WEYERHAEUSER COMPANY

West Frost Prospect (Frio Ss)

Livingston Parish, LA
West Frost Frio Prospect Summary

- Primary Target: Upper Frio Sandstone
- Location: T7S R4E – Sec. 33, Livingston Parish, Louisiana, Middle Colyell Creek Field
- 3 – way structural closure

Frio Reservoir Properties
- Age: Oligocene
- Lithology: alternating sandstones and shales with occasional limestone beds
- Area: 1000 acres
- Net Pay: 8’
- GOR: 500, 40 API gravity
- Porosity: 18%, Permeability: 130 mD
- 4.6 MMSTOOG per section
- Drive Mechanism: gas cap, pressure depletion

- Single well technical EUR: 173 MBO (187 MBOE) assuming 200 ac drainage area and 15% RF
- Up to 4 drill ready locations
- Suggested terms: $200/ac, 22.5% royalty interest, 1000 ac minimum lease with lease costs offset by production if well is drilled in the 1st year of the lease
Structure – Peak 110’ above #33-1 Deep Frio Pay
Seismic Line A-A’

- Miocene
- L. Het
- M. Frio Mkr.
- Base Evans
- Sparta
- Cane River
**Strand Weyerhaeuser 33-1 History**

- Mud weight was 9.8 ppg (.51 psi/ft) when they drilled through the top of the Frio and encountered the 1st show (kick) at 9500’ MD and then built the MW to 13.1 ppg (.68 psi/ft) to TD; a second kick and strong show (5000 GU) was logged at 9527’ MD

- Perforated 6’ in the upper Frio 9505’ – 9511’ MD from cased hole logs

- Reported to Sonris IP24 data: 140 BOPD/75 MCFD/340 BWPD, avg FTP 2100 #, avg water cut 76%, 9/64” choke

- During 24 hour flow test, peak 1 hour rate: 360 BOPD/110 MCFD/183 BWPD (34% water cut), FTP 1965# 9/64” choke

- **Completion Issues**
  - Slim hole completion - due to hole conditions, 3 1/2” casing was run in order to be able to complete the well
  - Problematic cement integrity - cement was encountered after squeezing the hole in the 3-1/2” liner
  - Cased hole logs were run but perforations made through tubing and potentially off-depth
Strand Energy L.C - Weyerhaeuser 33 No. 1
07/01 - 07/03/14
{Gas Rate, Oil Rate, Water Rate, WHP, Csg Press, Choke Size} vs Real Time

Real Time (mm/dd HH:mm)

Gas Rate
Oil Rate
Water Rate
WHP
Choke Size

Choke Size (1/64")
FRIO SINGLE WELL ECONOMICS

**FRIO SINGLE WELL ECONOMICS**

<table>
<thead>
<tr>
<th>D&amp;C $M</th>
<th>PV10 $M</th>
<th>Payout Years</th>
<th>IRR</th>
<th>ROI</th>
<th>Reserves MBO</th>
<th>Reserves MBOE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td>$1,920</td>
<td>1.04</td>
<td>94%</td>
<td>1.8</td>
<td>130</td>
<td>141</td>
</tr>
</tbody>
</table>

**Effective Date**: 1/1/2018

- **Spud-to-Comp**: 30 days
- **Spud-to-Prod**: 60 days
- **WI**: 100%
- **NRI**: 80%

**IP**: 360 BOPD
- **180 MCFD**
- **0 BNGL/D**

**b factor**: 0.3

- **D initial**: 60%
- **D final**: 7%
- **Q final**: 1 BOPD
- **GOR**: 500 SCF/STB
- **WOR**: 1 Bbl/bbl
- **BTU**: 1000 BTU/SCF
- **Gas Shrinkage**: 3%
- **EUR**: 163 MBO

**Well Cost**: 3.0 $MM

- **Opex**: 12,000 $/month
- **Severance Tax**: 12.5%
- **Ad Valorem**: 2%

- **Price Oil**: $50 $/Bbl
- **Price Gas**: $3 $/Mcf
Conclusion

• Drill ready prospect – 1000 acres with 3-4 potential Frio locations

• Suggested terms: $200/ac, 22.5% royalty interest, 1000 ac minimum lease with lease costs offset by production if well is drilled in the 1st year of the lease

• Visit Weyerhaeuser booth #4129 for more information

• Thank you!