

MAJOR COUNTY MINERAL DIVESTITURE

STACK Extension Investment Opportunity – 2019

Cautionary Note

This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, and as amended. Statements made herein express a belief, expectation or intention and are generally accompanied by words that convey projected future events or outcomes. The forward-looking statements include projections and estimates of the Seller's strategies, future operations, and development plans and appraisal programs, projected acreage position, drilling locations, estimated oil, and natural gas and natural gas liquids production, rates of return, reserves, price realizations and differentials, hedging program, projected operating, general and administrative and other costs, projected capital expenditures, tax rates, efficiency and cost reduction initiative outcomes, liquidity and capital structure and infrastructure assessment and investment. We have based these forward-looking statements on our current expectations and assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, including the volatility of oil and natural gas prices, actual decline curves and the actual effect of adding compression to natural gas wells, changes in economic conditions, the amount and timing of future development costs, the availability and demand for alternative energy sources, regulatory changes, including those related to carbon dioxide and greenhouse gas emissions, and other factors, many of which are beyond our control. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to our assets.

Oil & Gas Mineral Divestment

- The Sellers, have accumulated approximately 726.9 Net Mineral Acres.
- Said NMA are located in Township 20 North, Ranges 14 West through 15 West, the Buy Area.
- New completion in Section 2, T20N, R15W where 100.9NMA are owned. Permit to recomplete was filed in Section 20, T20N, R14W where 120NMA are owned. Permit for new lateral in section 16, T20N, R15W where 80NMA are owned. This represents 300.9NMA of 726.9NMA being drilled, about to be drilled, or completed accounting for 41.4% of the total acreage.

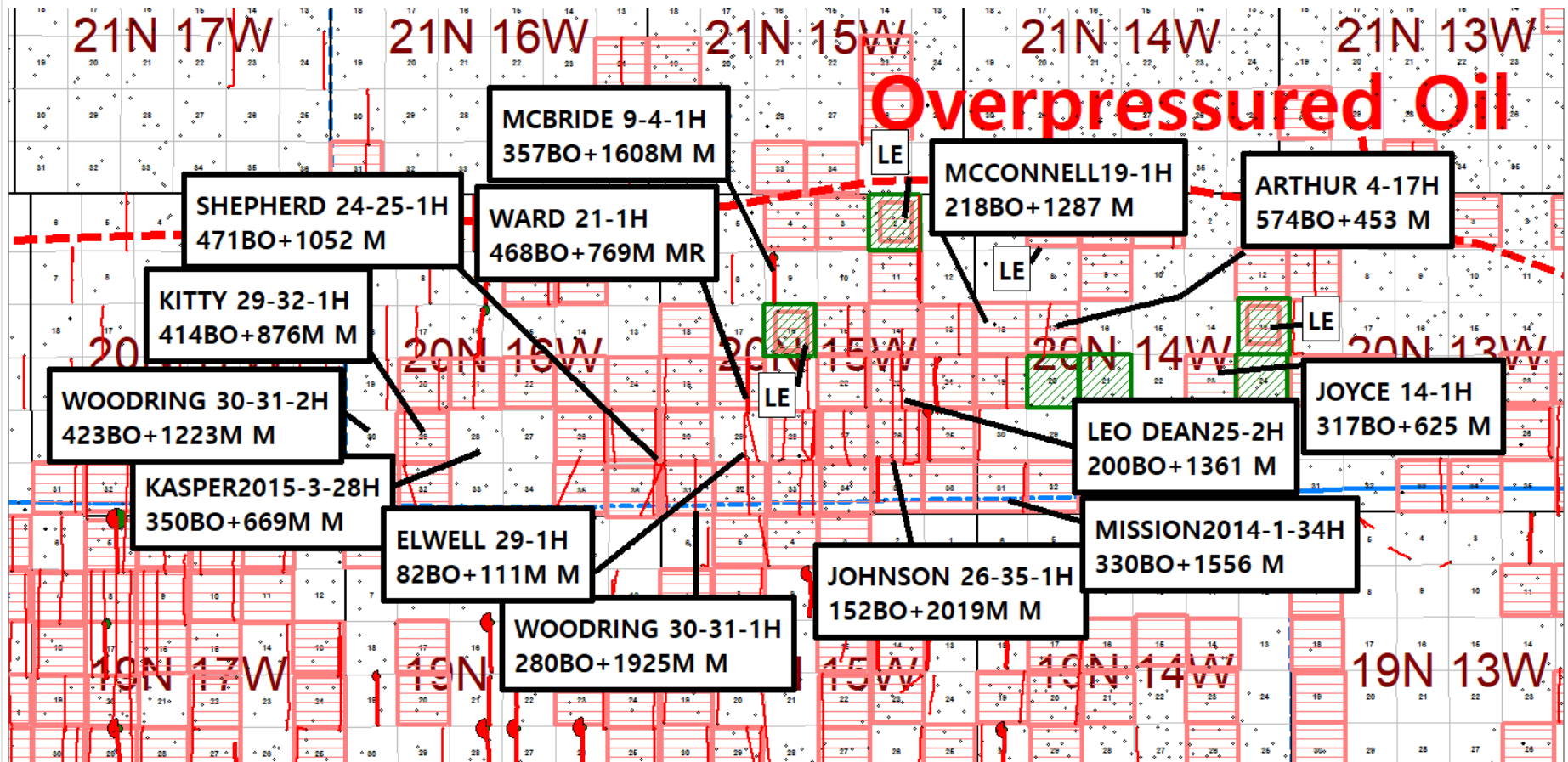
Oil & Gas Mineral Buy Area

- In 2007 through 2010 the DKT owner was employed at Sandridge.
- While employed at Sandridge, the DKT owner planned and drilled all currently producing vertical Sandridge wells in Major and Woodward Counties, among other counties.
- Detailed correlations within the Mississippian age strata were completed.
- Porosity and structural mapping was completed to identify key hydrocarbon rich areas.
- All of the above mentioned worked has been duplicated on the DKT workstation and is presented herein.
- **A clear extension of the Stack Play is observed.**

Local Major County Activity

M = Mississippian Osage (Lower)

MR = Mississippian Meramec (Upper)



Major County – Economics, Ward 21-1H

Date : 01/21/2019 11:28:47AM

ECONOMIC PROJECTION

Project Name : 20190120 FOC-DKT
 Partner : All Cases
 Case Type : LEASE CASE
 Archive Set : default

As Of Date : 05/01/2016
 Discount Rate (%) : 10.00
 WARD 21-1H

Case : WARD 21-1H
 Reserve Cat. : Proved Producing
 Field : STACK MAJOR
 Operator : COMANCHE
 Reservoir : MERAMEC
 Co., State : COUNTY, OK

Cum Oil (Mfbbl) : 0.00
 Cum Gas (MMcf) : 0.00

Year	Gross Oil (Mfbbl)	Gross Gas (MMcf)	Net Oil (Mfbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)
2016	87.45	172.87	0.02	0.03	55.00	4.50	0.94	0.15	0.00
2017	62.43	298.09	0.01	0.06	55.00	4.50	0.67	0.26	0.00
2018	32.67	162.32	0.01	0.03	55.00	4.50	0.35	0.14	0.00
2019	22.28	160.93	0.00	0.03	55.00	4.50	0.24	0.14	0.00
2020	16.97	135.83	0.00	0.03	55.00	4.50	0.18	0.12	0.00
2021	13.65	117.58	0.00	0.02	55.00	4.50	0.15	0.10	0.00
2022	11.45	104.28	0.00	0.02	55.00	4.50	0.12	0.09	0.00
2023	9.85	93.95	0.00	0.02	55.00	4.50	0.11	0.08	0.00
2024	8.67	85.90	0.00	0.02	55.00	4.50	0.09	0.08	0.00
2025	7.71	78.86	0.00	0.02	55.00	4.50	0.08	0.07	0.00
2026	6.95	73.17	0.00	0.01	55.00	4.50	0.07	0.06	0.00
2027	6.33	68.33	0.00	0.01	55.00	4.50	0.07	0.06	0.00
2028	5.83	64.32	0.00	0.01	55.00	4.50	0.06	0.06	0.00
2029	5.37	60.50	0.00	0.01	55.00	4.50	0.06	0.05	0.00
2030	5.00	57.29	0.00	0.01	55.00	4.50	0.05	0.05	0.00
Rem	61.48	791.93	0.01	0.13	55.00	4.50	0.66	0.70	0.00
Total	364.12	2,525.95	0.07	0.49	55.00	4.50	3.91	2.22	0.00
Ult	364.12	2,525.95							

Year	Well Count	Net Tax Production (M\$)	Net Tax AdValorem (M\$)	Net Investment (M\$)	Net Lease Costs (M\$)	Net Well Costs (M\$)	Other Costs (M\$)	Net Profits (M\$)	Annual Cash Flow (M\$)	Cum Disc. Cash Flow (M\$)
2016	1.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	1.05	1.02
2017	1.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.87	1.80
2018	1.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.46	2.17
2019	1.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.35	2.43
2020	1.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.28	2.62
2021	1.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.23	2.77
2022	1.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.20	2.88
2023	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.18	2.96
2024	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.16	3.04
2025	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.14	3.10
2026	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.13	3.15
2027	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.12	3.19
2028	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.11	3.22
2029	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.10	3.25
2030	1.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.10	3.28
Rem.		0.10	0.00	0.00	0.00	0.00	0.00	0.00	1.26	0.15
Total		0.40	0.00	0.00	0.00	0.00	0.00	0.00	5.74	3.42

Major Phase :	Oil	Abandonment Date :	4/30/2056
Perfs :	0 - 0	Working Int :	0.00000000
Initial Rate :	15,174.08	Revenue Int :	0.00019531
Abandonment :	83.55 bbl/month	Disc. Initial Invest. (M\$) :	0.00
Initial Decline :	92.36 % year	ROI Investment (disc/undisc) :	0.00 / 0.00
Big Ratio :	0.000	Years to Payout :	0.00
End Ratio :	15.193	Internal ROR (%) :	0.00

Present Worth Profile (M\$)

PW 5.00% :	4.16
PW 8.00% :	3.67
PW 10.00% :	3.42
PW 12.00% :	3.23
PW 15.00% :	2.99
PW 20.00% :	2.70

Comanche's Ward 21-1H Performance:

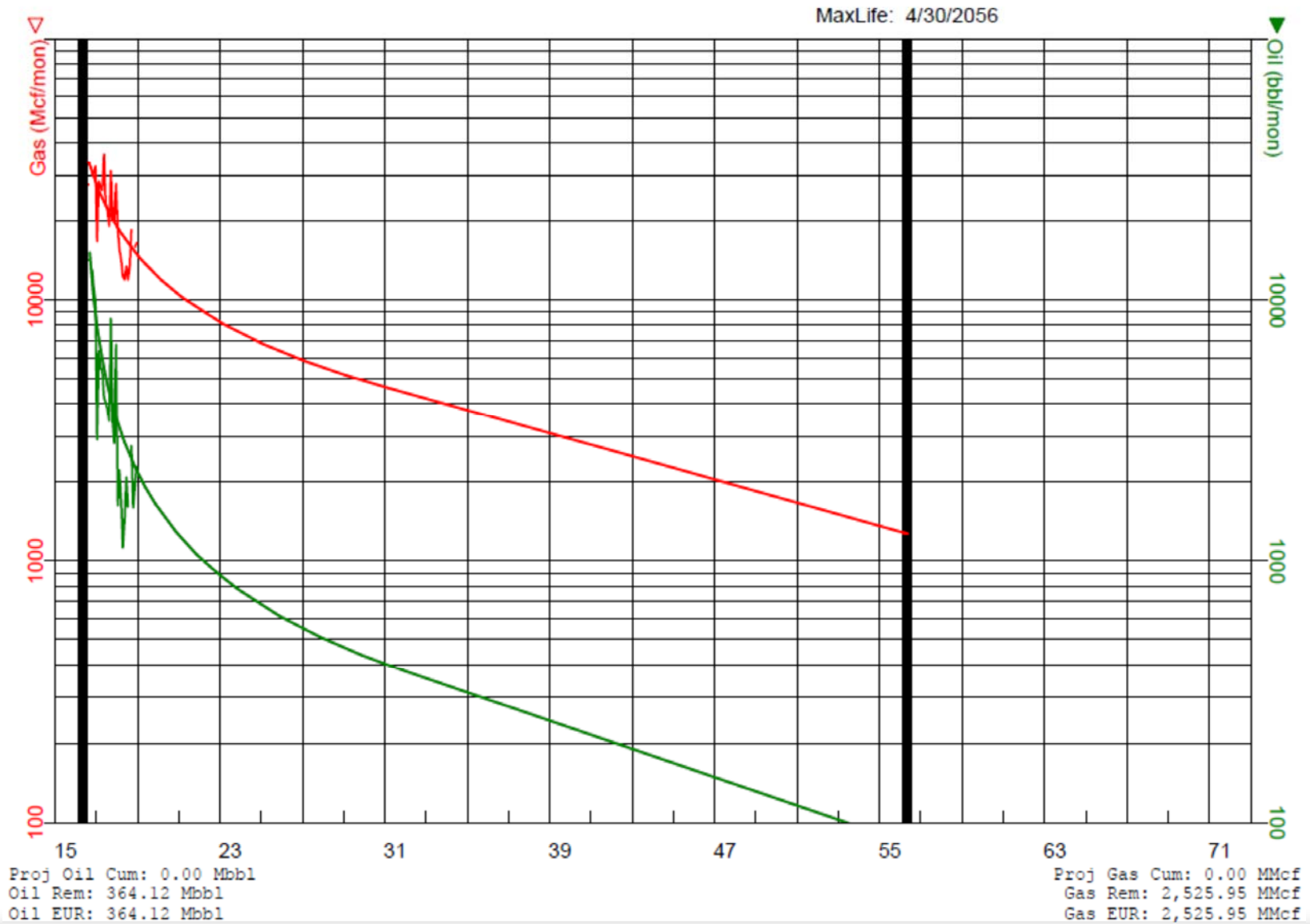
**Oil EUR –
364,120 BO EUR**

**Gas EUR –
2.52595 BCF EUR**

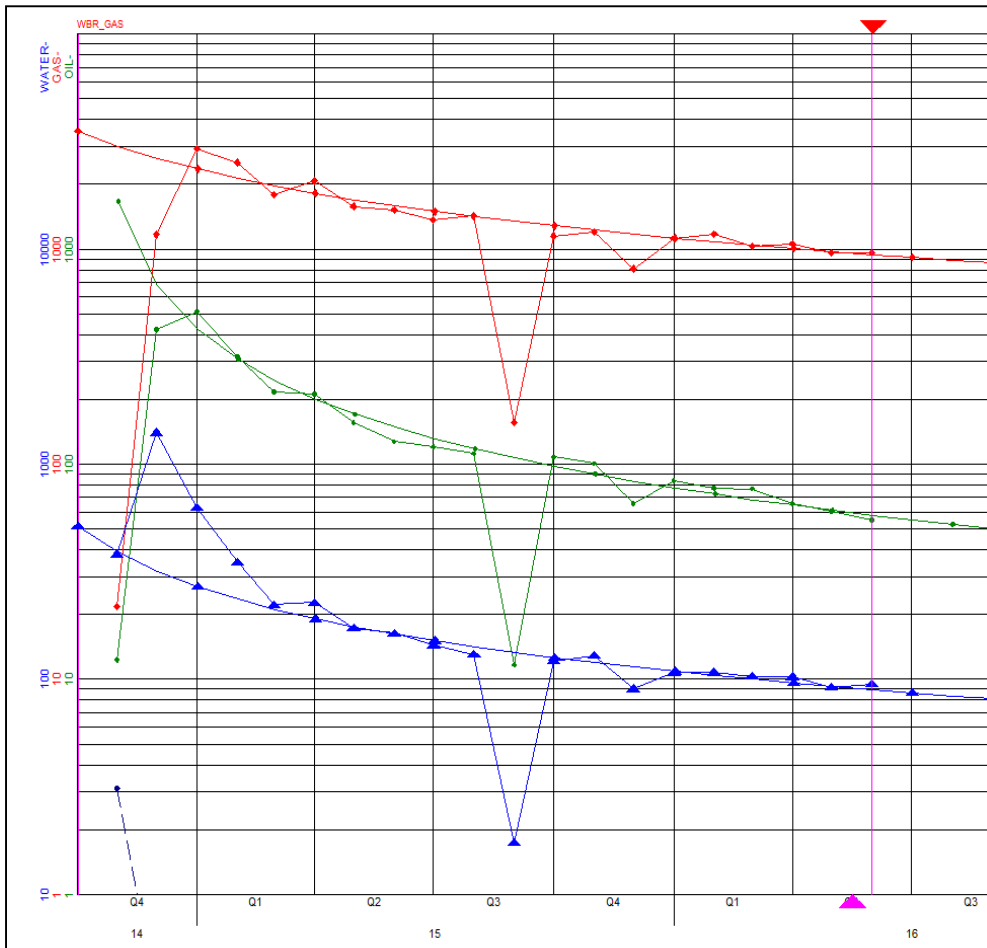
Major County – Economics, Ward 21-1H

WARD 21-1H
Oper: COMANCHE
Major Phase: Oil

Field: STACK MAJOR
COUNTY, OK
3.42 M\$



Major County – Economics, Elwell 29-1H



Comanche's Elwell Performance Information
Due to full production information, and amount of production history, the Elwell was used to derive the starting point for b factor and De for the Major County Osage type curve

Oil Cum to Date (19 months) –
 89 MBO / 206 MBO EUR

Gas Cum to Date (19 months) –
 791 MMCF / 3517 MMCF EUR

Water Cum to Date (19 months) –
 145 MBW / 308 MBW EUR

DCA Variables:

Oil –
 b factor: 1.00
 De: 84.5%

Gas –
 b factor: 1.30
 De: 63%

Water –
 1.5X oil rate

FLOWED 1,777 BBLs WATER, 501 BO, 1,586 MCF, CASING PRESSURE 2,100#, TBG PRESSURE 400#, LAST WATER RATE 72 BPH, LAST OIL RATE 23 BPH, FLOWRATE 1,718 MCFPD.

Economics

Currently, Sandridge has completed Section 2, T20N, R15W where 103.9NMA are owned. Section 16, T20N, R15W is permitted to drill where 80NMA are owned. This activity greatly enhances the value of this asset. Analysis of the future value of the mineral acres marketed herein is based on the Sandridge and Comanche reserve estimate shown above. This estimate has been confirmed through sources with both companies as 206MBO & 3.517BCF for a one mile lateral.

Economics

Based on the reserve estimates mentioned, one net mineral acre leased at a 1/8th royalty interest should generate \$4,062 USD over the life a one-mile Stack Extension well. Said value is then adjusted up for the 3/16 NRI minerals by 1.23019. This yields \$4,997 per NMA. This value is further multiplied by the ability of Operators to drill and complete no less than 16 one-mile laterals per 640 acre drilling unit in the Meramec and Osage zones. Accounting for the well density per drilling unit and the average NRI that the mineral inventory dictates, a total estimated future net income due to passive Royalty Interest is arrived as follows:

STACK Over-Pressured Production – Meramec, Osage, & Woodford

1 NMA FNI @ 1/8th RI	1 NMA ADJ Factor	1 NMA FNI Adjusted	# Wells per Section	# Net Mineral Acres	Total Royalty Interest Future Net Income
\$4,062.00	1.230190949	\$4,997	8	726.9049720	\$29,058,554

Mineral Investment, Page 1

COUNTY	S	T	R	NET ACRES	OGL CLASS	RI	WELL NAME(S)	DEC INT	OPERATOR
MAJOR	13	20N	14W	32.0000000	HBP	3/16TH	KLIEWER BROS #1	0.009375	RANGE
MAJOR	20	20N	14W	120.0000000	HBP	1/8TH	GARMAN 1-20	0.01171875	OKIE CRUDE
MAJOR	20	20N	14W				RED BLUFF 1-20	0.01171875	WARREN AM
MAJOR	21	20N	14W	350.0000000	HBP	3/16TH	BALDWIN 1-21	0.051269531	CHAPARRAL
MAJOR	21	20N	14W	0.6666670	HBP	3/16TH	BALDWIN 1-21	0.000195313	CHAPARRAL
MAJOR	24	20N	14W	13.3333330	HBP	3/16TH	COMBS 1-24	0.00234375	MAVERICK BROS
MAJOR	24	20N	14W				THOMAS 1-24	INCL ABOVE	CHAPARRAL
MAJOR	24	20N	14W	13.3333330	HBP	3/16TH	COMBS 1-24	0.003125	MAVERICK BROS
MAJOR	24	20N	14W				THOMAS 1-24	INCL ABOVE	CHAPARRAL
MAJOR	24	20N	14W	13.3333330	HBP	3/16TH	COMBS 1-24	0.00234375	MAVERICK BROS
MAJOR	24	20N	14W				THOMAS 1-24	INCL ABOVE	CHAPARRAL
MAJOR	2	20N	15W	100.9050000	HBP	1/8TH	GOULD 1-2	0.001464844	OKLAND OIL CO.
MAJOR	2	20N	15W				MINA 1-2	0.001464844	OKLAND OIL CO.
MAJOR	2	20N	15W				THEODORE 1-2	0.001464844	OKLAND OIL CO.
MAJOR	2	20N	15W				PARKER 1-2	0.001464844	OKLAND OIL CO.
MAJOR	16	20N	15W	79.9999860	HBP	1/8TH	VELMA SHAFFER 1-16	0.002278646	COMANCHE
MAJOR	16	20N	15W				WILSON SHAFFER 16-1	0.002278646	COMANCHE
MAJOR	16	20N	15W						
MAJOR	9	21N	9W	3.3333200	HBP	3/16TH	MUNKRES #2-9	0.0019531	STAR
			TOTAL	726.9049720					

Thank You

Additional data available upon completion of a Confidentiality/Non-Compete Agreement.

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