



The PetroNerds Podcast - Episode # 4:

*Permian Basin Transactions: ExxonMobil/Bass
and Noble/Clayton Williams*

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Outline

- **Permian Basin Activity**
- **ExxonMobil/Bass**
- **Noble Energy/Clayton Williams**

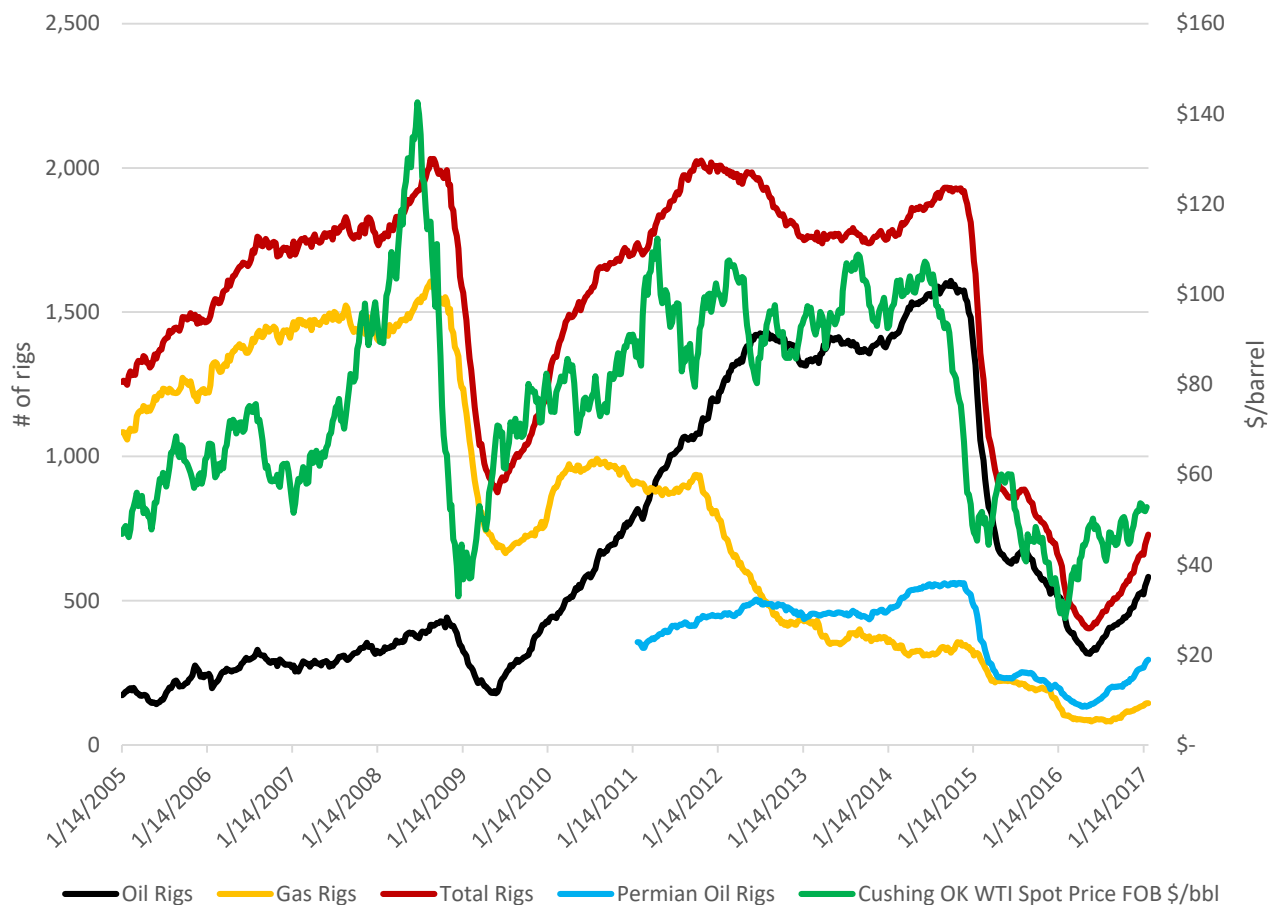
Recent Permian Basin Transactions

- Parsley - Permian Basin buying binge started in late 2014. Parsley paid \$400 million for 11,672 acres in Midland - \$34,000 an acre, many other purchases as well
- Concho - \$1.625 billion - 40,000 acres from Reliance Energy - \$40,000 an acre
- SM Energy – 35,700 net acres in West Texas (Howard and Martin counties), \$1.6 billion – \$39,500 an acre (sold assets in Williston Basin for \$785 million to Oasis Petroleum)
- QEP Resources - \$600 million for 9,400 acres and 1,400 boe/d of production (vertical wells) in June 2016 - \$64,000 acre

Denver based company acquisitions:

- Resolute Energy -\$135 million, 3,293 net acres in Reeves County in October 2016. Purchased from Firewheel Energy LLC (EnCap Investments)
- PDC Energy – 57,000 acres from Kimmeridge Energy (NY private equity), \$1.5 billion - \$21,000
- Lilis Energy – 3,458 net acres in Permian

US Rig Count, Permian Rig Count, Oil Prices



April 29, 2016 - Permian Basin
bottomed at 132 rigs

Feb 3, 2017 – 295 rigs

May 27, 2016 - US oil rig count
bottoms at 316

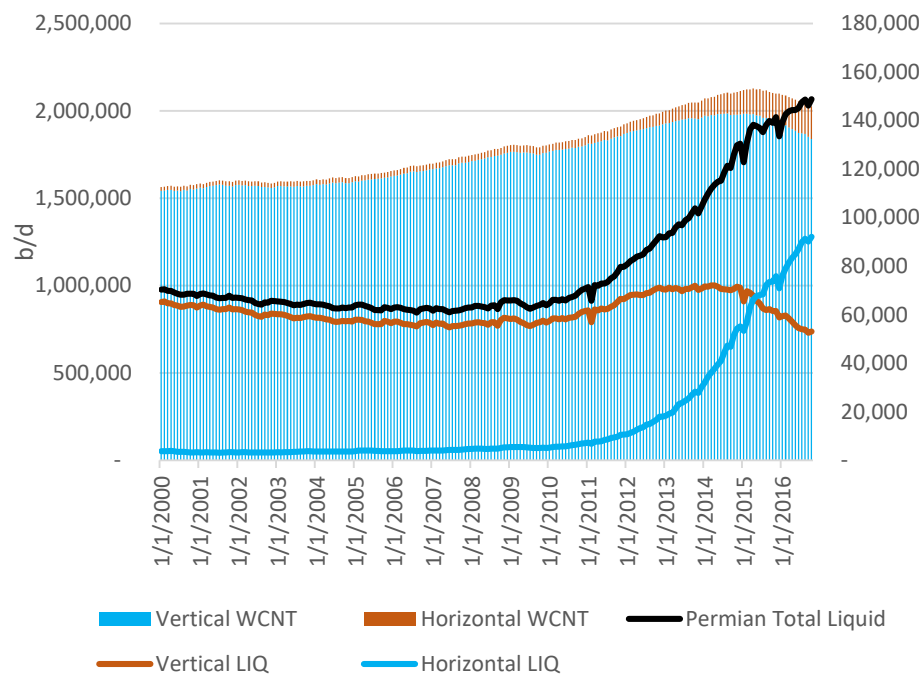
Feb 3, 2017 – 583 rigs

Feb 12, 2016 - \$28/barrel WTI
bottom

Source: Baker Hughes, EIA

Permian Basin Production and Well Performance

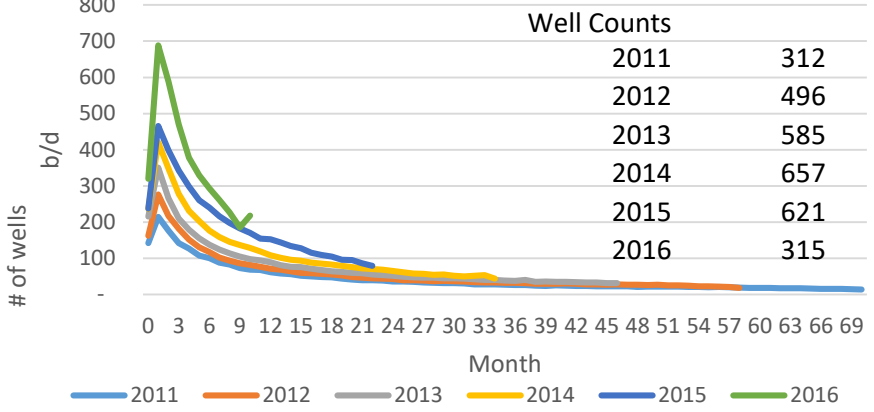
Permian Basin Liquid Production



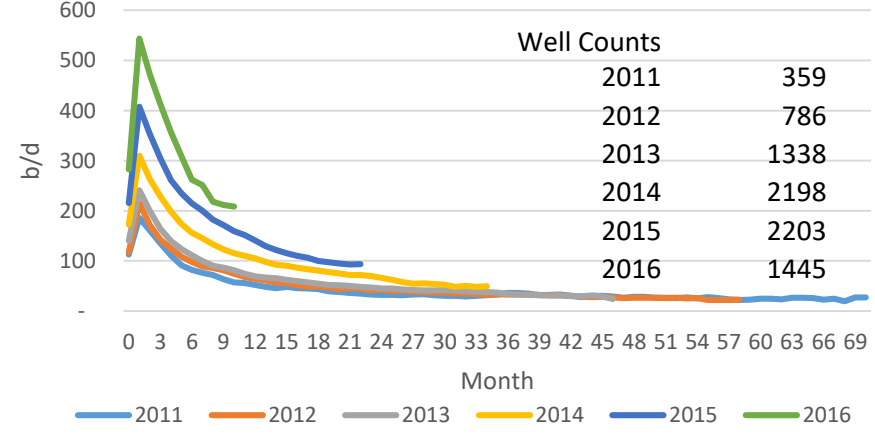
New Mexico - predominately Bone Spring, Delaware, and some Wolfcamp reservoir production. Texas Permian production is predominately from the Trend Area and Wolfcamp as well as some Bone Spring production.

Source: DrillingInfo Data

New Mexico Horizontal Decline Curve



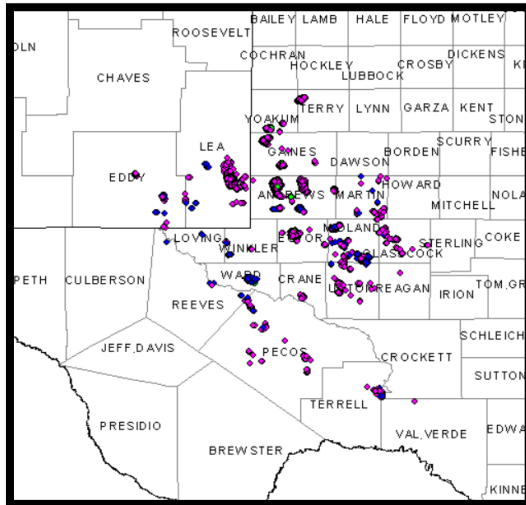
Texas Horizontal Decline Curve



ExxonMobil/XTO Permian Basin Asset Overview

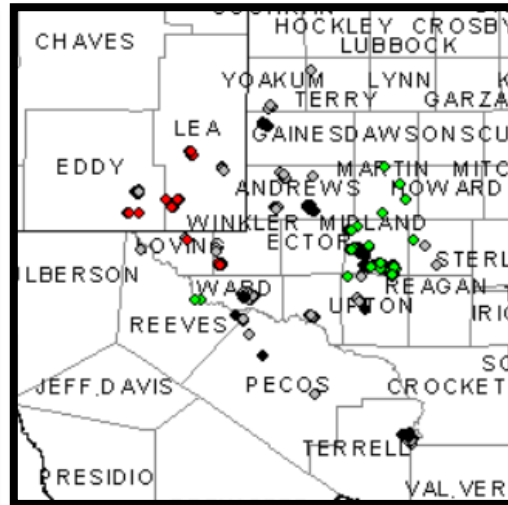
Nearly 17,000 wells, 4,462 active

Wells by Orientation



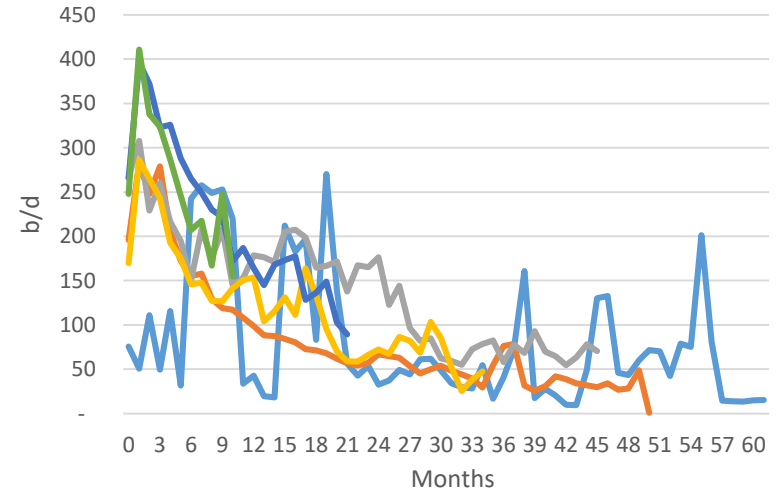
Color	Drill Type	Property Count
Magenta	V	3889
Blue	H	457
Green	D	116

Horizontal Wells by Reservoir



Color	Reservoir	Property Count
Light Green	TREND AREA) R 40 EX	104
Black	DEVONIAN	103
Dark Green	TREND AREA	74
Light Grey	MONTOYA	27
Medium Grey	STRAWN	22
Red	BONE SPRING	21
Light Grey	CLEARFORK	21
Light Grey	DELAWARE	16
Light Grey	WOLFCAMP	12
Light Grey	CONSOLIDATED	11

ExxonMobil/XTO Permian Basin Decline Curve

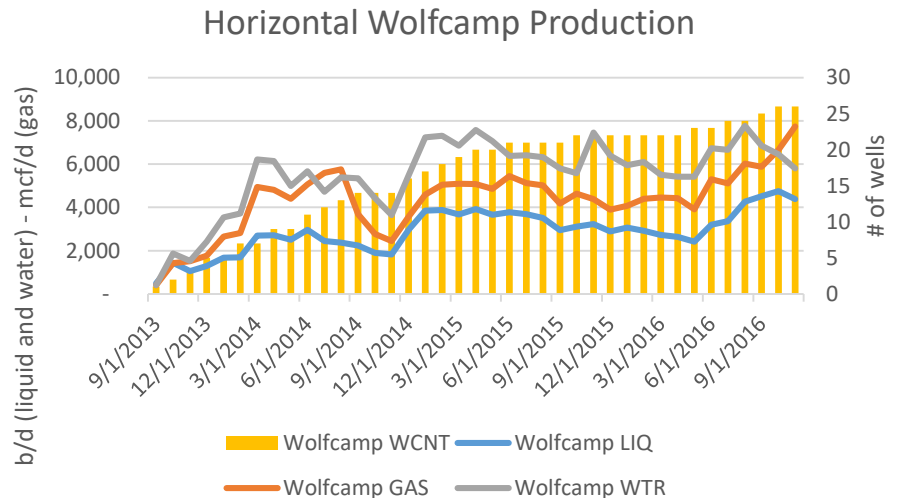
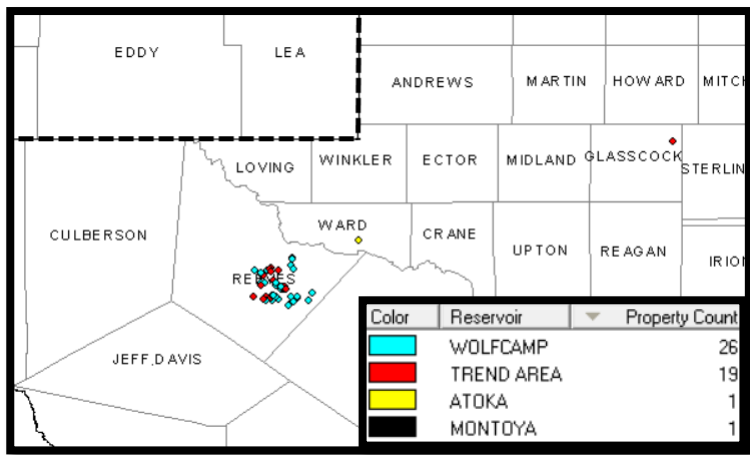


— 2011 — 2012 — 2013 — 2014 — 2015 — 2016

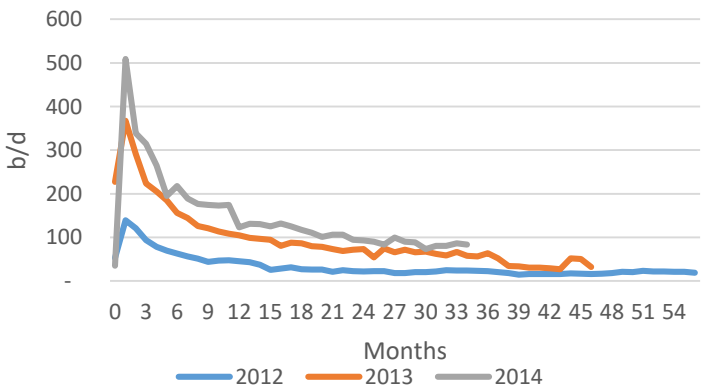
Well Counts

2011	2
2012	5
2013	11
2014	22
2015	91
2016	103

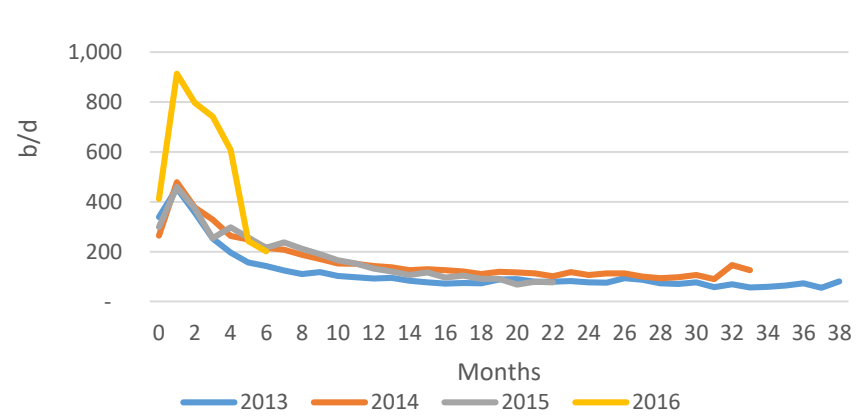
Clayton Williams Horizontal Wells



Horizontal Trend Area Reservoir Decline Curve



Horizontal Wolfcamp Reservoir Decline Curve



Source: PetroNerds, Raw data from DrillingInfo