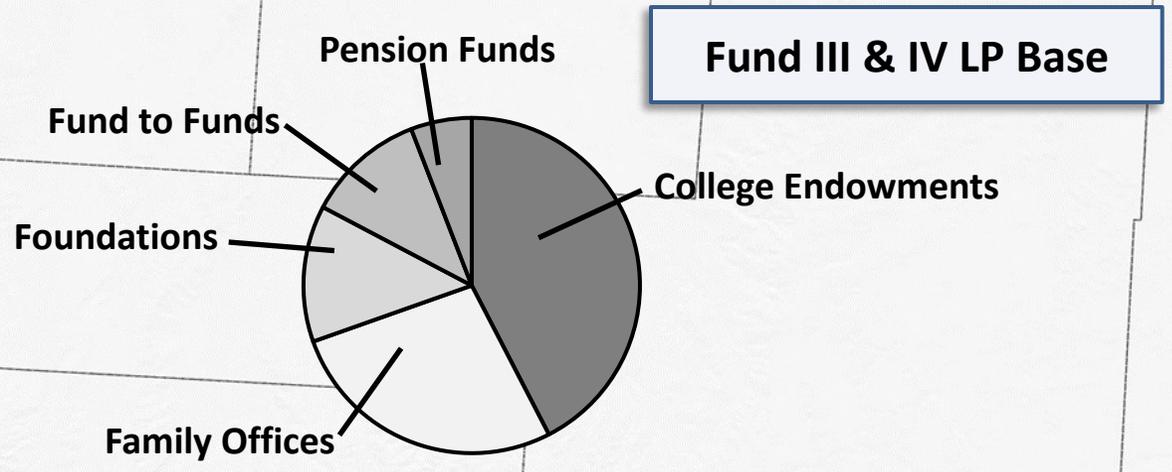
- **Strategy / Approach**

- **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**

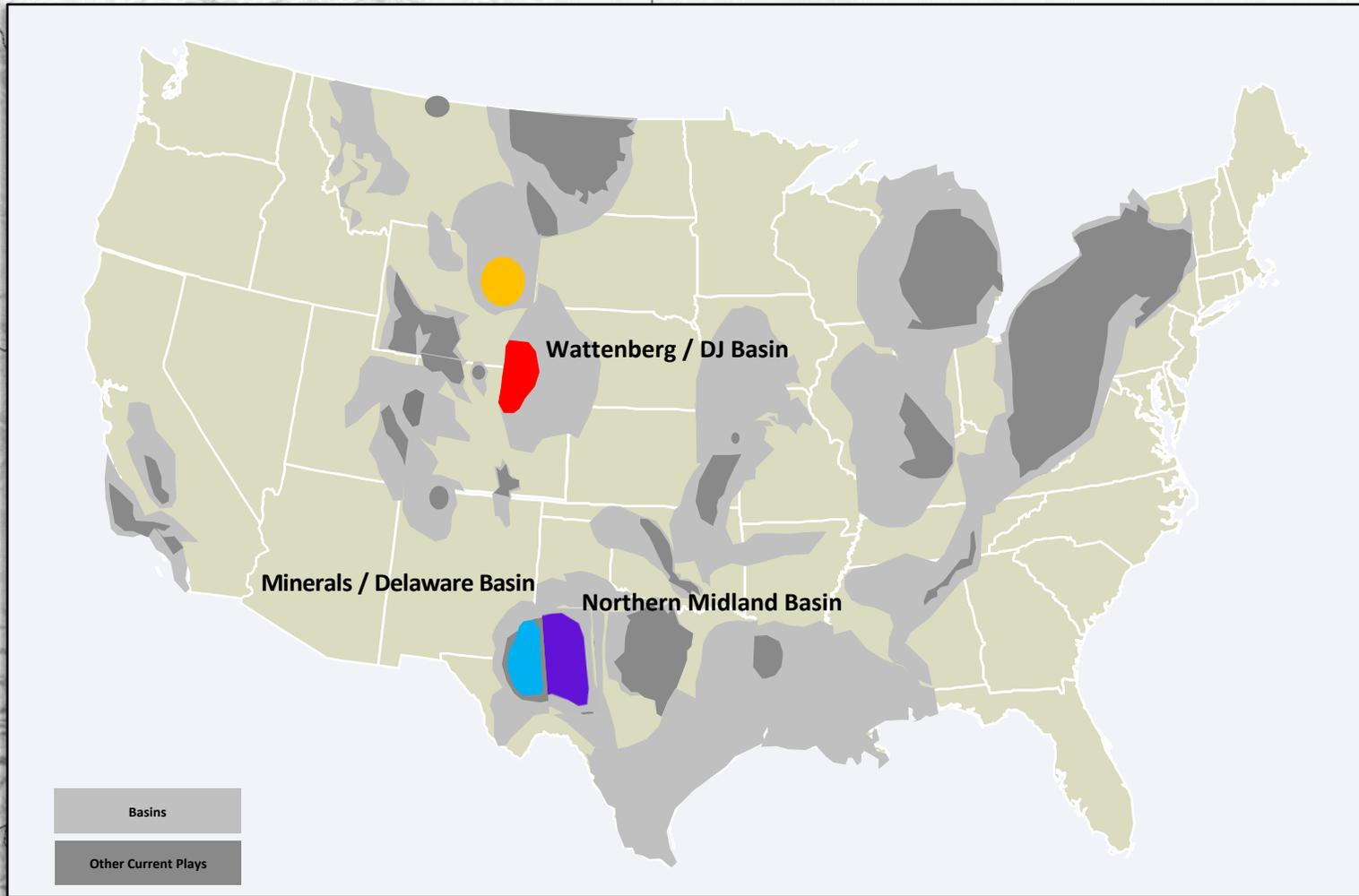
BAYSWATER NATURAL RESOURCES FUNDS: 2010 - PRESENT

	Fully Realized		Deploying Capital	
	Fund I	Fund II	Fund III	Fund IV & Annex
Commitments	\$105 million	\$250 million	\$390 million	\$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



1 DJ Basin Wattenberg

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

2 Northern Midland Basin

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

3 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

4 Powder River Basin

- 22,000 acres in Campbell County

PERMIAN: MIDLAND BASIN OPERATED ASSETS

- 42,900 net acres
- 13,500 BOE/day (90-95% Liquids); 19,500 BOED 2022 Exit
- 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

Far East 1-12 - Peak (24) Rate = **1,365 BOPD**

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

Kamikaze (early flow-back) **1,011 BOPD**

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

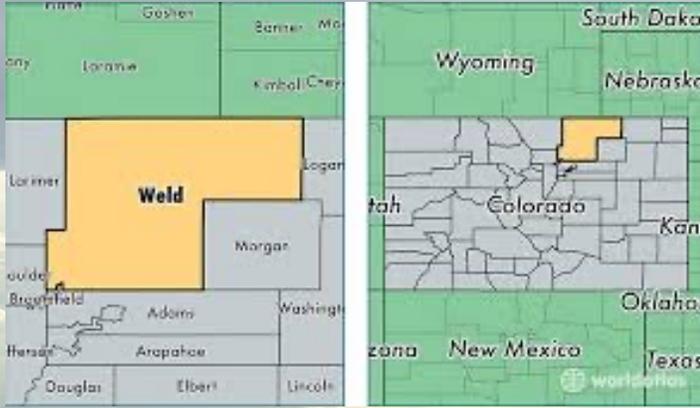
Location Inventory

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

114 WFMP D
(Normalized 2 mi)

397 Total Locations

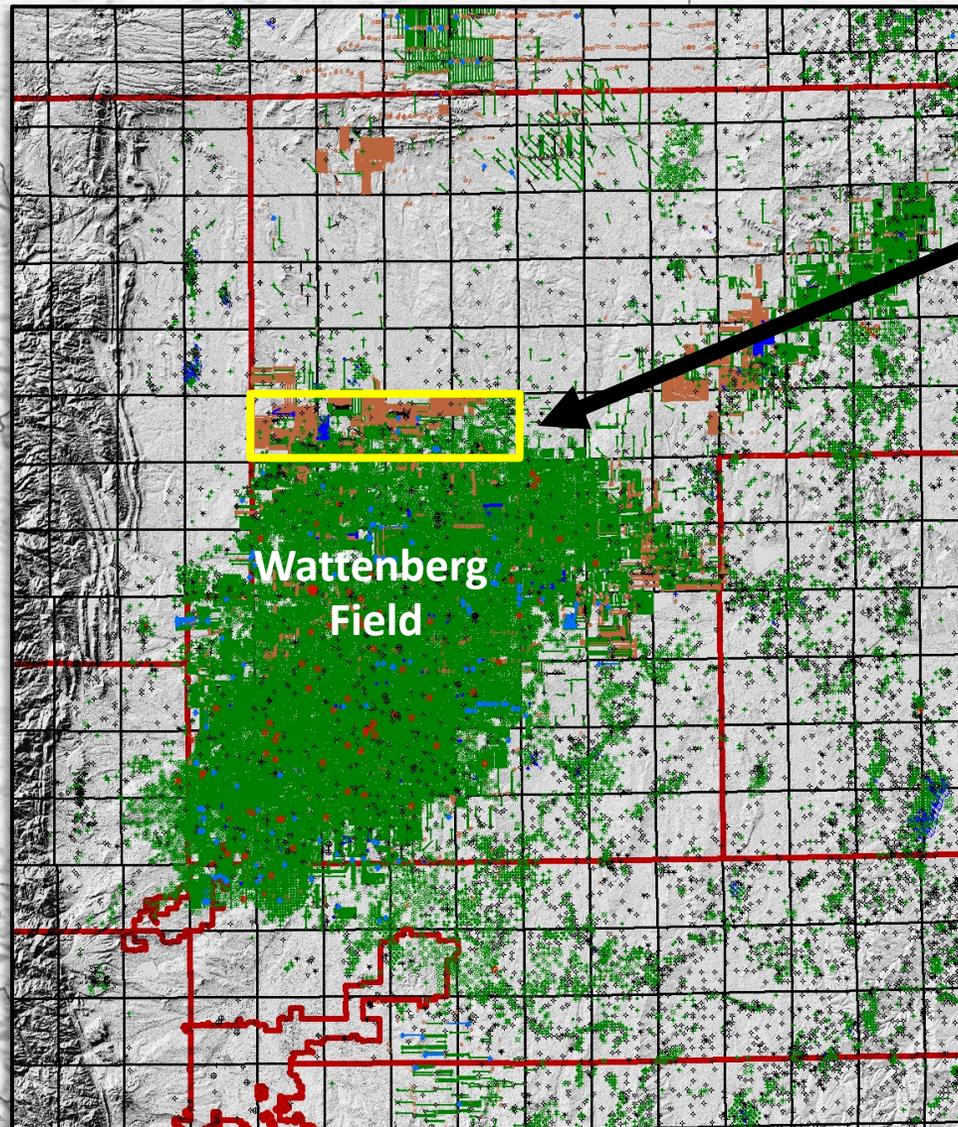
DJ Basin Wattenberg – Weld County



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



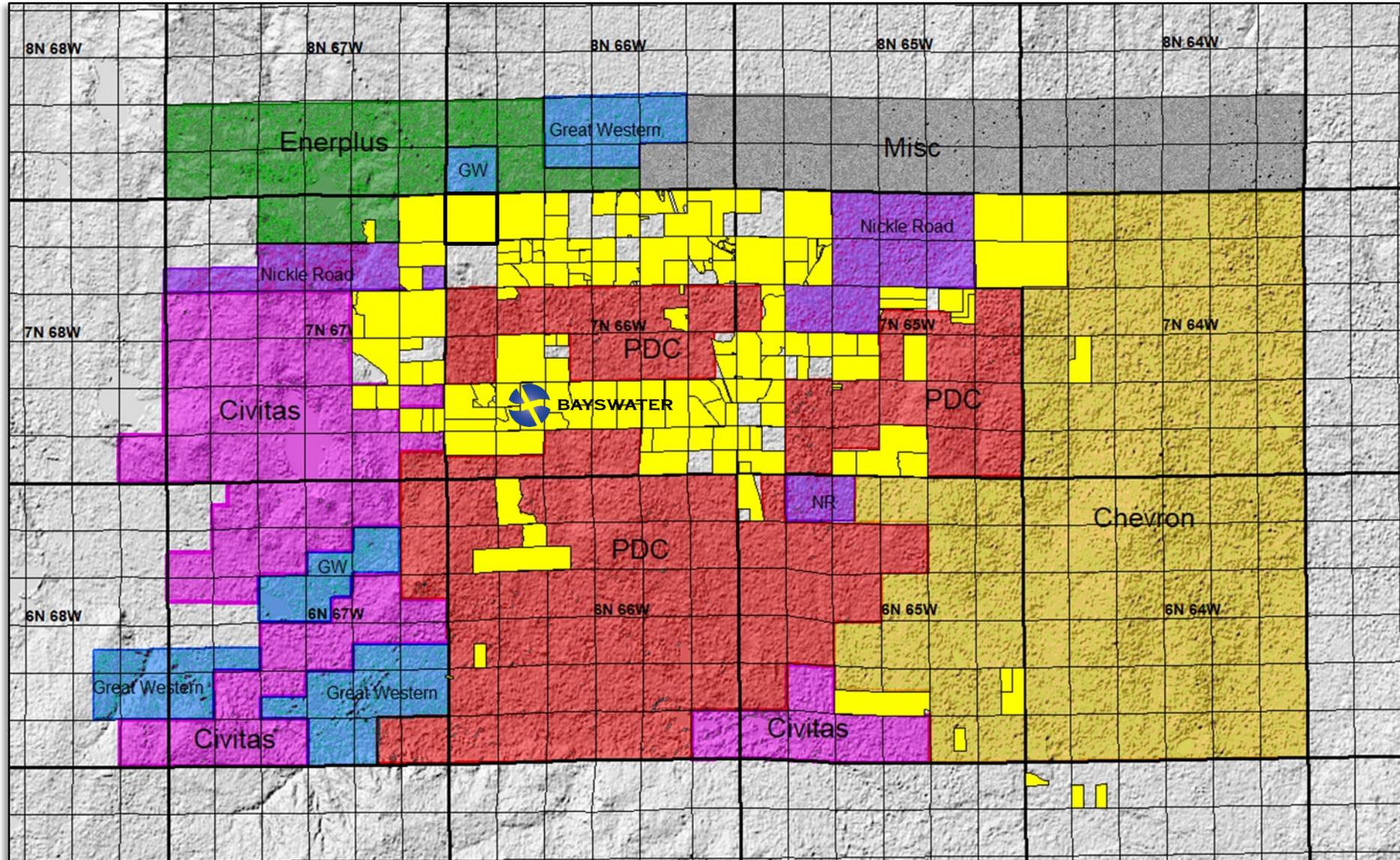
DJ BASIN – CORE WATTENBERG OPERATING AREA



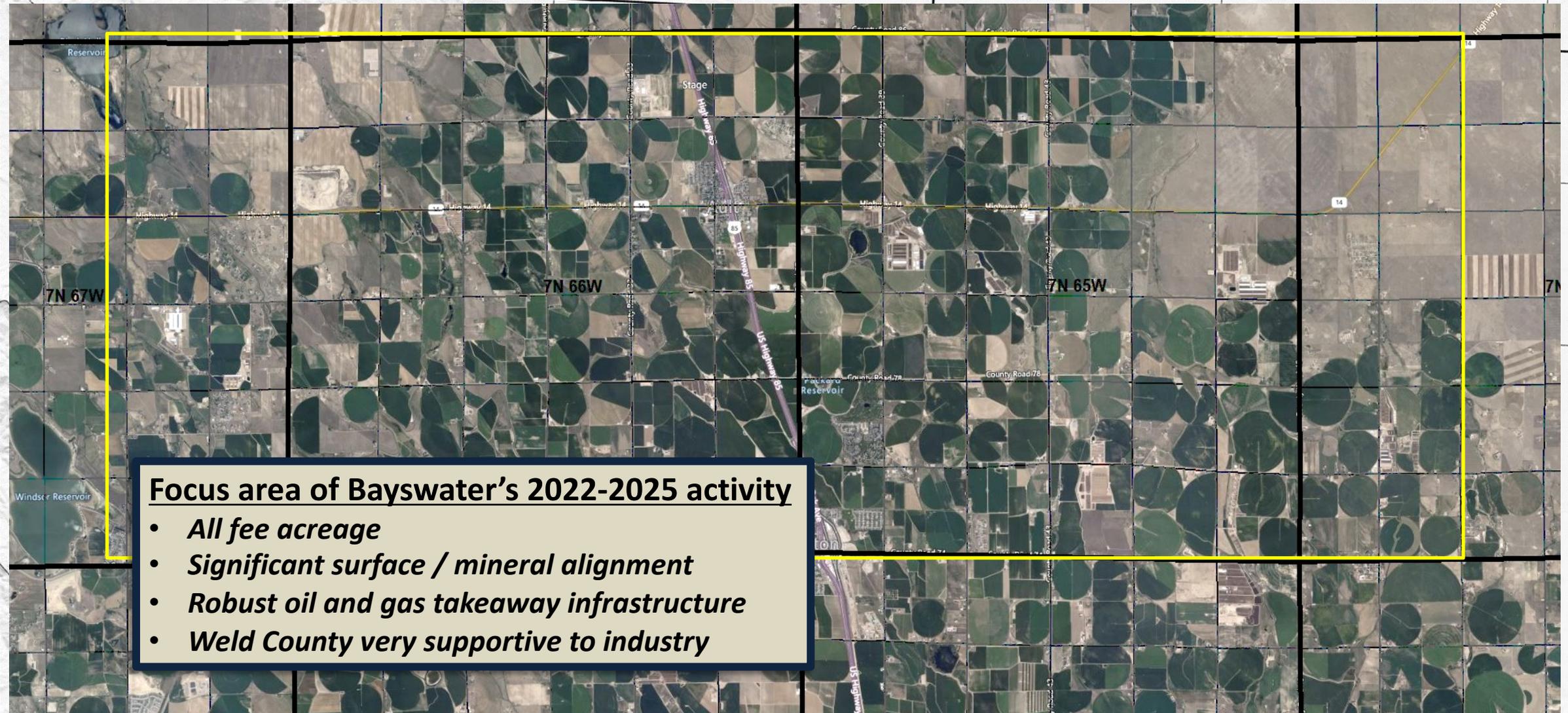
Bayswater's North Wattenberg Focus Area

- 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
- All four Wattenberg Benches are full-developed
- Volatile oil band: 40-48⁰ API

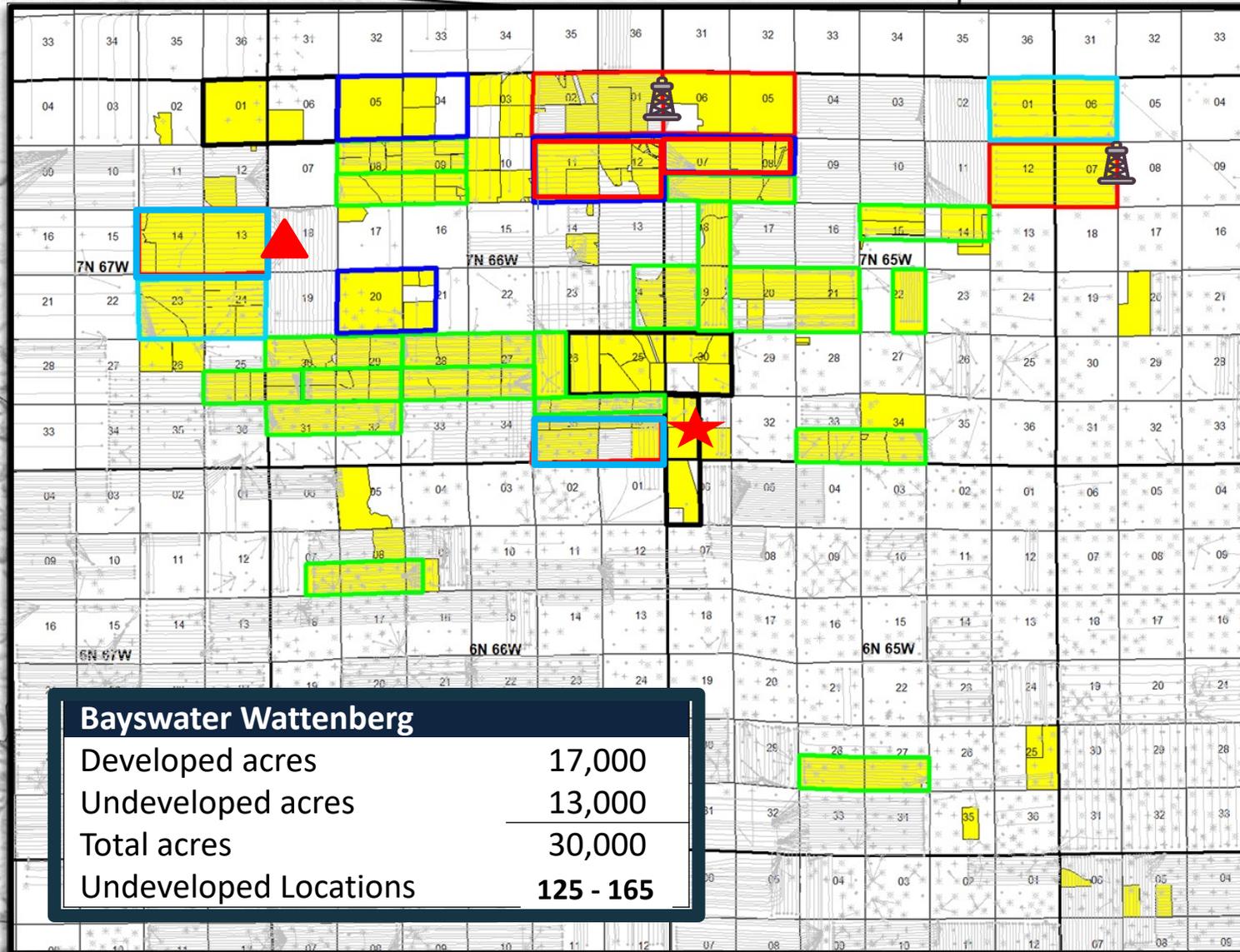
BAYSWATER DJ BASIN ACREAGE POSITION VS PEERS



CULTURE: RURAL - AGRICULTURAL



BAYSWATER DJ BASIN WATTENBERG ACREAGE POSITION AND STATUS



-  Drilling
-  Completion Crew
-  Field Office

DSU Status

-  203 = Producing operated horizontal wells
-  42 = DUCs or currently completing
-  40 = Approved state permits
-  47 = Permitting: Approved 1041 WOGLA
-  36 = To be permitted

Bayswater Wattenberg	
Developed acres	17,000
Undeveloped acres	13,000
Total acres	30,000
Undeveloped Locations	125 - 165

COLORADO REGULATORY ENVIRONMENT

Colorado Permitting

- New Rules / New Process / “Learning Curve”
- **Local Government Approval – WOGLA – key**
- **Inter-Governmental Agreement – Weld / State –**
“Division of Responsibility” work in progress

Bayswater State Permitting History

- Two approved OGDG’s (56 wells)
 - One “Substantially Equivalent”
 - One no RBU’s < 2,000 feet
- One application “complete” and hearing scheduled (24 wells)
 - “Informed Consent” Obtained
- Two more applications in process
- “Difficult, but Doable” – COGCC needs more resources / staff

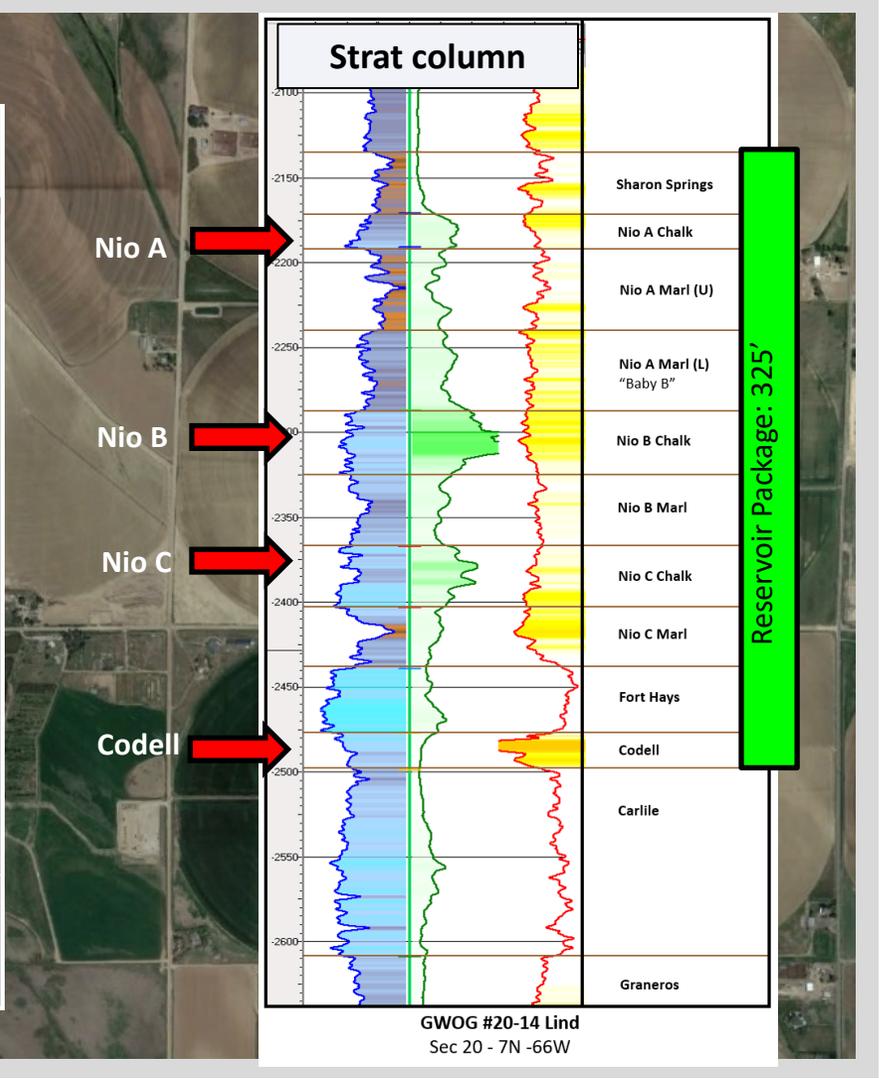
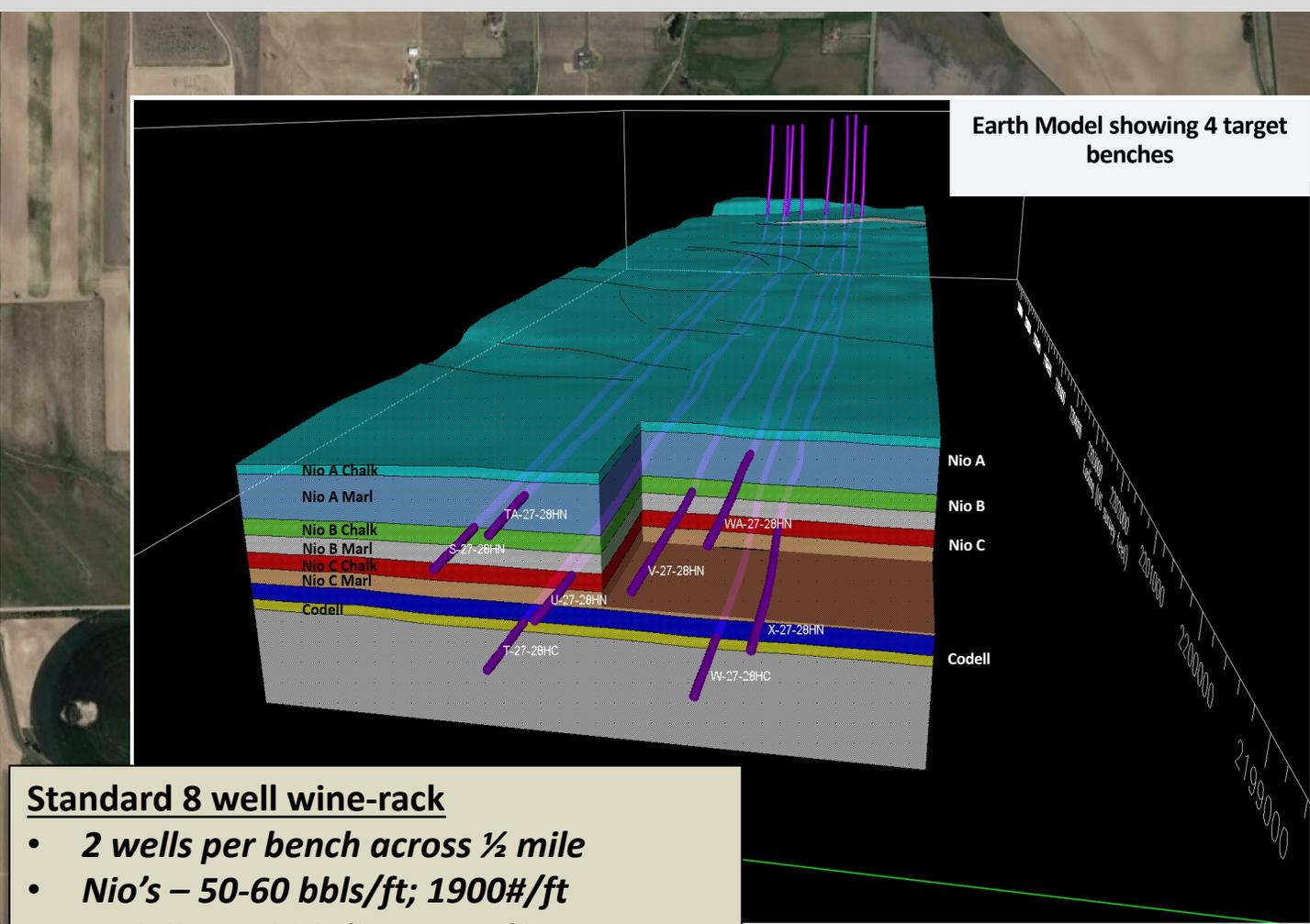
Notional 2,000 foot Setback

- Rule 604
- OGDG cannot be approved unless:
 1. **“Informed Consent”** is received
 2. Part of an Approved **Comprehensive Area Plan (CAP)**
 3. **Greater than 2,000’** from any RBU
 4. Commission finds **“Substantially Equivalent”** protections in place
 - a) Directors Recommendation
 - b) Best Management Practices
 - c) Local Government Approval
 - d) Alternative Location Analysis
 - e) Design elements to mitigate impacts
 - f) Engagement and consultation with nearby residences

Bayswater Blehm Pad OGDG Approval

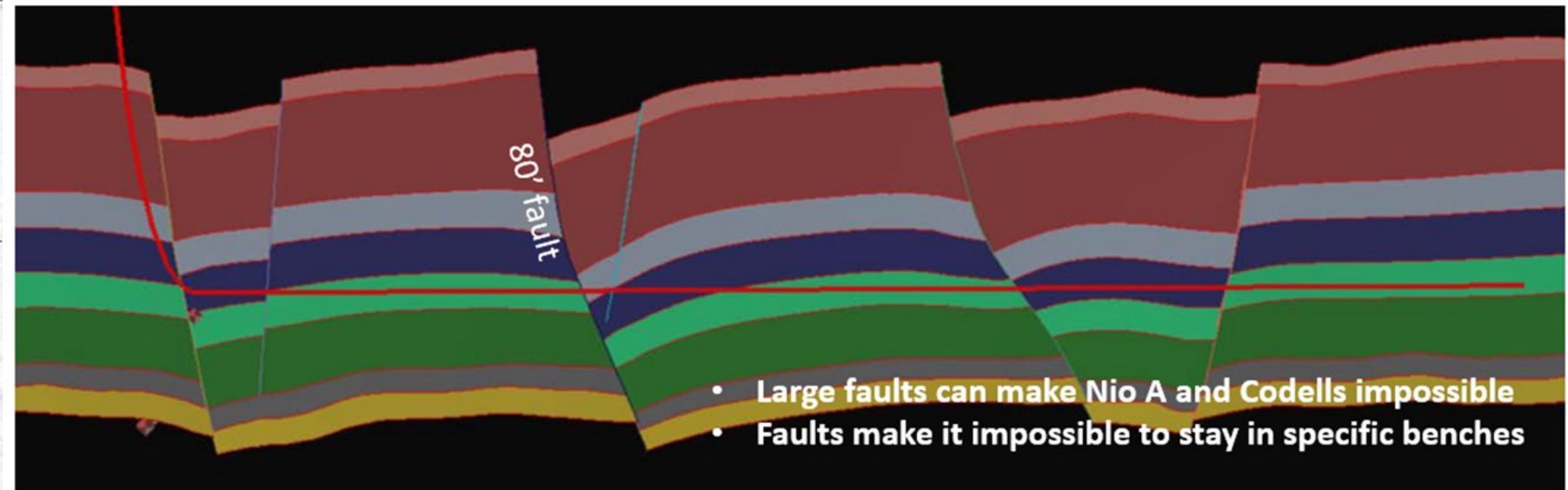
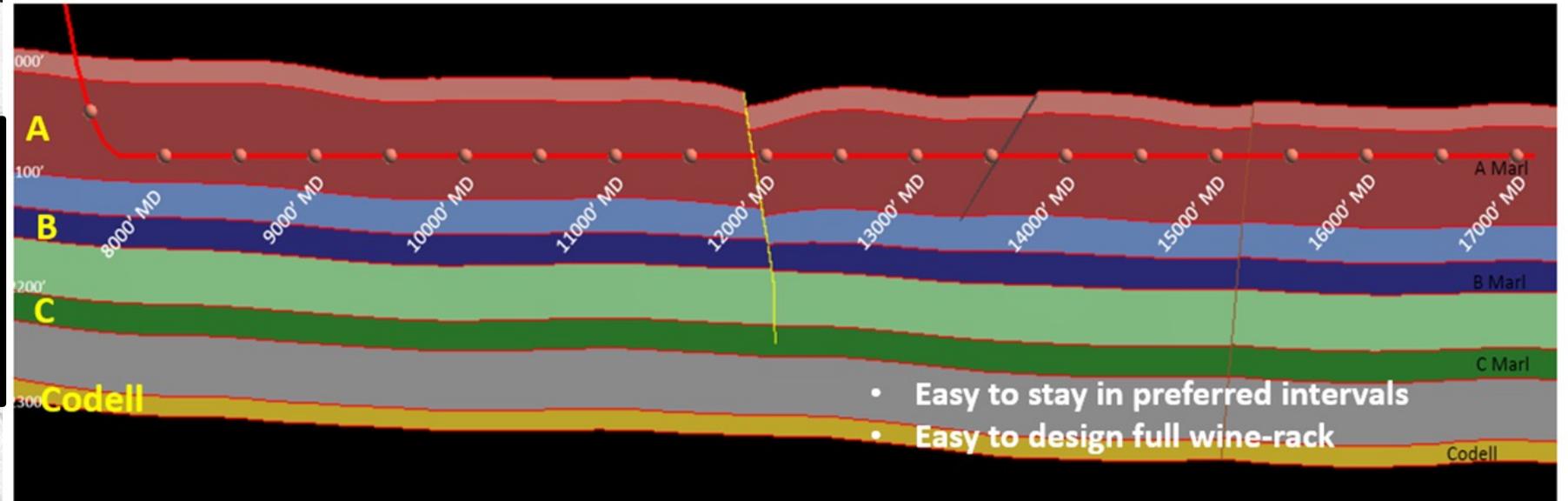
- Weld County – WOGLA Approval
- COGCC Director and Staff Recommendation
- Extensive Community Outreach
 - Town Halls
 - Local municipality conferences
 - Field Tours
- Best Management Practices
 - Engineered Sound Walls
 - Engineered “down” Lighting
 - Continuous Air Monitoring
 - Vapor Capture and Compression
 - Oil pipeline take-away
 - Air pneumatics
 - Haul routes and visual mitigation plans designed with local resident & municipality input
 - Quiet fleet technology
 - Surface pipe delivery of frac water (no trucks)
 - Closed loop flowback

WATTENBERG GEOLOGY & DEVELOPMENT APPROACH

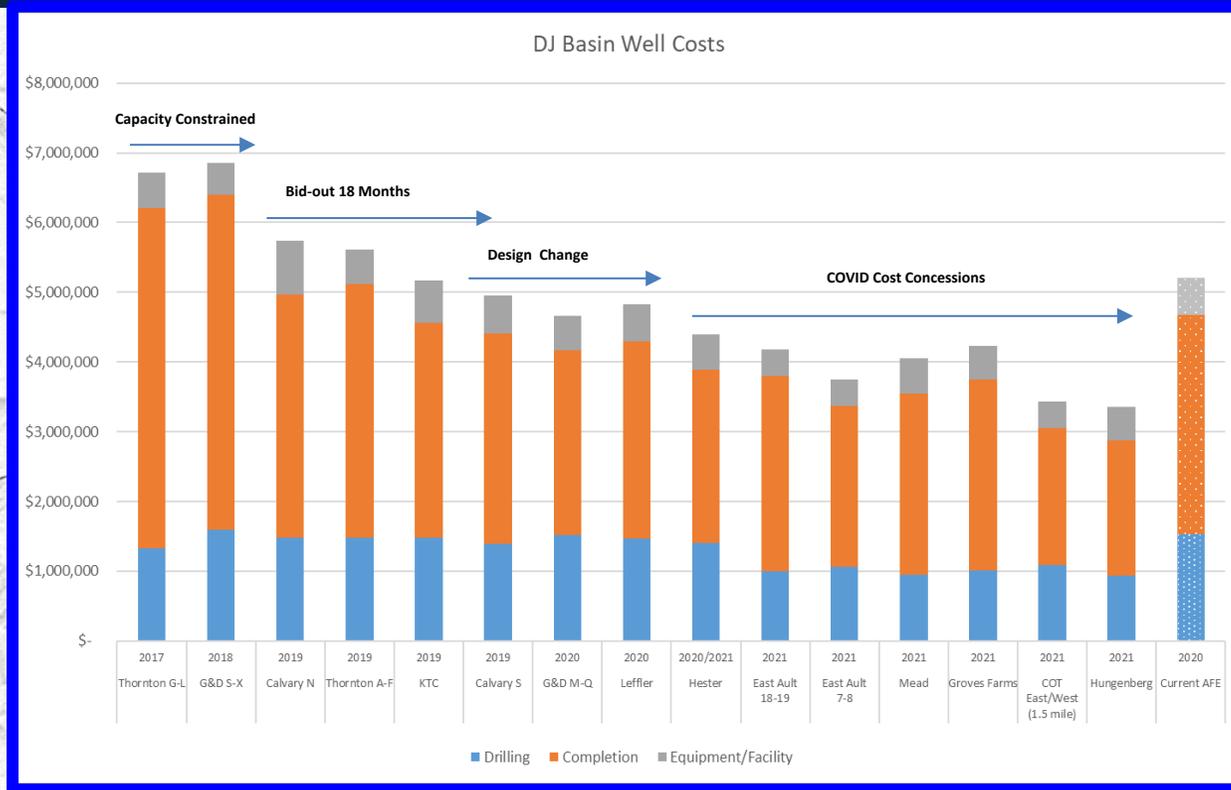


WATTENBERG GEOLOGY: SIMPLE TO COMPLEX

Structural Complexity Dictates Pad Design and Well Geometry



BAYSWATER DJ BASIN DEVELOPMENT : CONTINUOUS PROGRAM SINCE 2017



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.

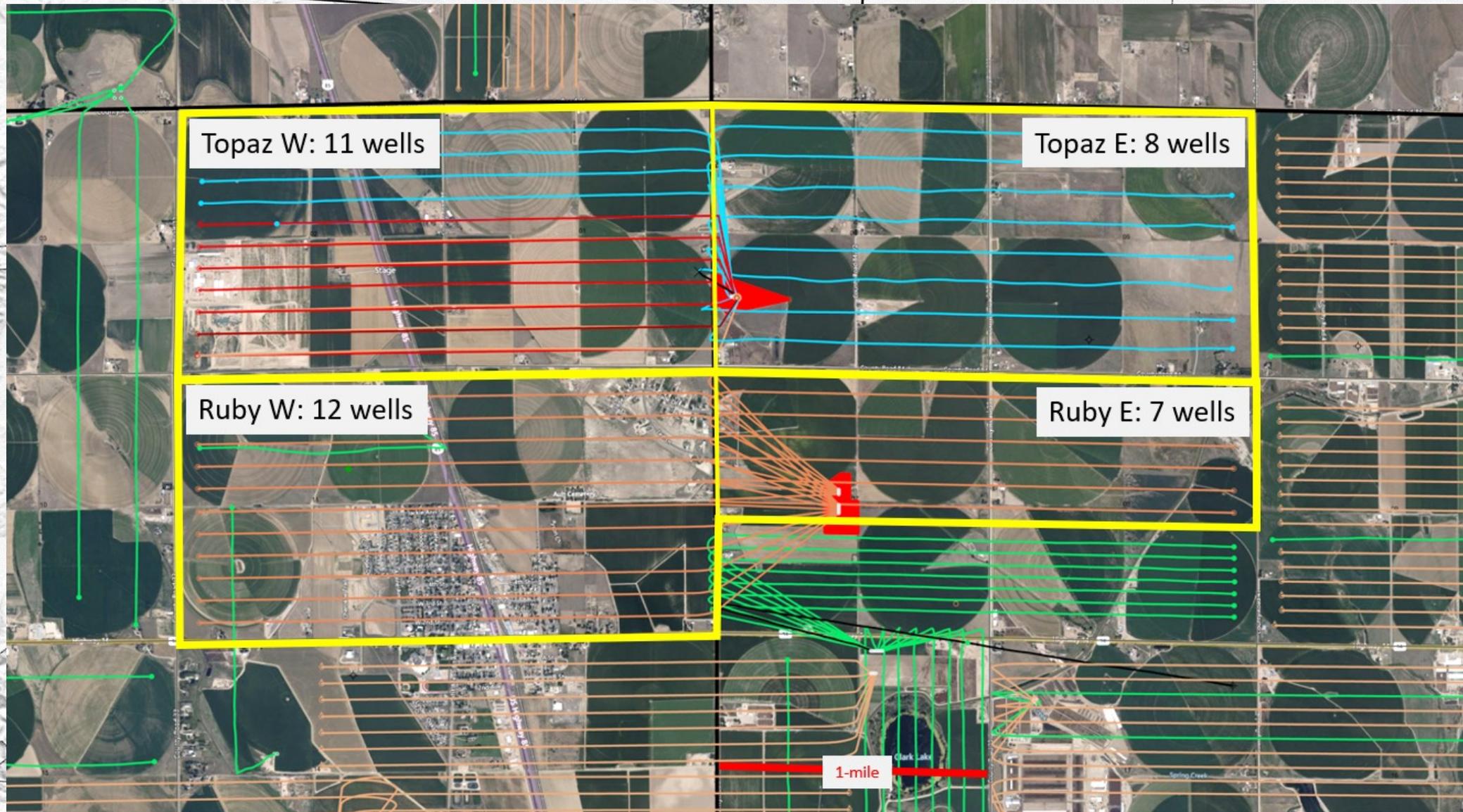
- Cost per well in the DJ Basin was down nearly 50% during 2021
- Current costs are approximately 25% higher now than compared to the 2021 lows for “like” wells.
- Current 5-year strip is c. \$85 vs. c. \$50 in 2019.

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

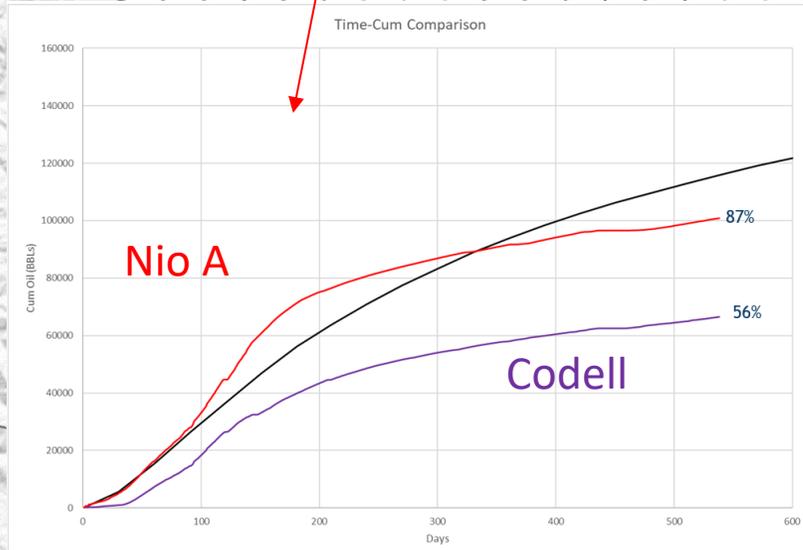
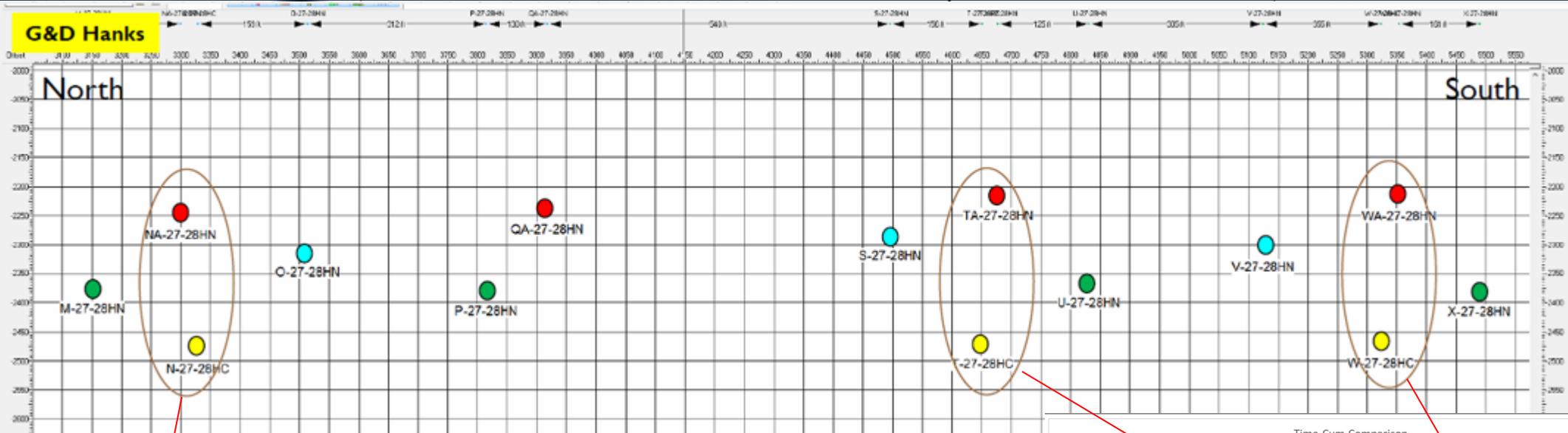
Key Concepts and Themes

- *Surface / Pad Site Consolidation*
- *Wine rack / Inter Bench Communication / Lateral Placement*
- *Parent / Child Frack Issues – “Bashing”*
- *Produced Water handling*
- *Well Spacing / Frack Intensity – Economic Tradeoffs*

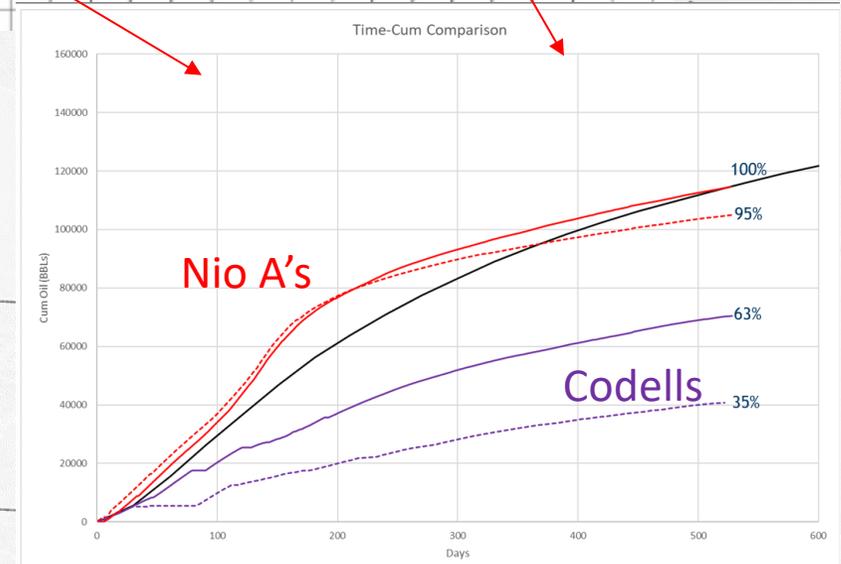
PAD SITE / SURFACE CONSOLIDATION FOR MULTIPLE DSU'S



WINE RACK / INTER-BENCH COMMUNICATION

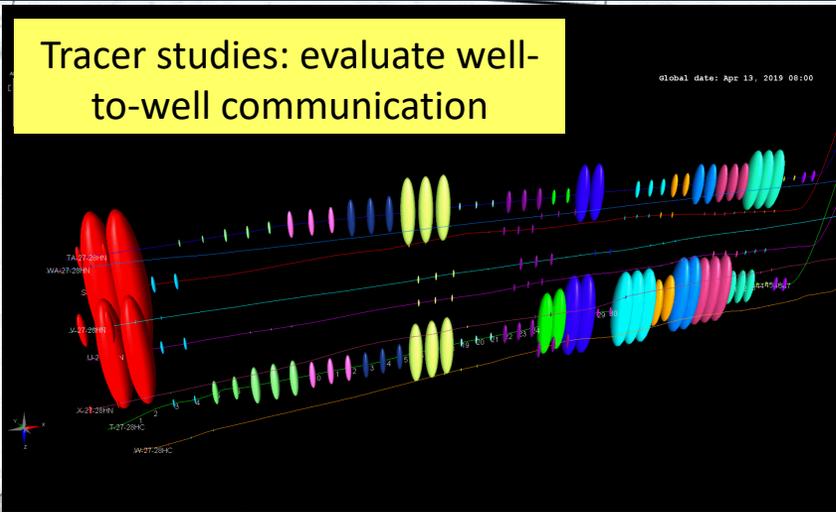


Too closely spaced (laterally) Nio A and Codell pairs underperformed local Type Curve (c 70-75% of TC)



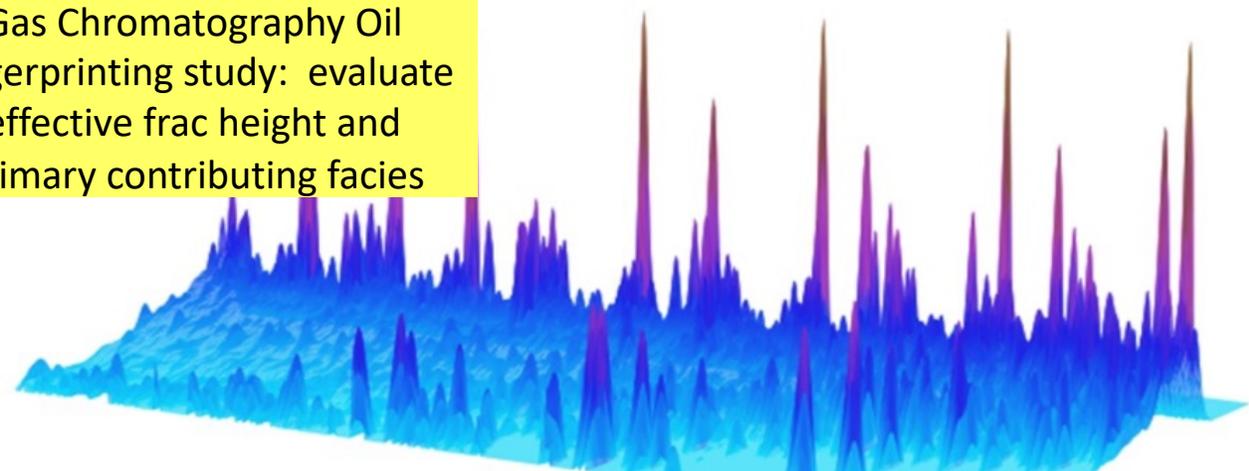
TECHNOLOGY & TOOLS

Tracer studies: evaluate well-to-well communication

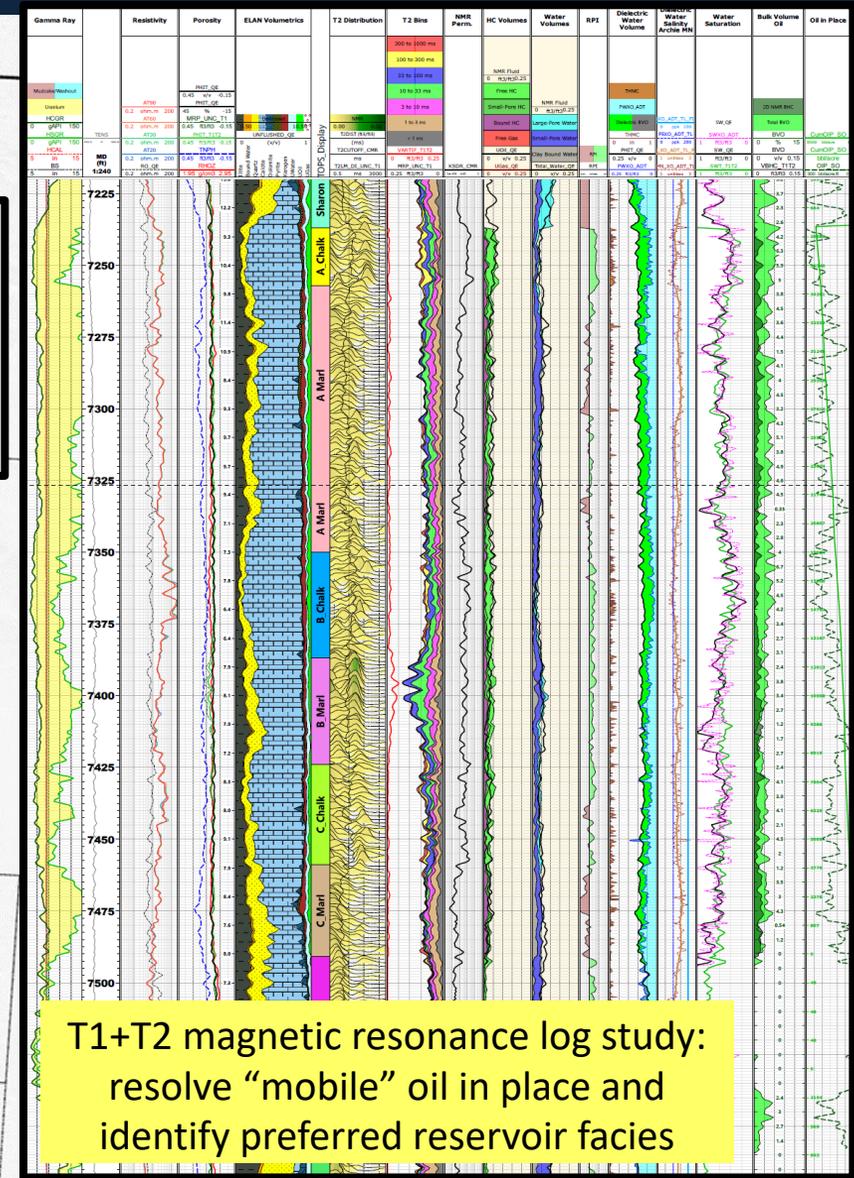


Bayswater is using new tools to help optimize wellbore spacing, pad design, and completion size

Gas Chromatography Oil Fingerprinting study: evaluate effective frac height and primary contributing facies

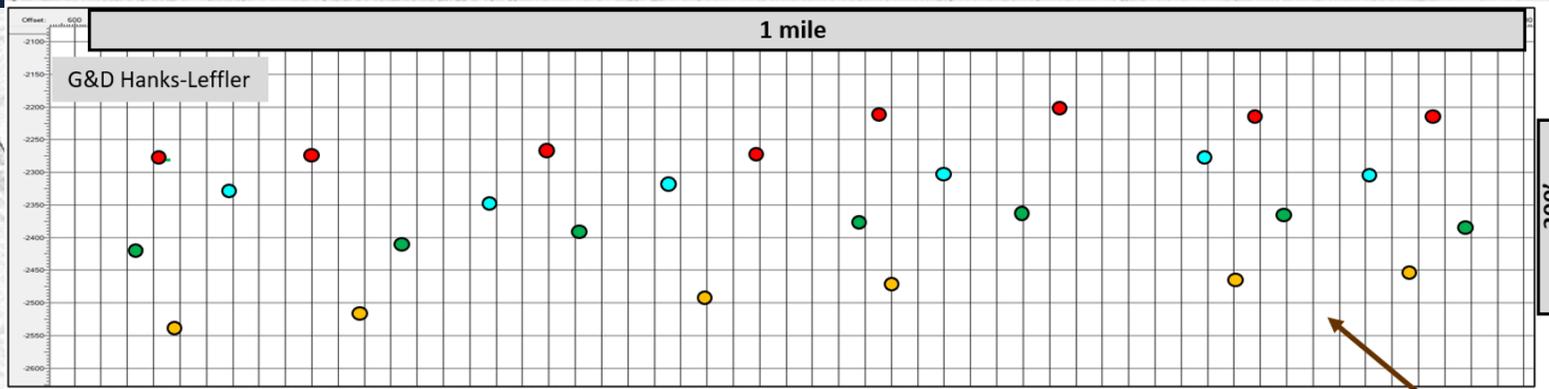


GCxGC analysis plot of oil from cuttings: a unique combination of compounds (peaks) and compound amplitudes provides the fingerprint for that oil



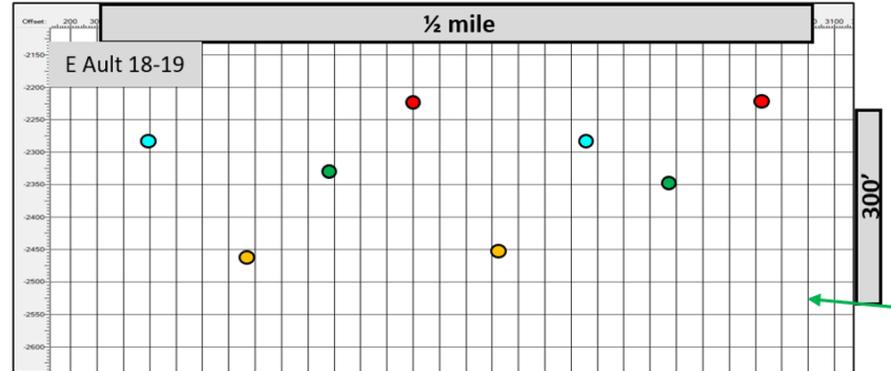
T1+T2 magnetic resonance log study: resolve "mobile" oil in place and identify preferred reservoir facies

WINE RACK / INTER-BENCH COMMUNICATION / SPACING

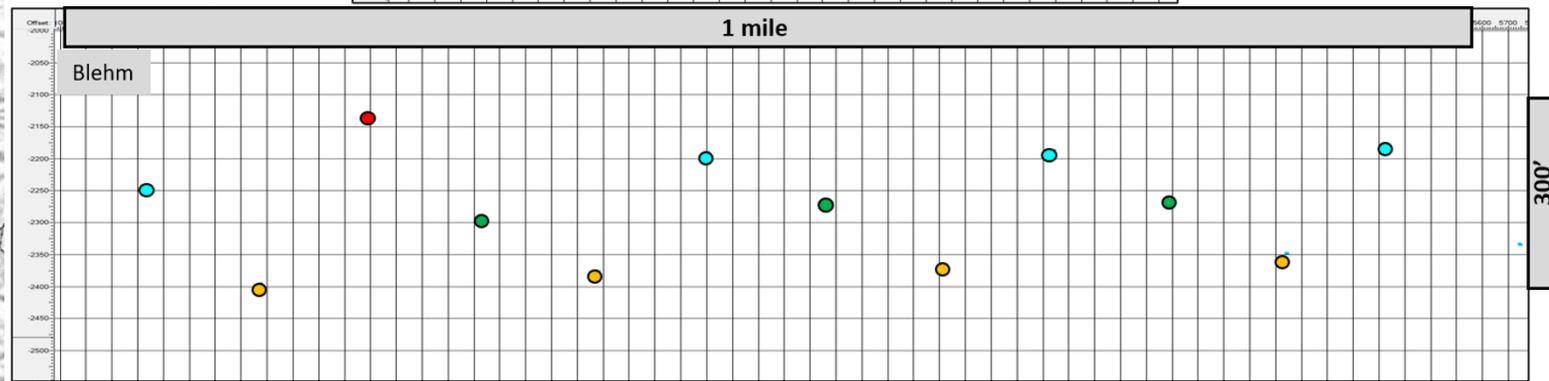


2017 Design
24-28 wells / mile
~190'-220' spacing

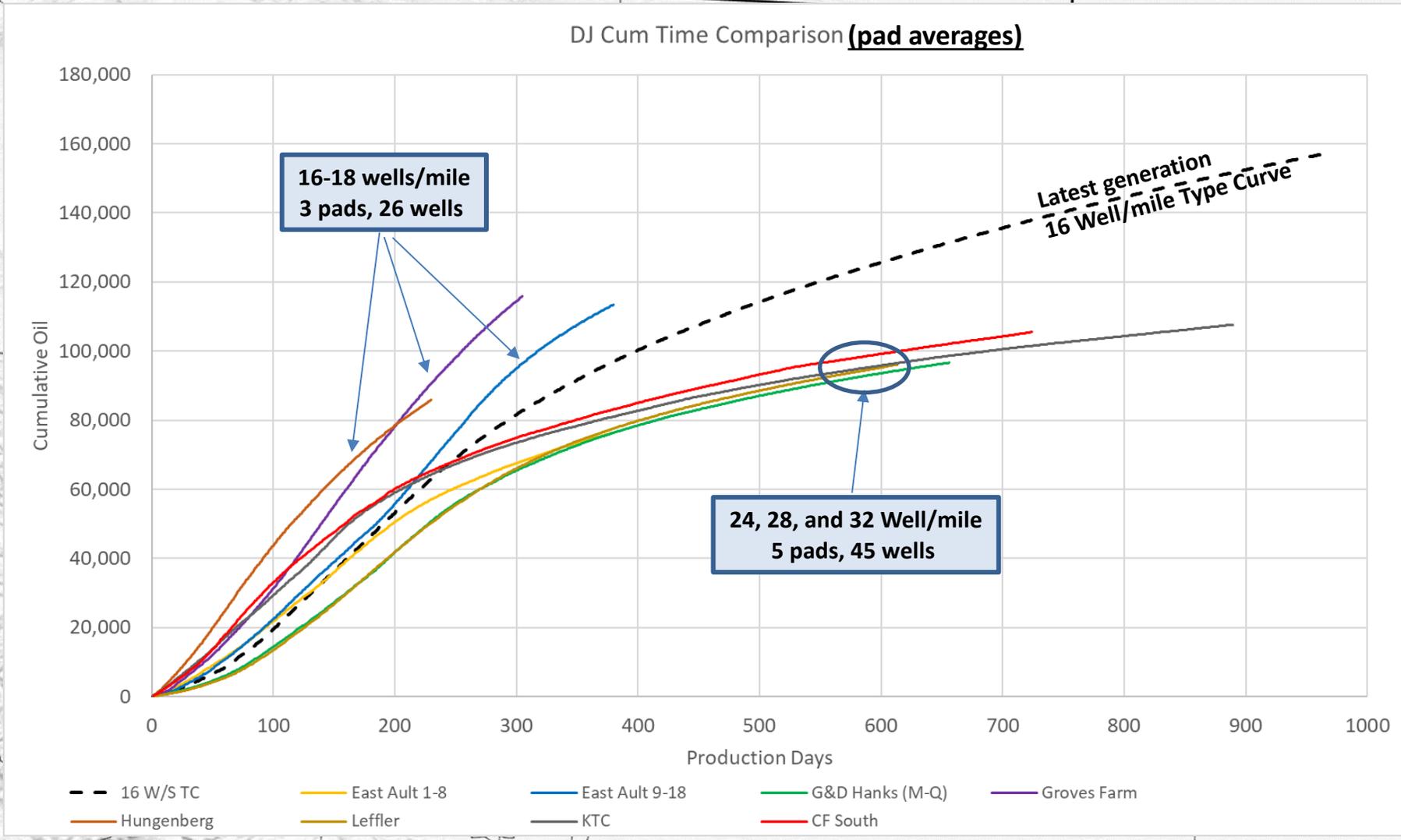
2018 Design
16 wells / mile
~330' spacing



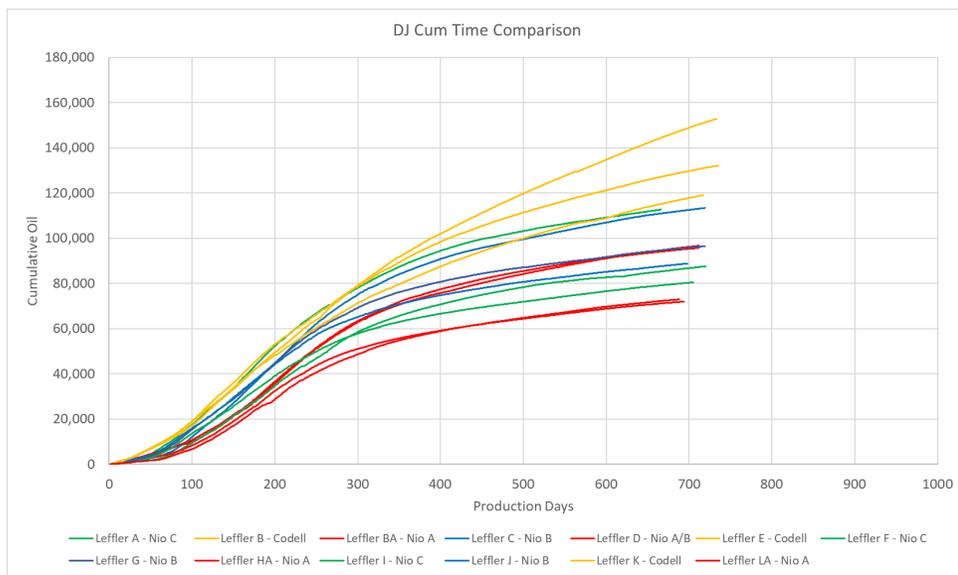
2020 Design
12 wells / mile
~440' spacing
(currently completing)



WINE RACK, INTER-BENCH COMMUNICATION, SPACING



WINE RACK / INTER-BENCH COMMUNICATION / SPACING

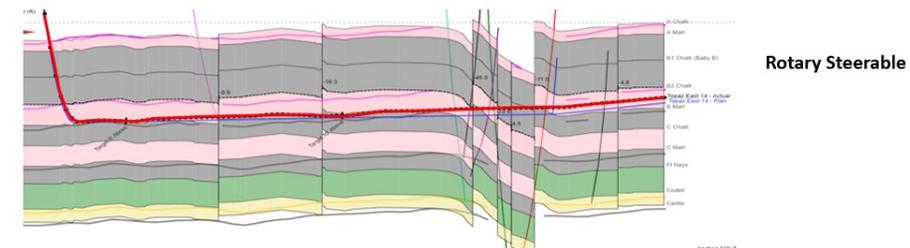
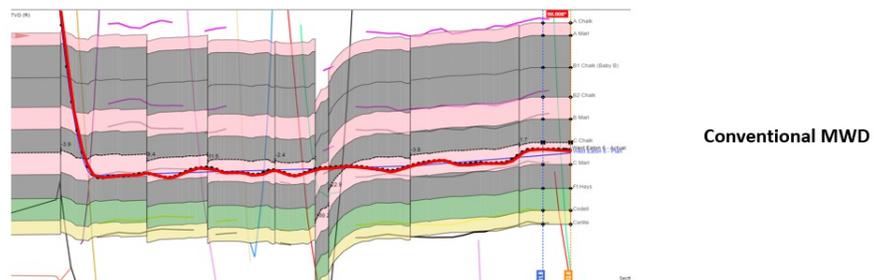


Pad Average Cum -vs- Time – Very Similar

- Spacing
- Frac Intensity
- Choke Management**
- Offset Horizontal Depletion
- Frac Bashing

Individual Well Cum -vs- Time – Great Variability

- Bench
- Well bore geometry
 - Porpoising
 - Heel Down – Toe Up
- Chalk –vs- Marl



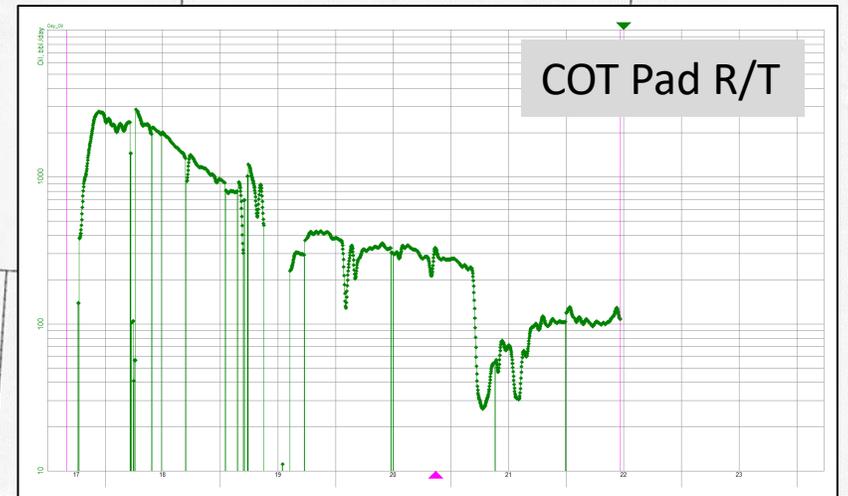
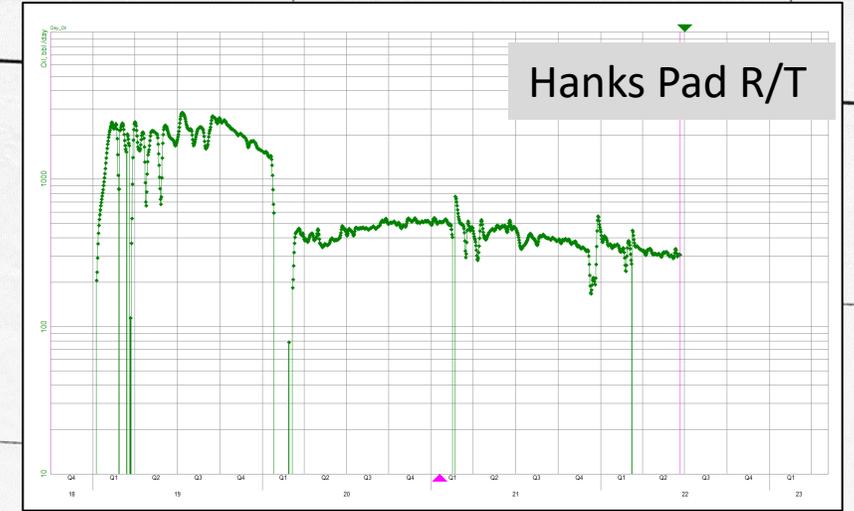
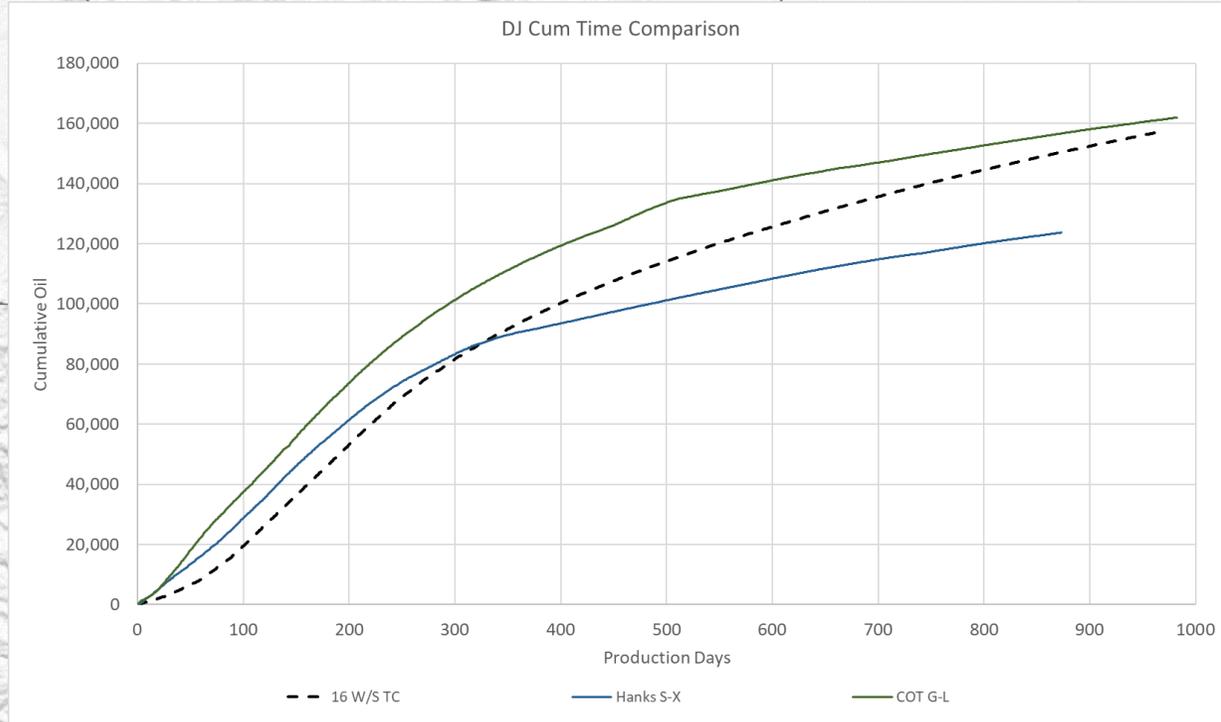
** URTeC: 3724306

Improving Recovery by Effectively Managing the Drawdown in the DJ Basin Unconventional Reservoirs Using an Engineered Choke Management (ECM) Strategy

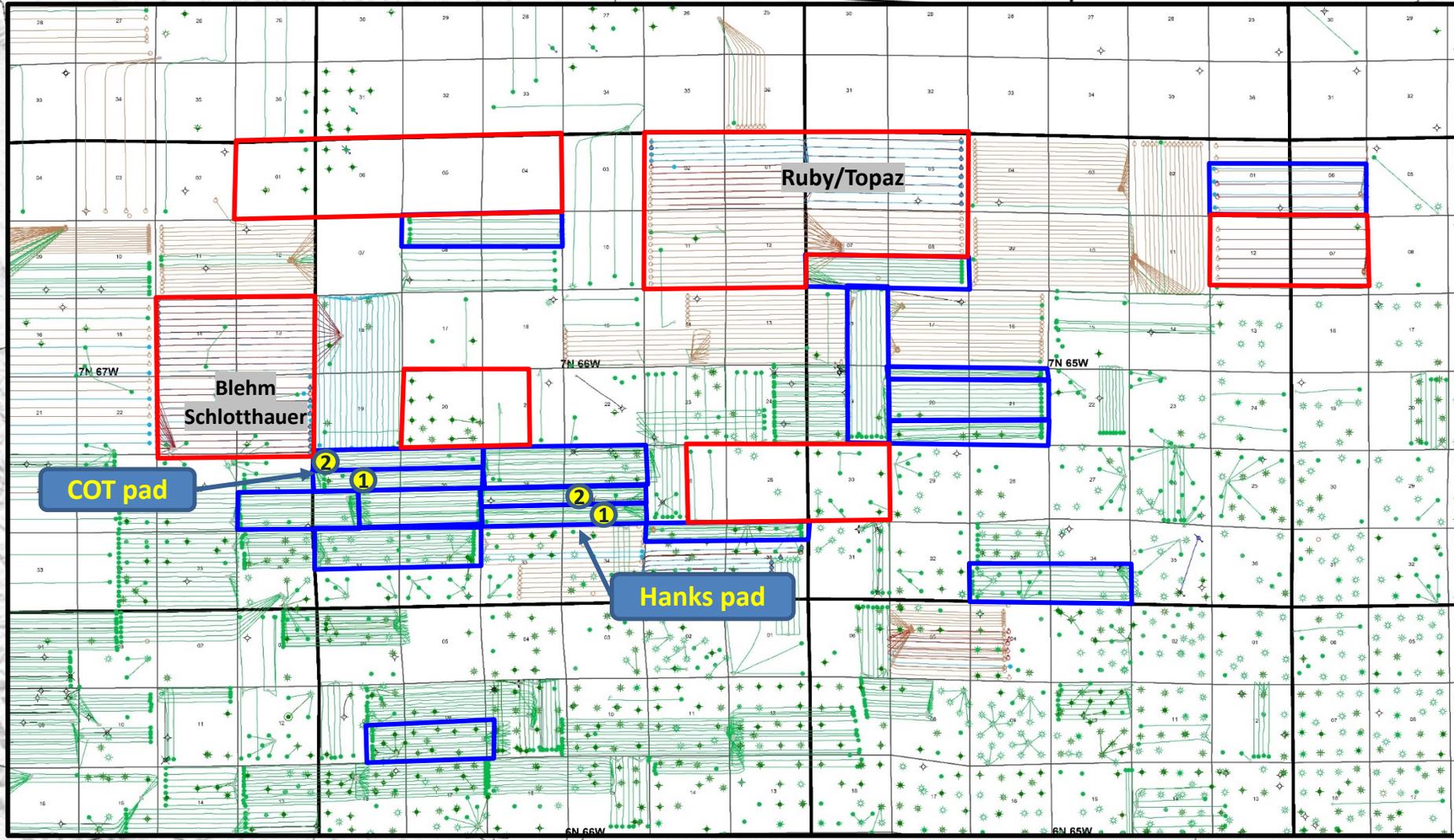
Muthukumarappan Ramurthy*¹, Stuart A. Cox², Sam Struna¹, John Arsenault¹
 Bayswater Exploration & Production LLC Denver, CO, 2. Cox Petroleum Consultants, Katy, TX.



FRACK ISSUES – BASHING (640 ACRE DSU'S DEVELOPED IN TWO CAMPAIGNS)



“CHUNKY” DRILLING AND COMPLETIONS - AVOIDS FRACK BASHING



Chunky Completions

Minimize depletion and “parent-child” issues.

Previous Drilling:

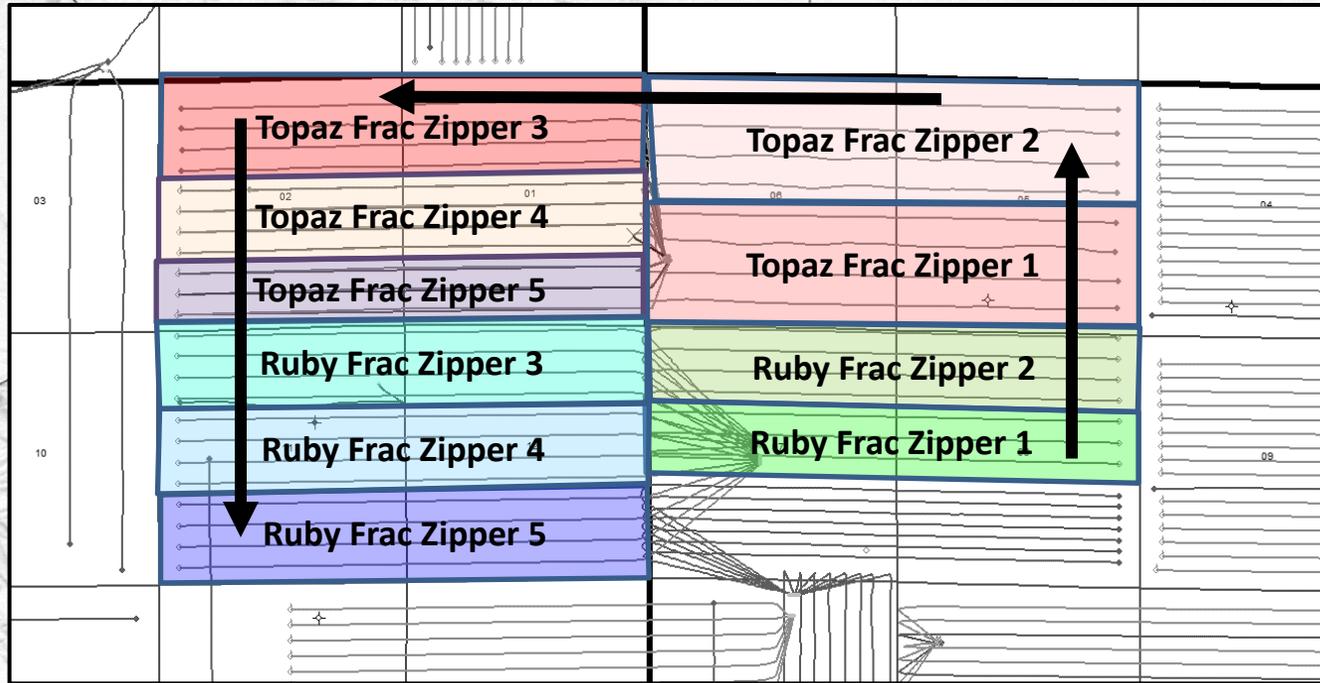
- ¼ - ½ mile wide pads

Current and Planned Drilling

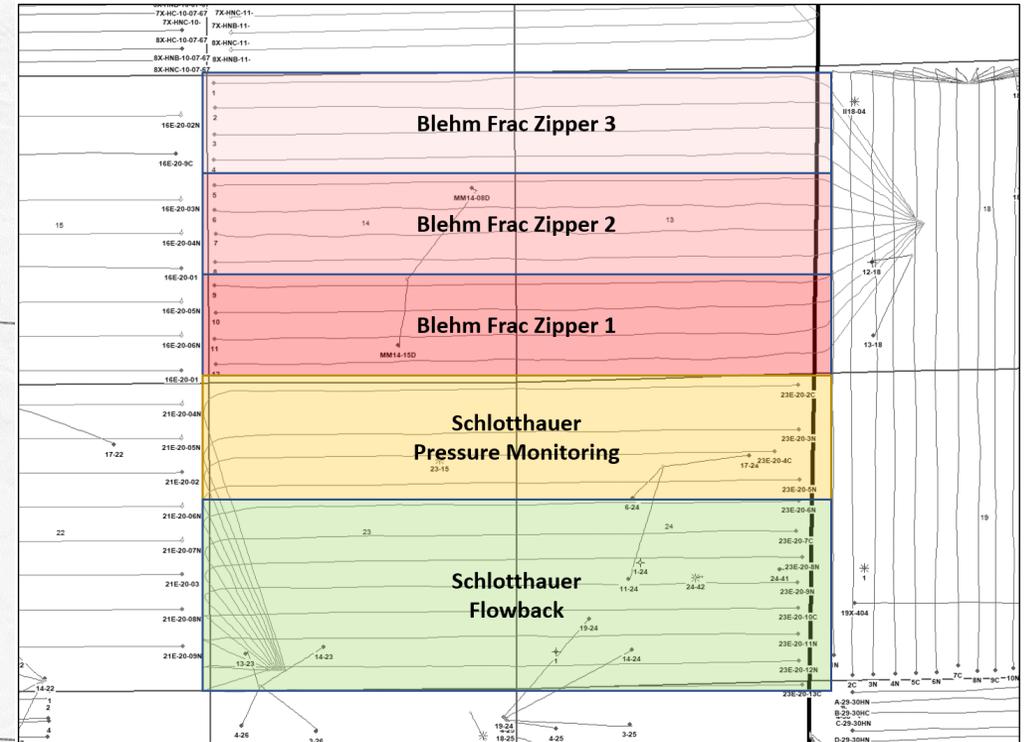
- 1 -2 mile wide pads

-  Drilled 2017-2020
-  Drilled 2021-2022 and planned

“CHUNKY” RUBY / TOPAZ AND BLEHM / SCHLOTTHAUER COMPLETIONS

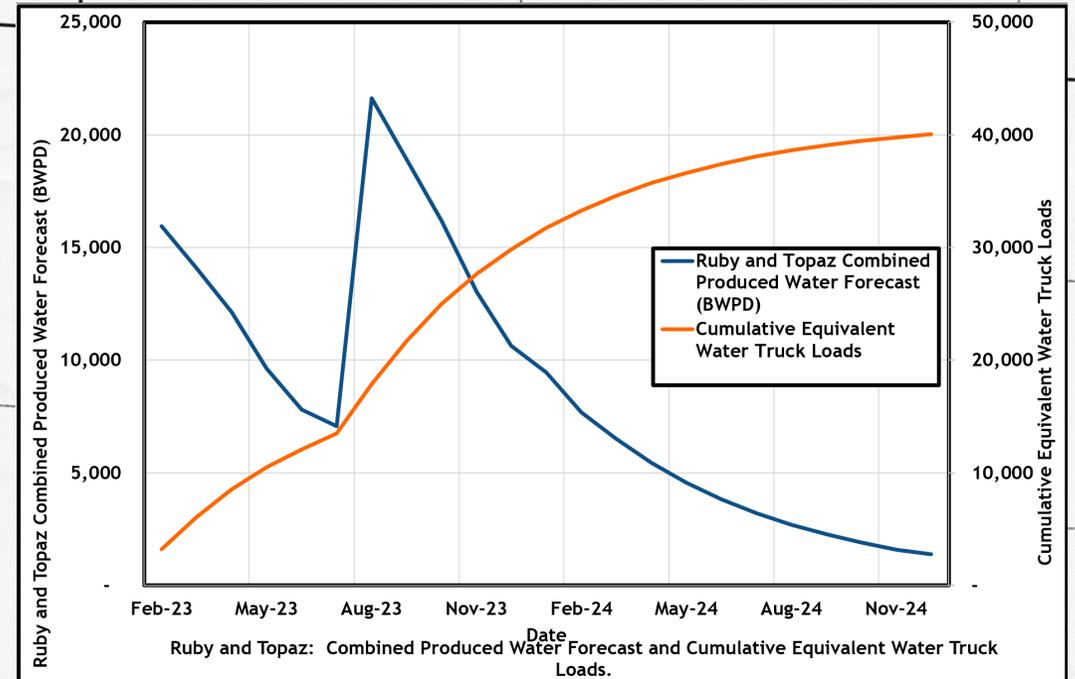
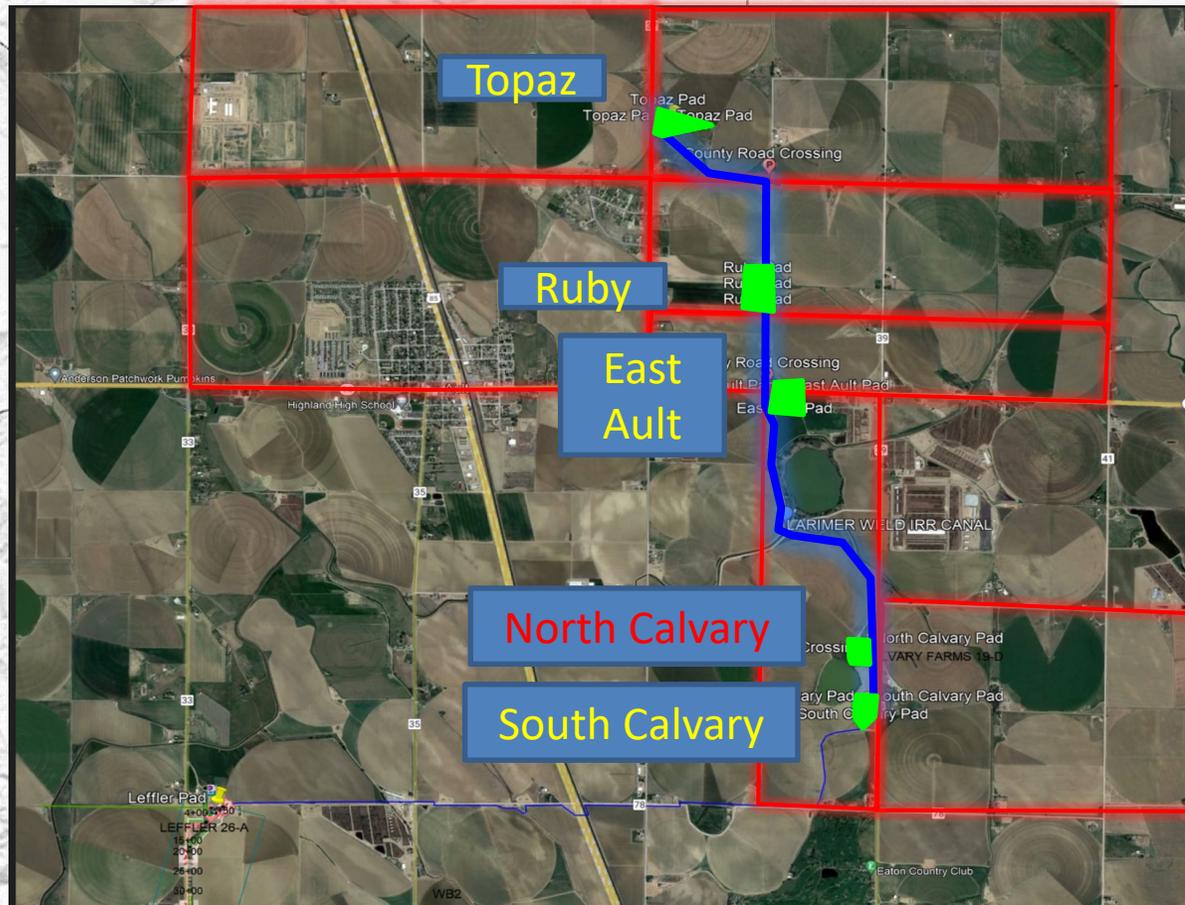


38 Wells



24 Wells

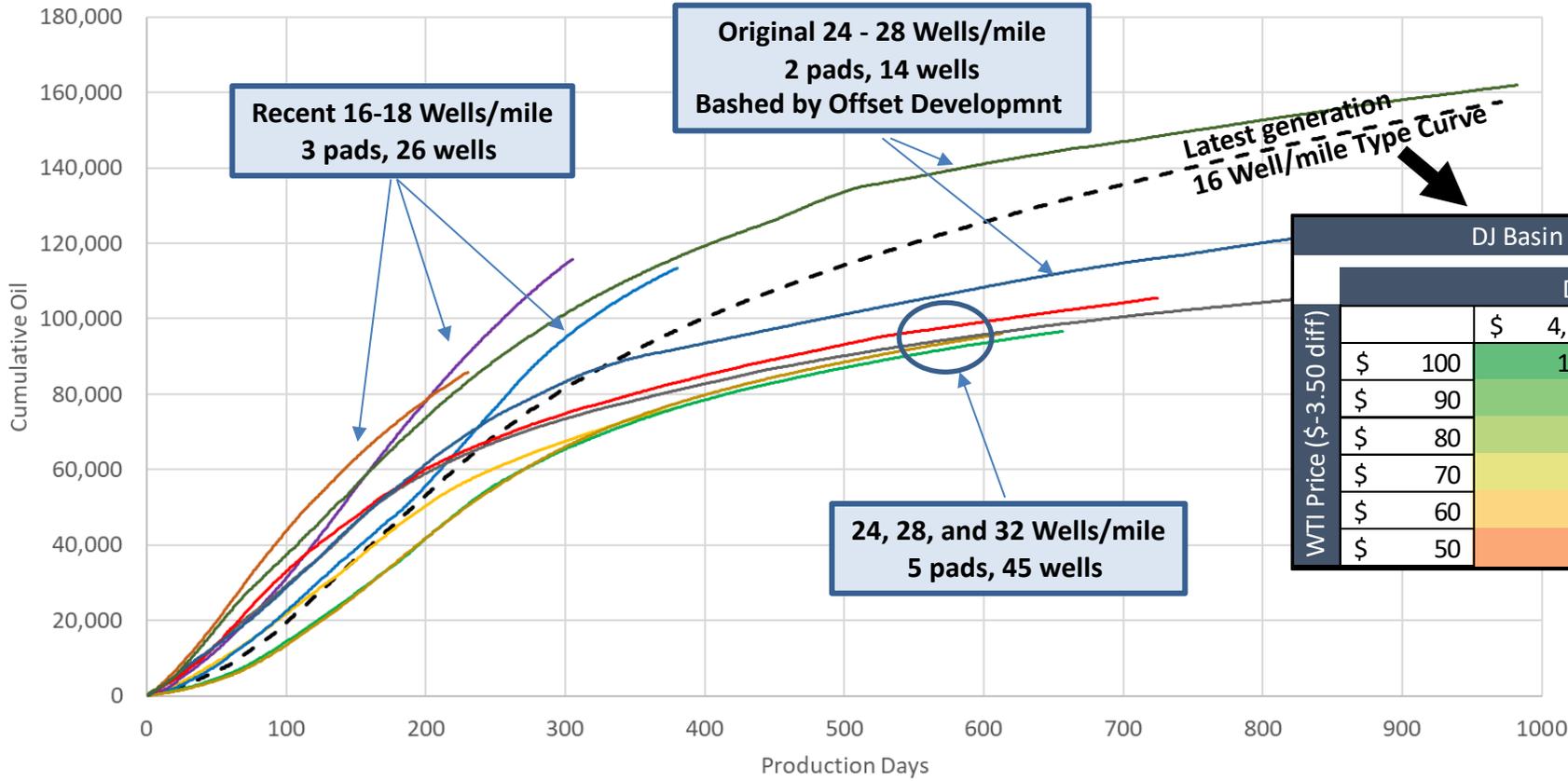
BAYSWATER CALVARY NORTH WATER DISPOSAL PROJECT



- Repurposed two permitted well slots at N Calvary pad for water Disposal
- Adding additional water disposal facilities to South Calvary pad
- Building 4.5 Mile pipeline
- Permitting – State and Weld County is underway

WELL SPACING & DEVELOPMENT ECONOMICS

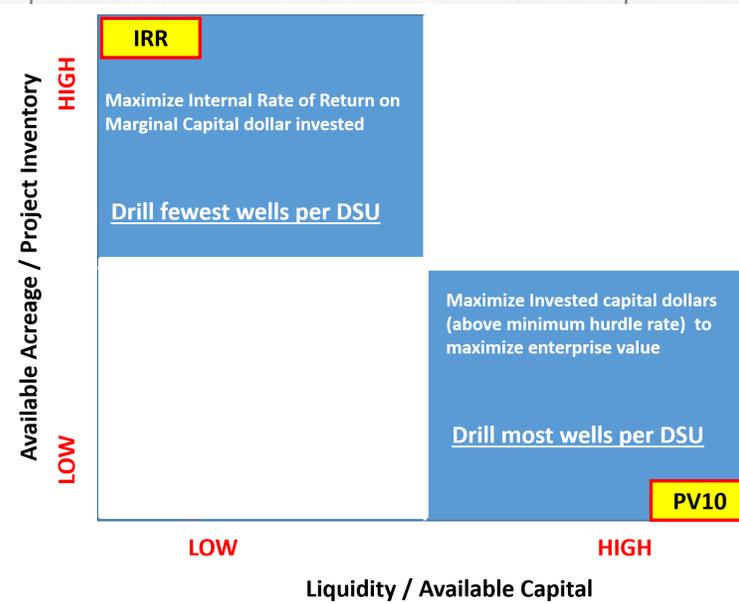
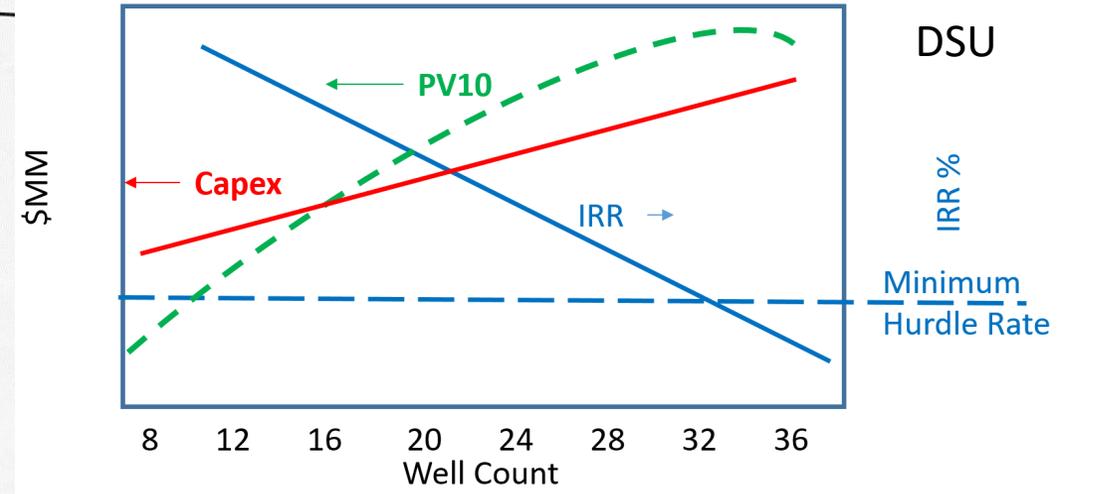
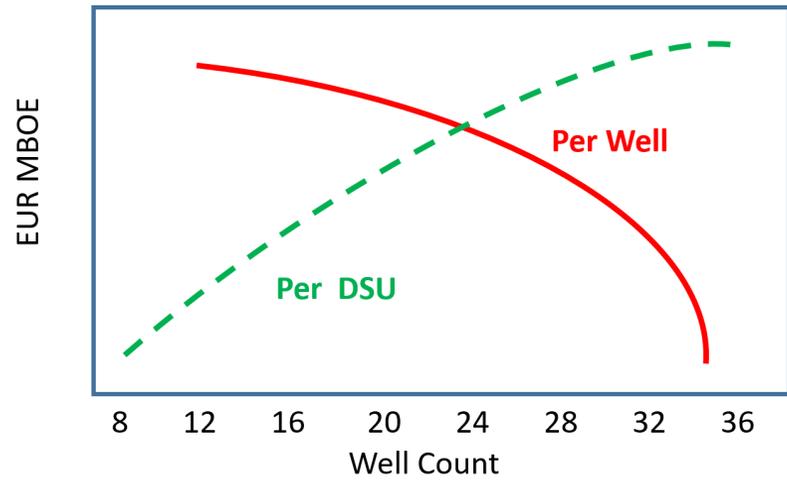
DJ Cum Time Comparison



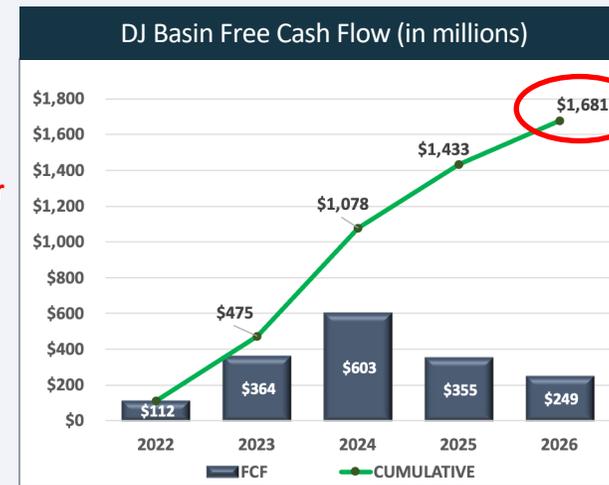
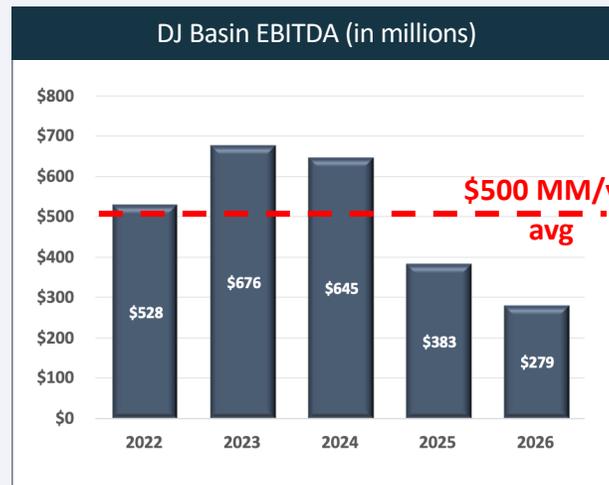
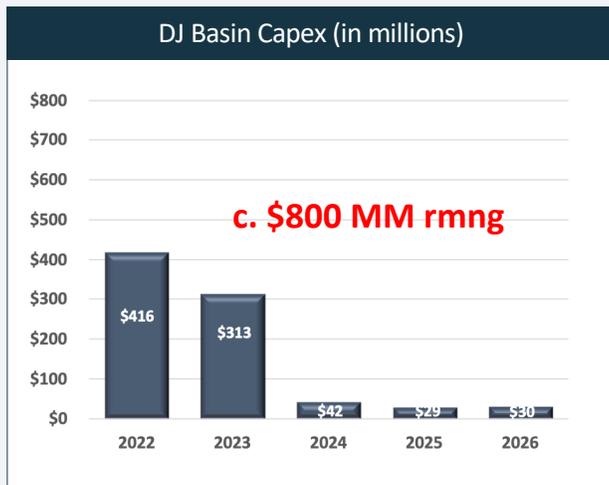
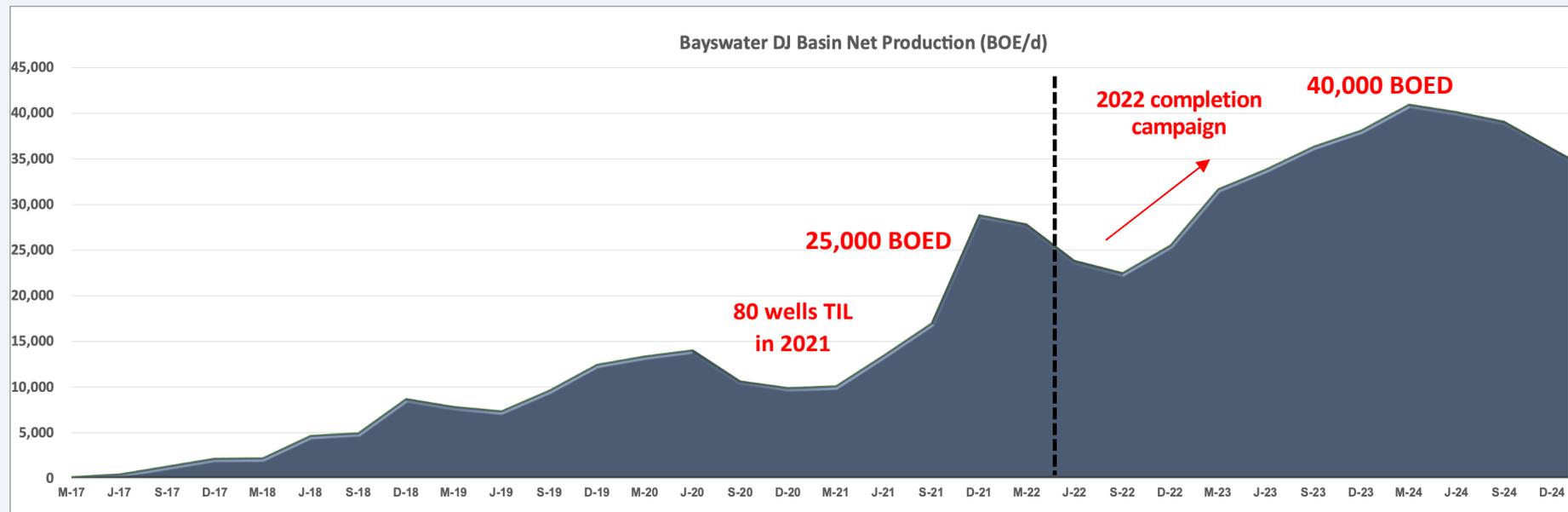
DJ Basin IRR - (Single Well Economics) - TC 16 W/S

		Drill & Complete Costs (in thousands)				
		\$ 4,500	\$ 5,000	\$ 5,500	\$ 6,000	\$ 6,500
WTI Price (\$-3.50 diff)	\$ 100	104%	93%	83%	75%	68%
	\$ 90	89%	80%	71%	64%	57%
	\$ 80	75%	67%	59%	52%	46%
	\$ 70	61%	53%	46%	41%	35%
	\$ 60	46%	40%	34%	29%	24%
	\$ 50	32%	26%	21%	16%	12%

WELL SPACING AND ECONOMIC METRICS : BUSINESS DECISION

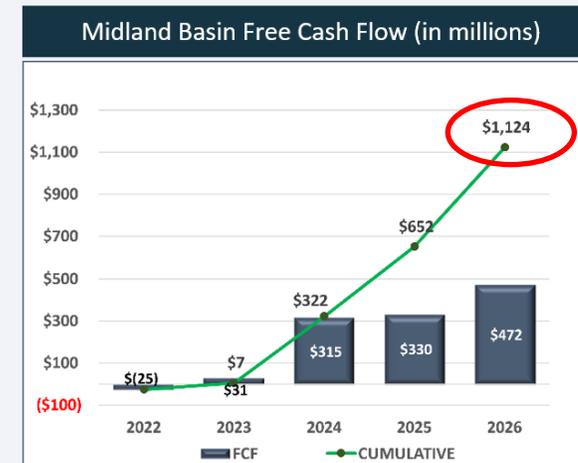
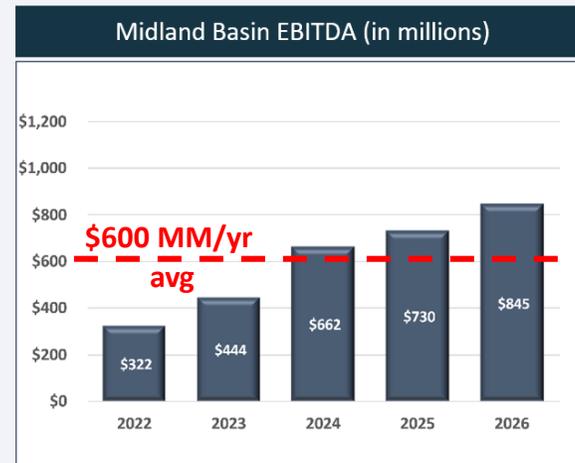
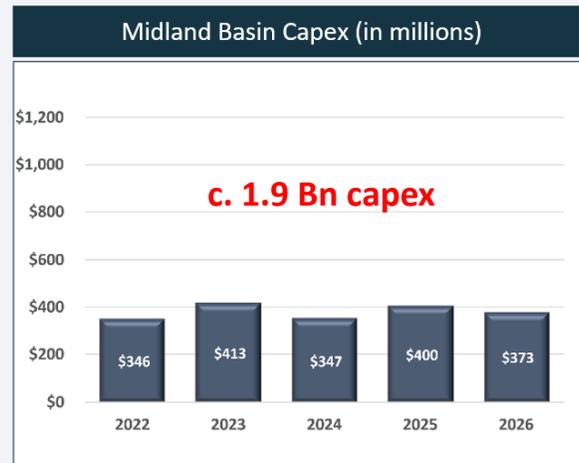
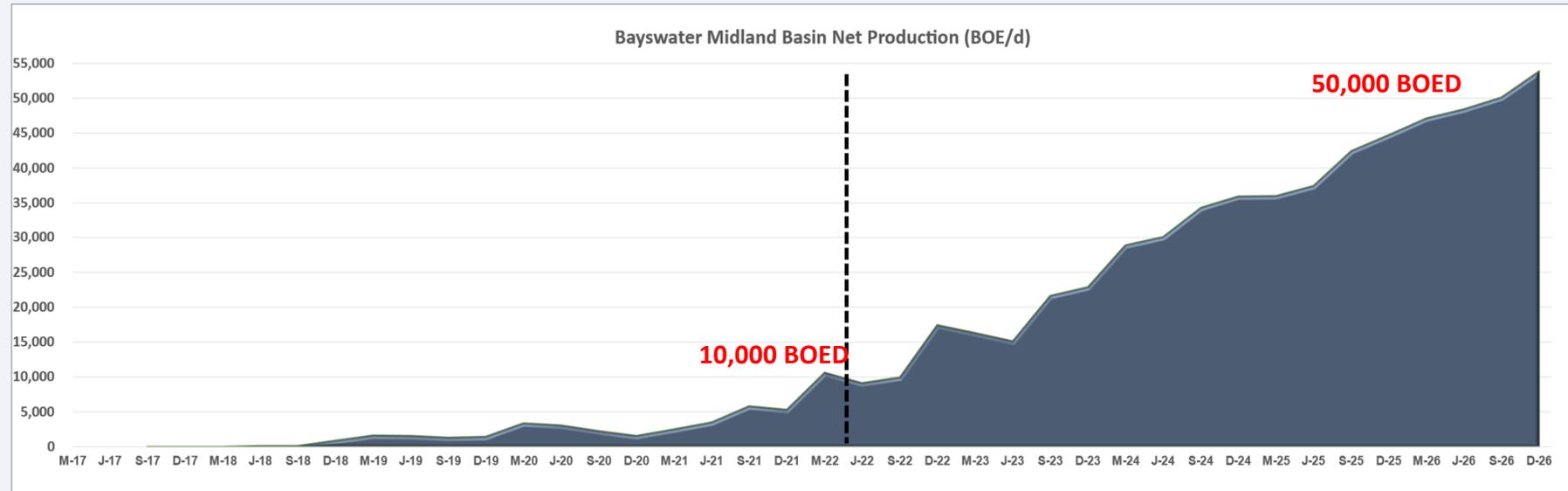


Bayswater DJ Forecast (5th Largest DJ Wattenberg Producer): Pro Forma Metrics



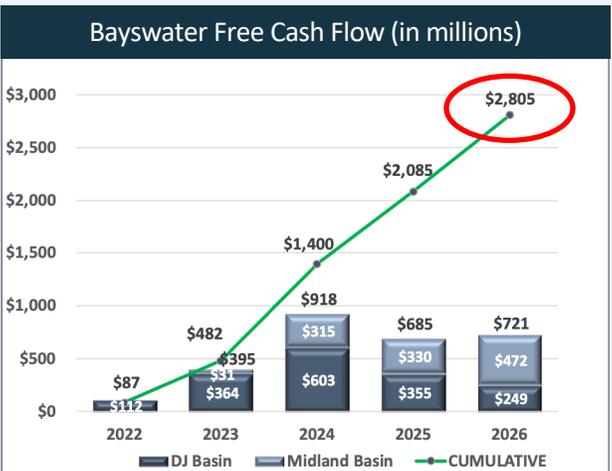
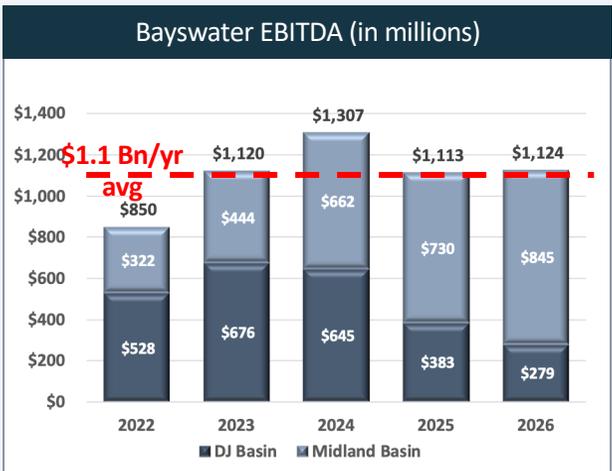
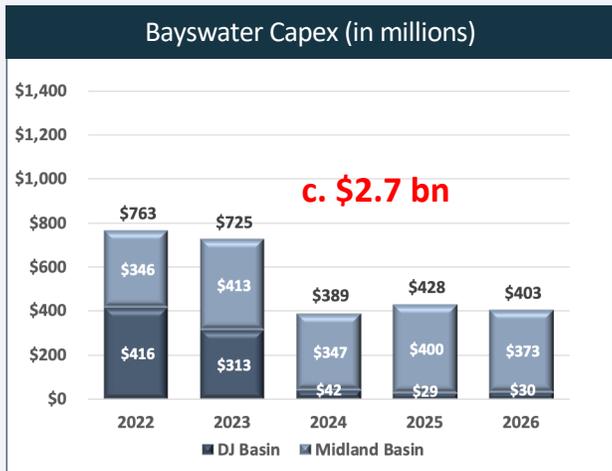
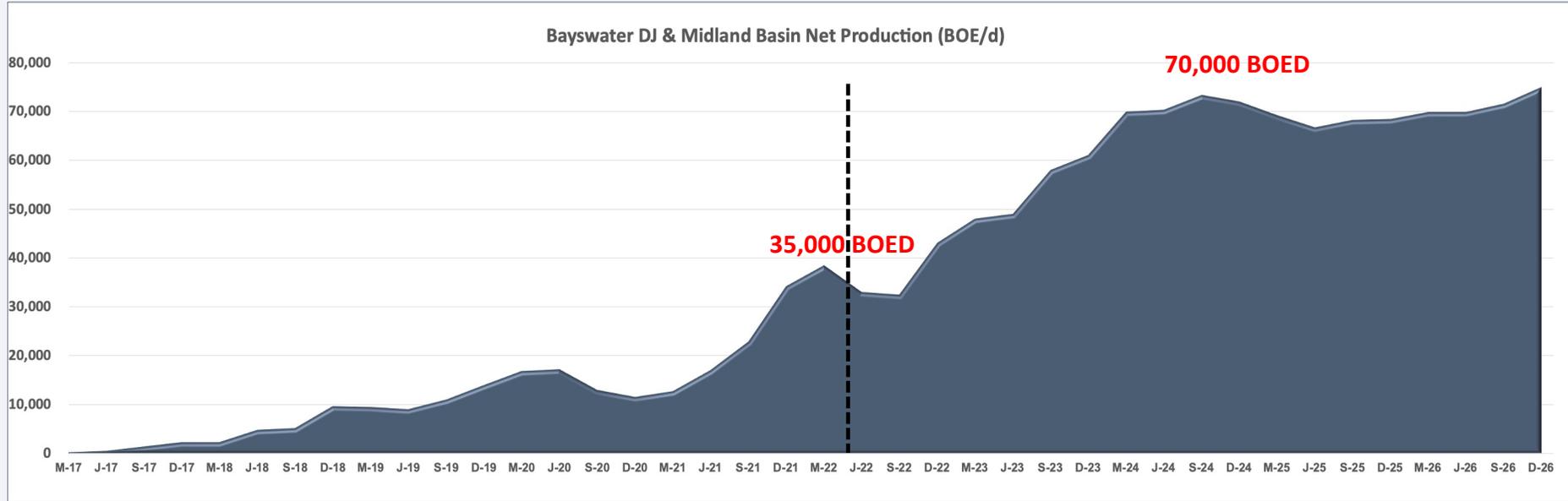
EBITDA and Free Cash Flow based on June 17, 2022 NYMEX strip pricing, less differentials; assumes continued development running 2 rigs in the DJ Basin.

BAYSWATER MIDLAND BASIN OPERATED ASSETS : PRO FORMA METRICS



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.